

11/5/79

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Aaron to The President (3 pp.) re: Kampuchea Relief/enclosed in Hutcheson to Brzezinski 11/5/79	11/3/79	A

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec-Pres. Handwriting File 11/5/79 BOX 155

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Revised:
11/5/79
9:30 a.m.

THE PRESIDENT'S SCHEDULE
Monday - November 5, 1979

NOT ISSUED

7:45 Depart Camp David via Helicopter en route
The White House.

9:15 Meeting with Chairman Henry M. Jackson
(10 min.) and Senators Bennett Johnston, Frank Church,
Mark O. Hatfield and Pete V. Domenici of the
Senate Energy Committee. (Mr. Frank Moore).
The Oval Office.

9:30 Signing of the Gas Rationing Act. (Mr. Frank
(10 min.) Moore) - The Cabinet Room.

11:45 Mr. Martin Luther King, III - The Oval Office.
(10 min.)

12:00 Luncheon with Camp David Families from
Pittsburgh and Martinsburg - Second Floor
Private Dining Room.

1:45 Interview with Mr. Lawrence Spivak.
(15 min.) (Mr. Jody Powell) - The Oval Office.

2:15 Mr. Joe Reed et al. (Ms. Sarah Weddington).
(10 min.) The Cabinet Room.

3:00 Meeting with Senator Alan K. Simpson.
(20 min.) (Mr. Frank Moore) - The Oval Office.

6:30 Cabinet Meeting/Buffer Dinner.
The Blue Room and First Floor Private
Dining Room.

2:15 p.m.

THE WHITE HOUSE
WASHINGTON

November 2, 1979

MEMORANDUM FOR THE PRESIDENT

**Electrostatic Copy Made
for Preservation Purposes**

FROM: LOUIS MARTIN
JAMES FREE

SUBJECT: Meeting with Black Leaders from Alabama
Monday, November 5, 1979, 2:15 p.m., Cabinet Room

I. PURPOSE

To hear concerns of Alabama Black Leaders who are Carter supporters and to be photographed with them.

II. BACKGROUND, PARTICIPANTS AND PRESS

- A. Background: Joe Reed, an early Carter supporter and President of the Alabama Democratic Black Caucus, has requested the meeting with the President to bring other leaders from the State to share their concerns with the President. Mr. Reed has been extremely helpful to the Administration and is quite anxious to mobilize these leaders and their constituencies on the President's behalf. The First Lady met with Joe Reed during her last visit to Alabama.
- B. Participants: Ten Black leaders, including Mayor-Elect Richard Arrington of Birmingham. See attached list of names and titles. White House staff attending will include Louis Martin and Jim Free.
- C. Press: White House Photographers and Press Opportunity
- D. Format: The President will open the meeting by welcoming the group, thanking them for their past support, and inviting them to share their concerns with him. Issues which they are likely to raise and suggested responses are attached.

GROUP CONCERNS

Joe Reed, the group leader, is unhappy over the delay in the nomination of Black Judges in Alabama. He is concerned about the possible merger of Alabama State University (Black) with Auburn State (White). He wants more aid for cities and Urban Blacks -- more Community Development Block Grants from HUD. There is concern over energy problems; poor support for Gasohol; Alabama's share of "windfall profits" tax and rising gasoline prices. Issue of rising housing costs may also be raised.

RESPONSES

- I. The Administration has been responsive to Alabama demands for aid to Black colleges and to requests for economic assistance, including jobs.

Vice President Mondale visited Tuskegee, Alabama on April 8, and met with political leaders. He announced the allocation of a Job Corps Center to Tuskegee Institute which will bring \$5 million benefits to the college. Construction for the Center is to start within a fortnight and enrollees are expected in June of 1980. Last month HUD's College Housing Program gave grants totaling \$3.3 million to Alabama A&M and Tuskegee Institute.

In 1978, the Administration awarded Alabama's historically Black colleges \$35.7 million. That figure will be exceeded in 1979. Ernest Green, Assistant Secretary of Labor, last week in Alabama announced a \$24 million award to the city of Mobile for a Welfare Reform project which will provide money for private sector jobs.

- II. Alabama has received benefits from all the programs of the Administration which help the poor and the disadvantaged.
 1. Farmer's Home Administration rural housing programs have been helpful. Blacks received 40 percent of the loans made in Alabama.
 2. Two U.S. Marshals -- Rufus Lewis and Tyree Richburg
 3. CETA and other job programs (\$85 million in fiscal year 1978).
 4. Free food stamps
 5. More money for Head Start and Education

See attached Minority Report for other talking points.

Participants
in Alabama Black Leaders Meeting

Listed below are the names of participants for the meeting with President Carter on Monday, November 5, at 2:15 p.m.

Richard Arrington
Mayor-Elect of Birmingham

Johnny Ford
Mayor of Tuskegee
Chairman, Alabama Conference of Black Mayors

Earl Hilliard
Chairman, Alabama Legislative Black Caucus

Representative Alvin Holmes
Vice Chairman, Alabama Legislative Black Caucus
Deputy Vice Chairman, Alabama Black Political Caucus

Representative Yvonne Kennedy

Christopher McNair
Former member, Alabama Legislature
Vice Chairman, Alabama Democratic Caucus

Reverend John S. Nettles
State President, Alabama Chapter of the Southern
Christian Leadership Conference

Joe Reed
Chairman, Black Political Caucus
Member, Montgomery City Council
Associate Executive Secretary, Alabama Education
Association

Mrs. Leola Smith
Vice Chairperson, Women Affairs of the Alabama
Black Political Caucus

Charles Woods
President, Alabama State Conference of the NAACP

Office of Louis Martin
The White House

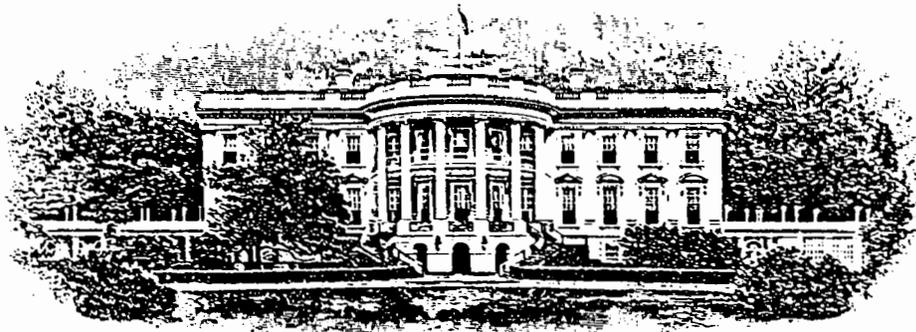
MINORITY REPORT

FACT SHEET 106

August 1979

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- I. THE RECORD**
- II. PENDING LEGISLATION**
- III. APPOINTMENTS UPDATE**



Judgeships in Ala Fred Gray
Eul Clement

Jones is ABA delegate - against A

Ind Energy - stand firm = OMB = WPPT
Oil refinery in Tuskegee

Ammonson Title III
Deleg plans - help black colleges

Deputy registers for
Avg per capita income

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TRANSFER SHEET

Jimmy Carter Library

COLLECTION: Carter Presidential Papers-Staff Offices Acc. No.: 80-1
Office of the Staff Sec., Pres. Handwriting File
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DESCRIPTION:

8x10" black and white glossy of President Carter with former Alabama Legislator Chris McNair

Series: Chron File

Box No.: 155

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Transferred by: Foulk

Date of Transfer: 9/14/90



*Your friends,
Mrs M. B'ham*

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THE WHITE HOUSE
WASHINGTON

November 1, 1979

*Stross
called him
J*

MEMORANDUM FOR THE PRESIDENT

**Electrostatic Copy Made
for Preservation Purposes**

FROM: DAN TATE *Dan*
SUBJECT: Senator Moynihan

This morning I visited with Senator Moynihan for about 30 minutes. I called on him because I understood that he was upset with the failure of my office to notify (much less consult with) him on the appointment of several New Yorkers to Administration positions. That matter was quickly dealt with fairly satisfactorily.

When we met the Senator had just come off the Floor where he had made a statement which I felt was negative on SALT. Later, more experienced SALT hands explained that there was no cause for alarm. In any event, I was concerned enough to tell the Senator that what he had said was of such importance to the outcome of the treaty that you would want to meet with him next week (This was no quirk inasmuch as we had already scheduled him for next week anyhow.) He said he would be delighted to meet with you on SALT and was equally delighted that you would be interested in his views. Subsequently, his staff prepared for me a package of materials which fairly states his views on SALT. I attach some of these materials with the rather bold suggestion that you read them because being prepared for the Senator is important. His intellect is surpassed only by his ego and if you let him know you have read his pieces, he will be flattered beyond description. If you are prepared to argue with him on points in disagreement, he respects you (and I might add, has a tendency to shrivel.)

Obviously, the Senator is dissatisfied that the treaty does not require deep cuts in the arsenals of both sides. He is going to push his amendment calling for such reductions (copy attached) and maintains that he is picking up support from both liberals and conservatives (Metzenbaum, Hatfield, Baker, and Lugar.)

In a somewhat disjointed way, Moynihan made the following points: The US seriously erred in assuming that the USSR believed in the doctrine of "assured destruction" and shared the US view that strategic superiority is unimportant. Moynihan said the Russians know that through superiority, they can continue their adventures in the Third World without fear of our intervention. In short, that superiority is both a military and a political weapon that the USSR uses against us and other countries.

THE WHITE HOUSE

WASHINGTON

05 NOV 79

FOR THE RECORD

FRANK MOORE RECEIVED A COPY
OF THE ATTACHED.

At another point in the conversation, Senator Moynihan suggested that the real purpose of next week's meeting was to allow you an opportunity to ask for his support in the campaign. I told him that was not the case but I surely could not guarantee that subjects other than SALT would not be discussed.

I believe that the Senator brought this matter up for the purpose of sending a clear signal to us that he is disenchanted with us for several reasons. He asked rhetorically, "Why should I support the President?" and then proceeded to list some grievances. Among the items mentioned were our foreign policy which he believes is almost the opposite of his ideas as to what it should be. He was particularly critical of our relations with the Third World which he says have never been worse. As evidence, he cited the recent Havana meeting of the so-called non-aligned nations which resulted in some serious setbacks for our policies (for example, the resolution on Zionism.) He bemoaned our slipping position vis-a-vis the Soviets. Moynihan used as an example the Soviet brigade in Cuba episode and noted that it was the so-called doves who demanded that we make the Soviets remove the brigade (even Cy Vance, the dove, said the situation was "unacceptable.") He asserted that the so-called hawks, such as Jackson and himself, said little because they realized that we could not make the Soviets do anything because they are superior to us militarily.

He said the Administration has for three years appointed people who outright opposed him politically or opposed his views on fundamental issues such as foreign policy and defense. The former was presumably a reference to New Yorkers whom we have appointed to influential domestic positions and the latter a reference to the State Department.

He said he had undergone three stages of thinking toward the Administration: For the first 6 months, he felt we needed time to get our feet on the ground. During the next year, he wrestled with us on the issues, winning some and losing some, but always being loyal. In the last year, however, he has more or less given up on us, and has aired his dissatisfaction more and more.

He said that he has been very disappointed with you for breaking two promises to which he feels he was a party: welfare reform and tuition tax credits.

He dismissed my argument that you rarely, if ever, made decisions on political grounds. The Senator said that while many of our policies were unpopular, they were made on a political basis -- that of the Democratic left, which assured their unpopularity. Somewhat oddly, Moynihan was arguing that you had abandoned the Democratic center in favor of the left -- odd because that is almost the reverse of the charge that the liberals are making.

I understand that shortly after my meeting with Moynihan, Senator Kennedy phoned him and almost in a pro forma way invited him to Kennedy's announcement next week. Apparently, Kennedy did not expect a positive response. Moynihan suggested that he would be interested in talking with Kennedy this afternoon and that meeting will take place in Moynihan's office at 2:00. I frankly do not know the validity of this account -- that is, I do not know whether the Kennedy/Moynihan meeting was set up just yesterday or whether it is another in a series of talks the two have been having. The reason for my suspicion is the fact that I overheard two low-level Moynihan staffers talking about a Moynihan trip to upstate New York this weekend for the purpose of endorsing Kennedy.

I do not know exactly what to make of this situation. I am not sure whether Moynihan is merely flirting with a Kennedy endorsement or whether the die is cast. In any event, the situation is very serious.

Also, I understand from Moynihan's staff that Senator Jackson is privately telling people to support Kennedy. Jackson and Moynihan have practically the same base in New York so Moynihan's people are in a place to know what is happening there. In addition, Moynihan has a poll of Jewish voters in New York -- as you know, this is a decisive bloc of voters there -- showing Kennedy at 62, Brown at 12, and us at 8. This is the backbone of Moynihan political strength (along with the Catholics) so Moynihan might be flirting with the Kennedy candidacy to protect his own political hide.

Moynihan's staff says that Jackson is promoting Kennedy, not because the two agree on policy -- they certainly do not, especially in the areas of defense and foreign policy -- but because of the "unseemly" treatment he has received from us. That may also explain Moynihan's thinking.

I am no expert on New York politics, but I do know that Moynihan is by far the most popular politician in the State. If he comes out for Kennedy, we have been dealt a severe blow both in New York and elsewhere as far as Jewish, Catholic, and conservative Democrats are concerned.

Perhaps the best we can do at this time is to keep Moynihan in a holding pattern. Again, I am not sure that he has made a decision to go with Kennedy, but I do know that we have some serious differences with Pat. ~~If indeed~~ ^{Since} he may be planning to do something this weekend, you should consider calling him. You could say that you received a report from me on our meeting yesterday and you are disturbed. You may want to say you are looking forward to seeing him next week on SALT, but in the interim you wanted to discuss with him his disaffection with you and the policies of your Administration. You could feel him out regarding his intentions in the campaign. He should be forthcoming.

THE WHITE HOUSE
WASHINGTON

11/5/79

FOR THE RECORD

JODY POWELL RECEIVED A COPY
OF THE ATTACHED.

Let Judy
approve
J

The following was dictated by the Attorney General's office;
STATEMENT FOR PRESIDENT CARTER RE DEATHS IN ANTI-KLAN PROTEST

Like all human beings, I regret violence in any context and sympathize with the sudden deaths involved in this incident.

Like all Americans, I abhor organizations, ~~whether on the left or right~~, that seek to draw their fragile and ill-directed support from bigotry and prejudice.

This Administration stands, as it has demonstrated on numerous occasions, for the widest possible range of free speech and free expression within the law. But people have no right to advance their beliefs by acts of violence.

I have directed the Attorney General to cooperate fully with local officials, and I have instructed the Department of Justice to pursue its own investigation under federal law.

On Saturday the Justice Department began its investigation into this incident for possible violations of the Civil Rights law. The Federal Bureau of Investigation already has more than two dozen agents on the scene.

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THE WHITE HOUSE
WASHINGTON

11/5/79

Jerry Rafshoon

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

Rick Hutcheson

CONFIDENTIAL ATTACHMENT

THE WHITE HOUSE
WASHINGTONcc Lapskoon
←

November 2, 1979

JC

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MEMORANDUM FOR THE VICE PRESIDENT

FROM: LLOYD N. CUTLER

SUBJECT: Oldaker Resignation From FEC

After receiving your message I talked to Chairman Tiernan's Executive Assistant and later to the Chairman himself, who is in California. He told me that the Commission itself is concerned about the problem and has received the following assurances:

- a) Oldaker will abide by the Federal Conflict of Interest statutes, including the post-employment restrictions imposed by the Ethics in Government Act of 1978. This means he cannot advise the Kennedy campaign or act as its attorney or agent on any matter which was under his official responsibility or in which he participated personally and substantially at the Commission. The one year bar on contact with the FEC will also apply; for one year he cannot act as attorney or agent for, or otherwise represent, anyone other than the United States in any formal or informal appearance before the FEC, or make any oral or written communication to the FEC on behalf of anyone other than the United States. Nonetheless, he can still serve as in-house counsel to the Kennedy campaign.
- b) He will abide by the D.C. Code of Ethics which contains even broader prohibitions on conflict of interest and the use or disclosure of information gained as Counsel to the Commission.
- c) He will furnish to the Commission a list of all memoranda, documents, etc., in Commission files he proposes to copy and take with him, and will obtain the Commission's approval before taking any such papers.

Chairman Tiernan said he would be in further touch with us after the Commission has received Oldaker's list and grants any consents that may be appropriate.

As an illustration of the Commission's own concern, the Chairman said that Oldaker had proposed remaining an additional week to finish Commission business, but that the Commission decided it would be more appropriate for him to resign effective last Wednesday, October 31, 1979.

Lnc

cc: The President

THE WHITE HOUSE
WASHINGTON

11/5/79

Stu Eizenstat

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

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

November 5, 1979

*Stu -
Very good
J*

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

SUBJECT: Anthony Lewis column

You asked that I respond to Tony Lewis' articles criticizing your energy program. Attached is my letter to the editor that the Times published as its lead letter on Sunday.

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Letters

President Carter's All-Out Energy Effort

To the Editor:

In his Oct. 25 column, Anthony Lewis said that the program proposed by President Carter to reduce American dependence on imported oil would "add up to nothing of consequence." Mr. Lewis has greatly misunderstood — and grossly underestimated — the proposals made by the President last July, now close to enactment by the Congress, and the actions he has taken together with the Congress since 1977.

Mr. Lewis correctly points out that conservation is our cheapest and fastest means of reducing our dependence on imported oil and that it should be viewed as an alternative source of supply. The Administration could not agree more. However, he is mistaken on two fundamental points.

First, he fails to recognize the President's own actions in the conservation area. In his April 1977 energy message and in the July 16 energy program, large-scale conservation measures were proposed to tap this alternative source in each of its facets. In November 1978, the President signed into the law the following new conservation measures:

- A 15 percent tax credit for up to \$2,000 of home energy conservation investment and a 20 percent tax credit (up to \$10,000) for similar investments in solar energy.
- A 10 percent business tax credit for industrial investment in conservation and other alternatives to oil.
- A requirement that utilities offer homeowners audits to find where energy efficiency can be improved.

A Debt to Smokers

To the Editor:

Recent news stories told us that:

- Thirty-three percent of all Americans smoke.
- An actuarial study by State Mutual Assurance Company concluded that a healthy, non-smoking 32-year-old man can expect to live 7.3 years longer than a healthy, smoking 32-year-old man.

If we assume that smoking is only half as hazardous at other ages and to women, we need merely multiply 220 million by one-third by 7.3 by one-half to come up with the number of years that smoking is taking from the ends of the lives of Americans who are living now: 267.6 million.

During most of these lost years, say 80 percent of them, the victims could have drawn Social Security and other Government benefits.

If we can estimate Social Security, Medicaid and possibly food stamps and related costs at a conservative \$5,000 per year per person, we come up with a 1979 figure of \$1.07 trillion. That amount, so vast that it is hard to com-

prehend, is the money smokers are saving non-smoking taxpayers.

The dissembling miscreants at the Tobacco Institute should use this argument in their lobbying for Government subsidies, advertising media access, etc. It's the only case that can be made for smoking.

• Stiff taxes, beginning this year, on new gas-guzzling automobiles and tougher penalties for automakers who fail to achieve the mandatory fuel-economy standards.

• Authority to establish mandatory efficiency standards for major home appliances.

• A requirement that state public utility commissions consider 11 specific standards designed to eliminate electricity rates that encourage waste.

• A \$900 million program to weatherize schools and hospitals.

The President had asked for even more far-reaching conservation measures (such as a standby gasoline tax and an oil and gas users tax) but Congress was unwilling to go further at that time. This year, beginning with the President's announcement to price crude oil realistically by phasing out price controls on domestically produced crude oil — itself a major conservation program — the conservation impetus has increased greatly.

Congress is nearing final passage of measures proposed by the President in July which would:

- Provide \$6 billion over 10 years to subsidize interest rates on homeowner loans for conservation investments.
- Expand coverage of utility audits and require that they be offered free.
- Expand the existing solar tax credits to include new homes which are specifically designed to take advantage of the power of the sun.
- Establish a national solar and conservation bank to help homeowners make energy-saving investments.

• Nearly triple the level of Federal funds invested in public transit — to \$50 billion over the next decade — for buying buses, refurbishing older subway systems and expanding and accelerating construction of rail systems.

To sum up point one, the President has made conservation a prerequisite for sound American energy policy. Good economics as well as the imperative of reducing our dependence on imported oil dictate a strong conservation program. On an annual spending basis, his program for conservation exceeds the investment we have proposed for synthetic alternatives.

Mr. Lewis's second mistake is this: believing that conservation can do the entire job.

Even the most efficient car will need fuel. We hope to cut energy requirements in our homes and industries by as much as half, but we will still need natural gas, oil, electricity and coal. To reach the President's overall goal of a 50 percent import reduction by 1990, we must tap our rich supplies of coal (Mr. Lewis ignores the views of the President's Coal Commission by giving a pessimistic view of our coal potential), hard-to-find natural gas, oil shale and renewable resources.

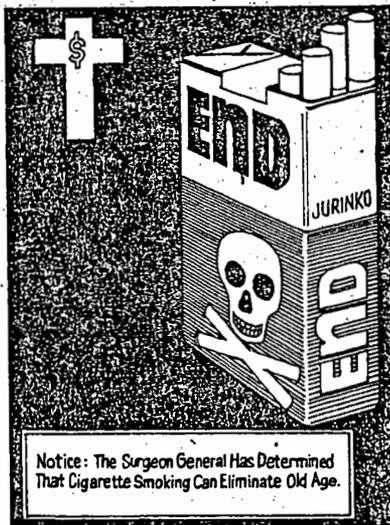
That is why the President has sought to establish an Energy Security Corporation, funded by the windfall profit tax, to help industry take the risks associated with developing synthetic-fuel alternatives. Contrary to Mr. Lewis's assertion, there are experts who believe that the President's goals on synthetic fuels are achievable.

The unfavorable outlook for domestic crude oil production explains why the President has proposed halving the volume of oil our utilities now burn and why he has decontrolled our heavy crude oil and unconventional gas reserves. It is also the rationale for empowering an Energy Mobilization Board to speed up decision-making for new energy facilities, and for establishing a National Solar Bank.

A policy which ignores the need to develop our unconventional natural gas resources, or find better ways to burn coal directly and to turn it into more compatible fuel forms, or stimulate renewable resources such as biomass, the sun, windpower and gasohol, or explore our vast oil shale reserves, is a policy which fails to utilize all of our resources for the future.

Our ability to fight inflation and bring our economy back into a healthy balance is jeopardized unless we cut our cord of dependence on imported oil. The President's all-out effort, which invests in all of America's potential supplies — from conservation to alternative fuels — is the only course to a secure energy future.

STUART E. EIZENSTAT
Assistant to the President
for Domestic Affairs and Policy
Washington, Nov. 1, 1979



Notice: The Surgeon General Has Determined That Cigarette Smoking Can Eliminate Old Age.

Richard A. Ahern, Forest Hills, N. Y., Oct. 23, 1979

THE WHITE HOUSE
WASHINGTON

11/5/79

Frank Moore

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

Rick Hutcheson

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

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

November 3, 1979

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Weekly Legislative Report

**Electrostatic Copy Made
for Preservation Purposes**

I. DOMESTIC POLICY ISSUES

1. Energy

Windfall Profits Tax

The Senate Finance Committee filed its report on the windfall profits tax with the Senate Thursday.

Because the Energy Security Corporation is scheduled for Senate consideration next week, it will be November 13 at the earliest before the windfall bill will reach the floor.

The Committee report will include additional views by a number of different members including our core supporters Ribicoff, Nelson, Bradley and Moynihan. They will offer four key amendments:

- (1) Increasing tier two tax rate to 75%
- (2) Eliminating independent stripper exemption
- (3) Eliminating phaseout of tax
- (4) 20% minimum tax on exempt categories

Other amendments to totally knock out the major exemptions are also expected.

A target group of Senators (approximately 45) will be intensively lobbied this week. A White House briefing for all Senate windfall tax staffers is also planned this week.

Energy Mobilization Board

As you know the EMB passed the House 299 to 107. The Dingell version as amended by Santini was adopted. The Eckhardt amendment, which would have prohibited the possible waiver of federal law, failed 153 to 250. The bill is a strong one that leaves our advocates in a good conference position. We can expect a relatively short conference.

Energy Security Corporation

On Monday, the Senate will begin consideration of the ESC/Synfuels bill on the Senate floor. The vote counts are extremely close.

We expect the Energy Committee version of S. 932 to be called up first as the vehicle for floor consideration. Chairman Proxmire will then offer his \$3 billion synfuels proposal as a substitute for the ESC/Synfuels title of Jackson's bill. This will be the key vote. The current count is as follows:

+	L+	?	L-	-
21	22	15	15	27

A number of amendments on conservation, solar and, most importantly, gasohol will follow. All of these will add spending to the bill for someone's favorite energy technology, and some will be hard for Senators to resist.

The Committee has now decided not to accept an amendment to delete GOCO's and GOGO's from the bill. After conversations with the business community, we have decided to withhold Administration support for an amendment deleting GOCO and GOGO authority until the Energy Committee leadership indicates such an amendment is necessary to win.

Low Income Energy Assistance

The conference met Friday but was not concluded because Chairman Yates moved at a leisurely pace in order to defer the issue of low-income assistance until next week.

The House wants to fund this program in the urgent supplemental, rather than in this bill. It also supports transfer of the funds to HEW. Senator Byrd is supporting the Administration on the role of HEW, and he continues to insist that low-income assistance go in the Interior bill. Senators Magnuson and Durkin want a CSA-run program and are opposing Byrd and the House conferees on program structure.

While the outcome of the apparent impasse is impossible to know we are trying to maintain a neutral position on the vehicle question, while making clear our desire for prompt action.

Utility Oil Backout

A series of issue papers from the Department of Energy were circulated for interagency comment this week. Several issues could not be reconciled through this process. Three of them were reviewed by the Executive Committee of the Energy Coordinating Committee on Friday:

1) Target dates -- Consultation with the industry and members of Congress revealed concern that a 50% backout by 1990 might be too inflexible. Under-Secretary Sawhill will again consult with Congress this week prior to the committee's final decision.

2) Grant Levels -- Increase from \$5 billion to \$10 billion using revenues from the WPT. It is possible Congress may push for a higher figure

3) Natural Gas -- Insufficient facts are available to make a decision on this issue. It will be studied further.

DOE will begin drafting a backout bill this week.

2. Second Budget Resolution

The conference on the Second Concurrent Budget Resolution ended Wednesday evening. The conference totals are:

	(\$ in billions)	
	<u>Admin.</u>	<u>Conf.</u>
Receipts.....	513.9	517.8
Outlays.....	<u>547.1</u>	<u>547.6</u>
Deficit.....	-33.2	-29.8
Budget Authority.....	647.1	638.0

For the energy function, the conferees provided \$39.5 billion in BA and \$7.25 billion in outlays. BA is \$3 billion over the House level, which can be interpreted to mean an allowance for ESC around the \$16 to \$17 billion range, enough to accommodate

either the Senate Banking or Energy Committee versions of the program. Outlays will provide for most of our energy initiatives in 1980, but assume that the transportation initiative will be delayed until late FY 1980 or until FY 1981.

The House assumes \$2.4 billion in revenues from windfall profits, while the Senate prefers to dodge the issue of how much in receipts is attributable to the tax. Most of the House conferees supported linkage of energy spending to the windfall profits tax, but most of their Senate counterparts (not Senator Muskie) opposed linkage so they did not include conference report language on the subject.

Defense BA is \$141.2 billion; outlays, \$129.9 billion. BA is essentially at our amended request level, while outlays are \$700 million less -- justified, in part, by cuts made by both the House and Senate Appropriations Committees.

For social programs, the House seemed to prevail in general in increasing the levels above the Senate. We will have a detailed assessment of these functions next week. The assumptions for programs funded in the social functions vary widely between Houses.

The conferees did not reach agreement on the issue of reconciliation. The Senate conferees will include their reconciliation directive in the conference report, and the Senate will presumably pass the resolution with reconciliation intact. In the House, Chairman Giaimo will move to concur in the Senate amendment to the resolution and then to strike reconciliation from it. With reconciliation in, the House stands to gain some Republican support for the resolution, though this may be more than offset by the defection of House Democrats.

If reconciliation is rejected by the House and the resolution is passed, the Senate conferees will have to choose between dropping reconciliation from the resolution and convening another conference, either of which may further undermine the congressional budget process.

The Senate is likely to act on Wednesday, the House not before Thursday.

3. Appropriations

Schedule

Monday

Senate Appropriations Military
Construction Subcommittee markup

Wednesday

Conference on the Interior appropriations bill continues

Conference on the Foreign Operations appropriations bill is expected to resume next week. Senate floor action on Defense appropriations is also possible.

Transportation

Thursday, the Senate passed the Transportation appropriations bill by a vote of 71 to 26. Senator Muskie voted against the bill because its outlays exceeded amounts assumed in the Second Budget Resolution conference report.

From our budget standpoint, the Senate bill is an improvement over the more costly House version. We support the Senate's decision to limit Federal-aid highway obligations to \$8.5 billion, which is \$500 million below the House level. Nevertheless, we continue to oppose a variety of increases in the Senate version.

DOT is drafting a detailed letter to the conferees. We hope to pick the best features from the House and Senate bills to obtain an acceptable piece of legislation.

4. Hospital Cost Containmentment

House Rules Committee action is scheduled for Wednesday with floor action likely next week. In Rules we still have some uncertainty but with Bolling's help we expect to get sufficient votes for a modified closed rule.

The picture in the full House is improving somewhat as we escalate our efforts. (The Cabinet made calls last week.) The stated positions of the 405 members contacted are:

+	L+	U	L-	-
115	50	50	65	125

This week the Vice President will meet with twenty Members who have endorsed your re-election but are undecided or leaning against cost containment. We will also hold a large briefing for Members with Stu, Fred Kahn and Charlie Schultze. It may also be necessary to arrange a small meeting or two between Members and you. We will also ask you to make some phone calls.

5. Alaska Lands

On Tuesday, the Senate Committee voted 17-1 to report the Alaska Lands Bill (S.9). Senator Tsongas, who has led the effort to strengthen the bill in committee, cast the lone dissenting vote. The bill reported by the Committee is substantially weaker than the House bill.

Prospects for floor consideration this session depend almost entirely on the attitude of Senator Gravel. While Gravel has been uncompromising to date, he is under increasingly heavy pressure from Alaska to permit prompt floor consideration.

6. Economic Development

Floor action in the House is expected this week. The House Banking and the Public Works Committees have resolved their differences. We still object to a \$2 billion standby counter-cyclical measure and the lack of a targeting formula for funds. We will press members to taper these provisions towards our position.

The EDA bill is on the "must finish" list for this session. Speedy movement is essential if the program is to be in operation by 1980.

7. Endangered Species

Conferees have not yet been appointed, although staff discussions between the House and Senate are taking place. The largest issue that will concern the Administration is the transfer of the scientific authority into the Fish and Wildlife Bureau. While it's unlikely we will be able to undo this amendment, we will make efforts to strengthen the independence of the scientific authority within the Department of the Interior. Our success will depend on the willingness of the Senate conferees to fight on this issue.

8. Trucking

Senate Commerce is now moving to mark-up a truck safety bill, perhaps as early as November 6. We expect the bill to be a combination of Senator Percy's truck safety bill and the safety provisions of the Administration bill. We should be able to support it.

We had originally urged the Committee to keep the safety issue tied to economic reform legislation but the decision to separate the two issues may turn out to be helpful. Passage of the safety legislation should help neutralize the argument that economic reform will diminish safety.

Joint House-Senate Committee hearings on trucking deregulation are scheduled later this month in Chicago and San Francisco.

Both committees are expected to defer marking up bills until next February. WHCL is going to become increasingly involved in an effort to accelerate these schedules.

9. Welfare Reform

Scheduled for House floor action on Wednesday, the only amendment in order will be a Jeffords amendment to permit people over 65 and living alone to receive cash instead of food stamps. Prospects for passage are good.

10. Fair Housing

The House Judiciary Committee has scheduled markup of the Fair Housing Amendments Act for Thursday. The Sensenbrenner Amendment to strike the administrative process is still expected to be offered. Discussions of a compromise to retain the administrative process are underway.

11. Sugar

A tentative agreement has been reached between the Department of Agriculture and Congressional leadership to promote the ratification of the International Sugar Agreement. The Hill leadership is asking for the commitment from the Administration to maintain the sugar support price at today's level or 15.8 cents. If the current goodwill continues the sugar matter could be behind us within a matter of weeks.

II. FOREIGN POLICY ISSUES

1. SALT II

No troublesome amendments were adopted during last week's markup. Next week Senator Glenn intends to seek a category 3 vote on the Backfire Bomber which, if passed, would cause serious problems for the Treaty. Though the amendment probably will be defeated in committee, we might have more difficulty with it on the floor. (Lloyd Cutler is sending you additional details).

Thursday the Committee adopted by a vote of 13 to 0 a McGovern-Pell-Chafee understanding setting forth guidelines for SALT III. McGovern had originally proposed requirements for specific percentage reductions, but dropped these for softer language urging mutually agreed year-by-year reductions. Senator Moynihan will seek stronger language on the floor.

Senator Church's Cuba understanding, which calls on you to certify that Soviet troops in Cuba are not engaged in combat preparation activities, also passed 11-2. The Committee hopes to begin consideration of the Resolution of Ratification Wednesday incorporating the understandings already adopted. At that time any Member may ask for reconsideration of items already agreed to, but on a "tentative" basis. Church expressed the hope that the Committee could take a final vote the same day. If this schedule holds the Resolution and the accompanying report probably would be ready for transmittal to the full Senate the following week.

Majority Leader Byrd is still aiming for a December 1 commencement of the floor debate, with a vote by Christmas. No time agreement has been reached, and, hence, no decision has been made on live TV coverage of the debate. (Byrd is holding this prospect out in exchange for a time agreement.)

With the possible exception of an executive session with Senators Bayh and Goldwater on their SALT monitoring report, the Senate Armed Services Committee apparently has completed its hearings. No decision has been made as to whether that Committee will issue more than a summary report. We understand that the minority staff of the Committee has drafted a report which they are now circulating, hoping it will be adopted by a majority as the Committee report.

There is a possibility that opponents will push for a Committee resolution stating that the Treaty should be returned to you. They will argue that such an approach would not violate the jurisdictional province of Foreign Relations. Such a resolution could be held "at the desk" and brought up for a vote of the full Senate whenever appropriate. We understand that Stennis is now working behind the scenes to determine where his Members stand and to urge them to wait for the floor debate before taking a position on this question.

FYI -- Senator Nunn's latest "demand speech" calling on spending "in the range of 5% or more" is leading the press to believe that he is not yet satisfied with our defense plans. He is difficult to read.

2. Foreign Aid Appropriations Bill Conference

House-Senate Conferees on the Foreign Aid Appropriations Bill adjourned in disagreement Thursday evening after settling the issue of indirect restrictions on U.S. contributions to the multilateral development banks.

The Conferees agreed to drop all the indirect aid restrictions in exchange for a letter from World Bank President McNamara assuring the Congress that the World Bank will not provide loans to Vietnam in U.S. fiscal year 1980, and an Obey amendment cutting \$20 million from IDA IV. (Your call to Whitten was very helpful, thanks!).

The Conferees also agreed to language which would ban military aid to Panama but allow economic assistance.

The Conference broke up leaving several unresolved issues. Members were unable to agree on World Bank funding levels; funding for the Institute for Scientific and Technological Cooperation (ISTC); language softening the Garn Amendment which restricts U.S. voluntary contributions to the United Nations programs which provide assistance to the PLO, SWAPO, and other national liberation movements; Eximbank funding levels; and funding levels for bilateral economic programs and the emergency refugee and migration fund.

The Conference will meet again on Wednesday in an attempt to resolve the outstanding issues. Both Houses are entrenched on several items and it will take some major compromising to break the deadlock -- a flexibility that neither side has demonstrated up to this point.

House Conferees are insisting on a maximum of \$308 million in funding for the World Bank. The Senate has come down from \$825 million to \$650 million but the House refuses to budge from its figure. Both sides have said they are willing to take the issue back to the respective Houses in disagreement.

Similarly, the Senate has refused a compromise funding level for ISTC and will not recede from its practice of disapproving specific bilateral aid projects -- a practice the House objects to vehemently. The entire bilateral aid program is ensnarled in this disagreement. It may take several days this week to resolve these issues.

3. Indochina

Congress moved swiftly last week to complete action on the Administration's relief programs for Indochina and Cambodia. The Senate passed the authorization for our emergency Indochinese refugee program (\$207 million) and for Cambodian relief (\$30 million). The funds for Cambodia were added by an amendment offered by Senators Danforth, Sasser, and Baucus at your request. Senators Kennedy and Tsongas threatened to increase the funds by another \$30 million but dropped the idea, we believe, fearing a floor debate on Dick Clark's resignation. McGovern added, however, an amendment giving us an additional \$30 million in transfer authority from existing AID accounts if needed. The House-Senate Foreign Aid Conference appropriated money to cover both authorizations.

The ball has thus been passed back to us to utilize this money promptly and efficiently. Pressure is mounting on us to do still more. Congressional groups have begun calling for greater U.S. involvement in Cambodia. Senator Pell has suggested a landing of Marines if an air drop of relief supplies is not feasible and some House members want us to organize a joint U.S.-Soviet airlift. In addition, Elizabeth Holtzman has conceived the idea of a woman's march into Cambodia. However impractical these ideas may turn out to be, they point up the growing impatience and frustration of the Congress with what is occurring in Cambodia.

4. Morocco Arms Sales Decision

SFRC support for your decision to provide Morocco with the OV-10 and other systems is building. Senator Stone has told the State Department that he has been successful in his effort to persuade Church, Percy and Sarbanes to support his decision. The vote count now stands at either 10-5 or 9-6 in our favor. McGovern may nevertheless introduce a resolution of disapproval.

Solarz is still in the forefront of those in the HFAC who oppose the sale. He has sent fellow committee members a "Dear Colleague" letter together with a copy of his letter to you. He has asked his staff to look into holding a hearing, but there has been no formal request yet.

We must sort out when and how we will involve the Congress further in this decision.

5. Central America Supplemental

We believe that the authorizing and appropriations committees in both Houses will support our request for a Central America supplemental, provided there is sufficient room in the foreign affairs category of the congressional budget. As soon as our request goes up, we will press for fast hearings. Unfortunately, the long delay in getting the request to the Hill is making it difficult to persuade Members of the urgency of early passage.

We will not know the extent of our budget problem until the appropriations conference has been completed. On the substance of the bill, Reps. Charles Wilson (D-Tex.), Henry Hyde and others have been pressing us to include assistance for Guatemala and more for El Salvador, at the expense of Nicaragua. There are also indications that Rep. Robert Bauman may be preparing to lead the House opposition to the request. Bauman asked to be included in a congressional visit to Nicaragua November 16-19, but trip leader Dante Fascell told Bauman that he was keeping the group small and giving preference to Foreign Affairs and Appropriations Committee members.

6. Defense FY 80 Appropriations

The Senate Appropriations Committee filed its report Thursday after a delay caused by disagreement over missile frigate construction. Deputy Secretary Claytor and Ed Hidalgo met with Senators Magnuson, Stennis, and Jackson to discuss the language directing that the construction of six frigates be equally distributed among three shipyards. An agreement was reached that three will be constructed at Bath, Maine and the other three on the West Coast in Todd shipyards, with two at Seattle. Senate floor action is expected this week to be closely followed by a Conference. We are concerned that a Conference agreement and subsequent floor action may not be completed before November 16 (when the House goes out for Thanksgiving) thus requiring another continuing resolution.

III. MISCELLANEOUS

Hill Visitation Project

We are making progress. In the three weeks since our meeting with you, we have completed 80 visits. You have already signed several followup letters.

Members' comments thus far can be summarized as follows:

1. Without fail, but with varying degrees of intensity, all of them have discussed your re-election effort, and the political scene in general.

2. The second largest category of comments deals with agency-related projects or casework. Within this broad area, the most frequently mentioned single item is the UDAG program and the Members' interests in specific projects.

3. Scheduling requests involving your time or the Vice President's time rank third in frequency.

4. Problems relating to the census receive a fair amount of attention.

5. Policy/legislative matters were mentioned by a few Members.

I suggest that you mention this project to the Cabinet at its next meeting, urging the Secretaries to offer assistance to my staff in every way possible.

THE WHITE HOUSE
WASHINGTON

11/5/79

Frank Moore

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

Rick Hutcheson

cc: Ev Small

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

November 1, 1979

*Frank - Do it
my way. - J
Can add a P.S.
to personalize*

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE *F.M.*

SUBJECT: TRIP LETTERS

Last week you sent me a note saying that you prefer to have your trip "thank you" letters prepared in advance. While I fully agree with you about the need to send these letters in a timely manner, I would like to make the case for doing them immediately after the trip, rather than before.

We are attempting to draft Presidential letters to Members which are both more personal and less routine than they have been in the past. It is very difficult to prepare these letters in advance of the event, and expect them to sound warm and personalized.

In writing the letters after the visit, we have the benefit of having had one of my staff members along who can frequently incorporate important information into the letter, refer to remarks you made in a speech, make note of something special which occurred, or comment on a spontaneous exchange which took place between you and some Member.

With an increase in the number of trips you are making, we don't want to get into the position of losing the value of Presidential letters by having the letters say essentially the same thing every time.

In the past, the Advance team has written these thank-you's, but we recently worked out a system whereby my staff would do them since we are more familiar with the Members and are in a better position to assess what you might say to them in a letter. If you would allow us to write these letters immediately after a trip, I think we would have more opportunities to score points with Members.

APPROVE _____

DISAPPROVE _____

THE WHITE HOUSE
WASHINGTON

~~SUSAN:~~

FYI

THIS IS DONE.

EVAN DOBELLE CALLED HIM - HE
WILL HELP WITH DECEMBER NY
FUNDRAISER.

RICK

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

10-24

Ham

Mr Kramer wants
to help with money
& influence. Have
Ed or someone
call him - soon.

J

ch e # & votes

KRAMER, DILLOF, TESSEL, DUFFY & MOORE
COUNSELORS AT LAW
233 BROADWAY
NEW YORK, N. Y. 10007

CHARLES KRAMER

(212) 287-4177

THE WHITE HOUSE
WASHINGTON

11/5/79

Jack Watson

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

Rick Hutcheson

cc: Phil Wise

THE WHITE HOUSE

WASHINGTON

November 1, 1979

C

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*

SUBJECT: Attendance at Cabinet Meetings

Gus Speth, Chairman of CEQ, has requested that he be allowed to attend Cabinet meetings for the following reasons:

- he holds a Senate confirmed, Level II position;
- CEQ is in the Executive Office of the President, and CEA is allowed to attend for that reason;
- he could do a better job if he were more familiar with the issues and the other Cabinet officials.

APPROVE _____ ✓ _____

DISAPPROVE _____

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

November 5, 1979

Electrostatic Copy Made
for Preservation Purposes

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Domestic Policy Staff Status Report

ENERGY

Solar Bank - Residential Conservation: The House Banking Committee has reported legislation combining your major proposals in the areas of solar energy and residential conservation in a proposed "Solar Energy and Energy Conservation Bank." The House Leadership has been instrumental in ironing out jurisdictional and policy disputes and advancing the Administration's package. Next week the Senate will take up the Senate Energy Committee's Synfuels Bill, which contains solar and conservation provisions which vary somewhat from your proposals. The Energy Committee added to your proposed interest subsidy for conservation loans a separate matching grant program for low income persons. We expect the grant program, which was sponsored by Senators Durkin and Kennedy, to be approved by the Senate. However, the House Leadership and Lud Ashley are known to be unsympathetic to it, and are expected to seek to delete it in conference.

Weatherization: Senator Nelson conducted hearings on the weatherization program this week. He has a bill to transfer the program back to CSA. He and Senator Riegle were extremely critical of the performance of DOE's administration of the program. DOE and DOL witnesses outlined the steps we are taking to attempt to get the program back on track.

Energy Mobilization Board: Along with Congressional Liaison and the Department of Energy we are developing a strategy for the conference.

TAX POLICY

Carryover Basis: Over strong Administration objections, the Finance Committee added a provision repealing carryover basis to the windfall profits tax bill. This repeal provision will not be deleted on the Senate floor and accordingly will go to conference. However, there is no repeal provision in the House version of the bill. Our objective will be to delete the repeal provision in conference. Secretary Miller will shortly be sending a forceful letter on this subject to the Speaker and Chairman Ullman. The Secretary will also be recommending (I concur) that you make several phone calls before the conference convenes.

TERRITORIES

Territories Policy: A draft interagency report was circulated for final agency comments and territorial expression of option preference November 1. The final report should be submitted November 26 which should allow for decisions to be factored into the FY '81 budget. Territorial reaction to committee reports to the interagency group evidenced strong criticism of Interior's role as liaison with the territories. This mirrors congressional criticism. They expressed concern about elements of the existing Federal-territorial relationship which are perceived as inhibiting economic development and our goal of greater territorial self-sufficiency.

Puerto Rico Submerged Lands: Justice is unpersuaded by the island's latest claim to title to submerged lands three marine leagues from their coast. Interior is to report to us today on their evaluation of the most recent presentation by Governor Romero and Congressman Corrada. As you are aware, Geological Survey reports of potential oil and gas deposits have made this Puerto Rico's priority issue but the claims of Gulf Coast states to similar boundaries makes this politically sensitive. Jackson has promised Romero that he will introduce legislation recognizing the island's claim to the three marine league boundary. A decision memo will follow receipt of the Interior report.

Jones Act Extension: In conjunction with Lloyd Cutler's office we are discussing methods of extending the law requiring the shipment of cargo between U.S. ports in U.S. flag vessels to the Virgin Islands for oil and oil products alone. The territory's exemption from the statute despite the location there of the free world's largest oil refinery (Amerada-Hess) has made this a concern of the maritime unions. Since the refinery is a major supplier of the Northeastern market (including heating oil), ramifications include possible tightening of supply and increase in costs unless the additional cost to Hess was mitigated by another action, although Hess has pledged to maintain the maximum level of production. We are exploring this with the Virgin Islands whose own negotiations with Hess on the company's tax holiday are contingent upon our action. No extension move is contemplated until next Spring.

GENERAL GOVERNMENT

Regulatory Reform Legislation: We are working with Senator Culver's staff to improve their redraft of the regulatory reform legislation for use in the mark-up they plan for later this month. Jim McIntyre persuaded Congressman Danielson to start House hearings next week.

Trucking Deregulation: The opponents of deregulation launched their first attack last week, with an effort to use the ICC's appropriation bill to stop all ICC action on regulatory reform. This was beaten back to report language that confirms what Sen. Cannon has told the ICC -- that they can go ahead with pending cases but should not put any major rule changes into effect while Congress is actively considering a bill. Cannon and his House counterparts pledged last week to have a trucking bill on your desk by June 1, but they have not indicated what it will do. Of course, the truckers want a bill that freezes the status quo, not one that reforms regulation.

Rail Deregulation: The Senate Commerce Committee released a draft rail deregulation bill. It falls short of our major deregulation proposals, but still proposes significant change. Controversial issues are how to handle joint rates shared by connecting rail companies, protection for "captive shippers" with no other adequate means of transportation, and phasing out of general rate increases for all lines. We will work with DOT and Senate staff. House hearings continue.

Radio Deregulation: Justice, Commerce, COWPS, and CEA all plan to file comments in significant FCC proceeding to deregulate the radio industry. We are coordinating their efforts.

Sunset: A new approach to sunset has surfaced in the relevant House and Senate committees. In the first session of each Congress, a concurrent resolution would list the programs to be subjected to "sunset" review. The committees would then be required to report legislation on these programs in time for action during the second session. This scheme is far less constructive than the original sunset bill because it does not force an overhaul of all Federal programs; it allows committees to avoid acting on sacred cows. However, it would force more visible and conscious decision-making about legislative priorities than at present, and the House version would cover tax expenditures as well as spending programs, which is desirable.

Lobby Reform: The House Judiciary Committee reported a bill which we will try and have strengthened on the House floor. Senate hearings are complete.

Pan Am-National Merger: We are working with OMB to expedite processing of this case, now here for review of the CAB's decision.

Judicial Discipline: A bill providing a mechanism to discipline judges short of impeachment passed the Senate. We are working with Justice on possible changes to suggest to House committee.

Judicial Reform Initiative: The Federal Courts Improvement Act you proposed creating a new Federal Court of Appeals and other important judicial administrative changes passed the Senate, but with the unacceptable Bumpers' amendment. We are working with Justice on House strategy.

DRUG ABUSE POLICY

Drug Paraphernalia: At our request, the Justice Department has prepared a Model Drug Paraphernalia Act, aimed at helping state and local jurisdictions cope with the expanding paraphernalia industry. The existence of "head shops" and drug paraphernalia in record and grocery stores sends a message, particularly to young people, that illicit drug use is acceptable and somehow condoned by American society. Our model act has received a good deal of favorable press.

Drug Law Enforcement: The General Accounting Office has released a report acknowledging some success in our drug law enforcement efforts during the past ten years, but focuses on the continuing enormous supply of and demand for drugs. Senator DeConcini will sponsor a series of hearings on our anti-drug enforcement efforts and is proposing a Senate Select Committee on Narcotics Abuse and Control (similar to Lester Wolff's Select Committee in the House).

BANKING AND FINANCE

Small Savers Reform: This week the Senate approved legislation incorporating all the major elements of your message seeking the phaseout of Regulation Q. The House has approved a narrower bill which provides for interest-bearing checking accounts but does not address Regulation Q. We have a reasonable chance of enacting the basic elements of your reform package.

Federal Reserve Membership: The Fed's new reserve requirements on certain bank liabilities increased the need for legislation to halt the exodus of banks from the Federal Reserve System. The House has approved a bill, but the outlook is uncertain.

McFadden Act Study: By November 15 you will have our recommendations on the Administration's study on geographic restraints on bank branching, which we will submit to Congress late this month.

HOUSING AND COMMUNITY DEVELOPMENT

Housing Outlook: Housing starts are expected to drop to 1.1 - 1.3 million units on an annualized basis during the second quarter of 1980. We are working with Treasury, OMB, CEA and HUD to prepare contingency options.

HUMAN RESOURCES

National Health Plan: Senate Finance has resumed mark-up, initially on the employee mandate part of a plan.

Hospital Cost Containment: Intensive lobbying and outreach efforts are continuing, with a vote on the House floor expected during the week of November 12.

Mental Health Reform Act: The Health Subcommittee of Senate Human Resources has marked-up the bill, with most of the Administration's recommended innovative features intact.

Action: The Conferees approved a final version of the agency's reauthorization bill. Most of the objectionable amendments, added on the House floor, have been removed or watered down. There remains the possibility that Rep. Kramer, who engineered most of those floor amendments, might disapprove of the Conference Report and through parliamentary tactics, defeat the bill on the floor.

Refugees: Amb. Clark's departure has left our comprehensive bill without its chief lobbyist. The House Judiciary Committee completed marking up the bill in mid-September but a jurisdictional dispute between Subcommittee Chairmen Holtzman of Judiciary and Fascell of International Relations has halted progress indefinitely. Through the reprogramming of funds, HEW has come up with a modest package of emergency funds for impacted schools, like California, but until we can get our bill passed, we cannot do much to relieve localities from their increasing refugee burdens.

Youth Employment: Proposals from HEW, DOL and other agencies have been received by the Vice President's Task Force. DPS and OMB are in the process of putting these in final shape for your consideration. The recommendations from the agencies closely parallel those recommendations presented to you last Thursday by Eli Ginsberg's National Commission on Employment Policy.

Welfare Reform: The House voted Thursday 202-180 to sustain a closed rule on the welfare reform proposals. Vote on final passage will be Wednesday, November 7. We are hopeful that the bill will be passed. If passed, it will be the first major welfare reform legislation to pass the House in nearly a decade. Chairman Hawkins' subcommittee held hearings on the jobs half of welfare reform last week.

URBAN POLICY

Counter-cyclical Legislation: The Administration's proposal passed the Senate in mid-summer. We are working with the House Subcommittee (Congressman L. H. Fountain, Chairman) and full Committee (Congressman Jack Brooks) to get a mark-up scheduled before the House goes into pro-forma sessions. If we can get a markup scheduled, we probably have the votes to pass a bill. We may need your help to place pressure on Brooks and Fountain.

EDA Legislation: The Administration's EDA legislation, including our Development Bank proposal, passed the Senate by 83-17. A rule was obtained from the House Rules Committee on Thursday. We expect the bill to be considered by the full House next week. If we can get a quick Conference, we may be able to attach the EDA appropriations bill to the Continuing Resolution. This would allow us to implement this major initiative before the end of this year.

The House bill contains two objectionable provisions. The House eligibility criteria makes almost 90 percent of the country eligible for economic development aid. The Senate bill includes the Administration's proposals to tighten eligibility. We will work in Conference to sustain the Senate view.

The House bill also contains a stand-by, counter-cyclical public works program. The program would authorize \$2 billion of public works, whenever the national unemployment rate exceeds 6.5 percent. We will work with the Senate conferees to get this provision eliminated. If the Senate conferees aren't willing to eliminate this provision, we may want to consider improving it by raising the unemployment trigger and improving the targeting of the program.

General Revenue Sharing: Treasury and we have been consulting with the Congress and State and local officials on various options for GRS renewal, including more targeting to needy localities and elimination or modification of the State role. As expected, we are finding substantial sentiment for a simple extension of the program. The consultations suggest that elimination of the State role is not supported on the Hill, although some modifications probably could be accomplished. Increased targeting in the local share also will be difficult. We will provide a policy memorandum to you shortly.

Community Development Block Grants: We are working with HUD and Congress on our proposal to extend the Community Development Block Grant Program. We expect that there will be a major effort on the part of Southern and Western interests to reverse the increased targeting that we proposed and was enacted in 1977. We are trying to defuse their opposition before it gets off the ground.

OTHER ISSUES

Chrysler: Our Chrysler proposal has been applauded by the UAW, Coleman Young, the Michigan delegation and other supporters of Chrysler. We have asked Treasury to develop a strategy for dealing with editorial boards on this issue, most of whom probably will be negative. Secretary Miller will testify next Wednesday before the House, and we expect a bill to be passed before they go into pro-forma sessions. Senate hearings begin on November 19.

TRANSPORTATION

St. Lawrence Seaway: We have negotiated with the Canadians a three-day extension of the shipping season of the St. Lawrence Seaway. A ten-day extension was sought by Midwestern farming and shipping interests to help move backlogged grain from Great Lakes ports. The reaction to the three day extension in the Midwest has been very positive.

11:45 a.m.

Ham
J

THE WHITE HOUSE
WASHINGTON

Meeting with Martin Luther King III
Monday, November 5, 1979
The Oval Office
(15 minutes)

(by: Fran Voorde)

for

I. PURPOSE: personal visit to discuss his future

II. BACKGROUND, PARTICIPANTS, PRESS:

A. Background: Marty graduated from Morehouse this past June; since then, he has been working on a temporary project at Atlanta's EPA office. This expires next month.

His mother told me he's unsure of what he should do ---- law school, campaign work or something else. His mother and his grandfather want him to get involved in your campaign.

B. Participants: Martin Luther King III
The President

C. Press: White House photographer

III. SPECIAL NOTE:

Hamilton is apparently not too hopeful of finding a position for him on the campaign staff.

If it appears this is Marty's preference, Tim Kraft asks that you explore specifically what he might be interested in doing and then ask him to see Les Francis, Staff Director of Carter-Mondale, to talk further.

Ham - Martin now makes ~ 10k in Atlanta - wants to work in campaign - (his job runs out in Jan) Could be helpful - Says he is good public speaker - Advise J.C.

THE COMMISSION FOR THE ADVANCEMENT OF POLICY
AFFECTING YOUTH, THE DISADVANTAGED AND THE
POOR

*PURPOSE: to provide an interchange of ideas on continuous domestic and international issues; to provide an open forum for the exchange of social, economic, and political concepts; *to encourage more input from youth across the country; to highlight the problems affecting youth, the child, the disadvantaged and the poor; and, to offer advice to the President and other decision makers on solutions and/or alternatives to the decisions which are made on these major issues.*

**Short term goal is to register 1,000,000 young people throughout the country via Concerts.*

COMMISSION MEMBERS

Bain, Raymone K.-(Politics/Government) Co-chairman/Founder

Franklin, Bernard-(Education)

Grundy, Dale-(Community Affairs)

Jackson, Reggie-(Business/Physical Fitness and Sports)

Johnson, Leslie-(Communications)

King, Martin Luther, III-(Politics/Government) Co-chairman/Founder

King, Yolanda-(Fine Arts)

Mallot, Robert-(Community Affairs)

Marshall, Thurgood,II-(Law) Secretary

McKinney, Fred-(Economics) Treasurer

Pearson, Drew-(Physical Fitness and Sports/Business)

Sheffield, Rev. Horace,III-(Theology/Civil Rights)

Smith, Dr. Richard C.-(Health/Medicine)

Wall, Dawna-(Economics/Fiscal Policy)

White, Maurice-(Entertainment Media) Chairman-Community Affairs for Youth Input

Young, Andria-(Law)

additional members:

Montgomery, James

Reeves, Bernita

Commission Members

Bain, Raymone Kaye-(Politics/Government); Co-chairman-Founder

---one of the youngest in history to ever have worked in a professional capacity at the White House, having gained employment at the age of 22; now, at 25, is Special Assistant to the Director, W.H. Office of Management and Budget; has been working for President Carter in some capacity for the past 5½ years; cited in numerous publications including: Personalities of the South, Men and Women of Distinction, The American Book of Honor, and the World Who's Who of Women; cited in August 1978 edition of Ebony Magazine as one of the 50 Future Black Leaders of America.

Franklin, Bernard-(Education)

---at 25, one of the youngest ever to be appointed to the Board of Regents in the United States; member, Board of Regents for the State of Kansas (appointed by the Governor); chairman, Academic Committee: which decides all academic policy planning and structure for the State as well as what course offerings at colleges and universities throughout the State; in addition, he in manager for data processing and accounting, American Telephone and Telegraph (AT&T).

Grundy, Dale-(Community Affairs)

---at 21, a former Robert F. Kennedy Fellow, chosen for his exceptional abilities in mobilizing youth to involve themselves in community affairs, for academic excellence, and because of his strong commitment and

Commission Members, cont.

Grundy, Dale, cont.

---dedication to ameliorate problems affecting the disadvantaged and the poor----recipient of the award for two consecutive years; director, Philadelphia Student Services Center; consultant, U.S. Student Rights Organizations; cited by the Governor of Pennsylvania for his Leadership in Community Affairs; recipient, Community Service Award, given by the Pa. Political Forum for "serving as an example for youth in the political process"; cited by WVAS Radio-Philadelphia, as an outstanding young leader in the State of Pa.

Jackson, Reggie-(Business/Physical Fitness and Sports)

---considered by many as the "King of Baseball", this super-star is by far one of the most talented athletes in the world; at his age, he has gained respect in numerous circles including: athletics, business and communications; not only is he recognized for his fine athletic ability but has been honored by having a candy-bar distributed in his name.

Johnson, Leslie-(Communications)

---at 25, one of the youngest ever to work in an Executive Level position for a major broadcasting network; Director of Marketing, WBZ-Westinghouse, Boston, Mass.

Commission Members, cont.

King, Martin Luther, III-(Politics/Government)Co-chairman;Founder

---articulate and sincere, "Marty" is able to capture crowds with his charisma, sincerity and prose; very committed to Civil Rights and the young and disadvantaged in the country; Spokesman, The Martin Luther King, Jr., Center for Social Change.

King, Yolanda-(Fine Arts)

---an accomplished actress, Yolanda is committed to seeing that young people are introduced to the beauty of the arts; as instructor and director of theatre, Yolanda is working toward the development of neighborhood workshops throughout the country for underprivileged youth to cultivate their talents; consultant, Cultural Affairs Department, The Martin Luther King, Jr. Center for Social Change; she is listed among the Outstanding Young Women of America; recent recipient of Meritorious Award from the Michigan State Legislature.

Mallot, Robert-(Community Affairs)

---having just finished Morehouse College in Atlanta, Georgia, Robert is by far one of the most committed, articulate and well-versed young people in the country; first year law student, Harvard University.

Marshall, Thurgood, II-(Law)

--- son of Supreme Court Justice Thurgood Marshall, "Goody" is a Senior Law student at the University of Va. at Charlottesville; has worked on Capitol Hill and for the Department of Energy; he plans to continue the efforts of his father by gaining accomplishments for the underprivileged in Civil and Human Rights via the courts.

McKinney, Fred-(Economics)

---a doctoral candidate as well as professor of Economics at Yale University; a former Junior Economist for the Council of Economic Advisors, The White House; at 25, one of the youngest ever to have worked for the

Commission Members, cont.

McKinney, Fred, cont.

---Council; was specialist in areas of health, welfare reform, urban policy and labor.

Pearson, Drew-(Physical Fitness and Sports)

---known throughout the world for his speed, agility, and graceful movements, Drew is one of the best wide-receivers to play in the National Football League; a member of the Dallas Cowboys, Drew is interested in establishing adequate Fitness Centers throughout low-income neighborhoods in the U.S. as well as informing kids not only of the importance of keeping physically fit but also of striving for academic excellence; a businessman, Drew is President of the Pearson Corporation.

Sheffield, Horace Rev., III- (Theology/Civil Rights)

---son and grandson of two long-time Civil Rights activists, Horace presently is one of the most influential spokespersons for youth in the State of Michigan; the youngest to have ever been elected to the Board of Education, Detroit, Michigan; a native of Detroit, at 25, Horace is one of the youngest ministers and leaders in the State.

Smith, Richard C., M.D.-(Health/Medicine)

---this young doctor specializes in Internal Medicine with emphasis in general practice and Minor Surgery and with special interest in Athletic Medicine and Kinesiology; as a general medical officer in the Community Mental Health Clinic of the St. Elizabeth's Hospital in Washington, D.C., he attends to both in-and-out patients; sensitive to the many problems affecting the poor and disadvantaged, he is interested in expanding comprehensive medical care for indigent groups.

Wall, Dawna-(Economics)

---a former Budget Specialist with the Office of Management and Budget, Dawna is presently represented in print and television by the Ford Modeling and Talent Agency in New York; she is also consultant for

Commission Members, cont.

Wall, Dawna, cont.

---several independent public relations projects.

White, Maurice- Business/Chairman-Youth Input and Voter Registration
Committee

---member, producer, director and lead singer of the hottest recording group in the world, EARTH,WIND & FIRE, Maurice is by far one of the most talented in the recording industry; EW&F is not just a singing group, but a group of very concerned, sincere, individuals who try to share messages via their songs; this group has broken all attendance records on the concert circuit- the average attendance being anywhere from 30,000-35,000 per concert; the quality of their performances and their commitment to the disadvantaged and the poor is commendable; donates thousands per year to programs benefiting the underprivileged.

Young, Andria-(Law)

--- daughter of United Nations Ambassador Andrew Young, Andria is a recent graduate of the Georgetown University School of Law; she is now on the Legal staff of the Team Defense Project, Inc., a group of young lawyers who will be working toward helping those persons who are low-income and who can not afford legal assistance.

Additional members:

Montgomery, James-(Law)

---currently a senior at the Georgetown University School of Law, James is interested in working with Juvenile Delinquents and the Juvenile Justice System.

Reeves, Bernita-(Community Affairs)

--- at 24, one of the youngest ever to work for the Systems Consultants, Inc.; she is responsible for Automated Data Processing(ADP) support for data base maintenance and financial management systems; with more than four years experience in operation and maintenance of computer-assisted procurement tracking systems, Ms. Reeves supervises the work of data-communication terminal operators in the maintenance of Government Furnished Equipment (GFE) data bases.

11-5-79

EMERG EN'Y CONS ACT of '79

11/5/79

BYRD - WRIGHT - JACKSON -

JOHNSTON - DOMENICI

DINGELL - WIRTH

ACT IN SEVERE EMERG'YS

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1ST STATE PLAN

NEED ESC, WPT

SENATE ESC

COMPETITION

THANKS

Gas Rationing Act signing

Pud Brown

Toby Moffett

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SEN EN COM

11-5-78

CONSERVATION → GAS ALKOL →
SYNFUELS, SOLAR, GEO
FED. CHARTERED CORP
VITAL, NAT. DEFENSE

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cabinet/staff meeting/dinner 11/5/79

Ala. Iowa TIME CBS RESPONSE - MOE

FIGHT - NOT LOSE

WIN - NOT LOSE

TEAM - CLOSE TOGETHER

HARD BALL

MARSHALL/BERGLAND

MEET E OWN KEY PEOPLE

TAKE INITIATIVE

GET COMMITMENTS

PRES. BIG JOB 40 CALLS

RESPONSE -> KEN

SARAH/JACK

FUNDRAISING

PR

LEGISLATION

CLOSE TO ME

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① UN deal good

② Tom Ayres - Sec Com - would be

THE WHITE HOUSE
WASHINGTON

focus for
Chicago J.C.

November 5, 1979 effort -
9:10 a.m.

J

MR. PRESIDENT:

Robert Abboud, Chairman of
the First National Bank of
Chicago, called.

Bob Strauss recommends you
return Abboud's call. He wants
to tell you of conversations he
has had about fundraising with
people in Chicago. Bob says
Abboud will probably recommend
Tom Ayres for Secretary of
Commerce. (Ayres probably
would not take it, according to
Bob.)

Baker

PHIL

THE WHITE HOUSE
WASHINGTON

For Filing

Ham

Cambridge Survey Research

Suite 1250 1775 Pennsylvania Avenue, Washington, D.C. 20006 Telephone (202) 223-6345

2 pm

MEMORANDUM

TO HAMILTON, JODY, PHIL
FROM PAT CADDELL
RE KENNEDY CENTER HONORS PROGRAM
DATE NOVEMBER 5, 1979

*Ham, Phil -
Reassess for me,
Reschedule or
Fritz -
J.C.
Mr. President,
I thought
you & Mrs. Luther
might want
to see this
MHC*

2nd

I realize that a decision was made for the President to skip this year's Kennedy Center reception and program December 24th and stay at Camp David to get ready for announcement speech. Given the pressures for a good start, this political decision makes good sense, despite the merits argued by Gretchen and Kit. *Nov 7*

However, there is another factor that needs to be considered that may not have been prominent in the initial decision. The whole affair will be taped and broadcast nationwide on network Saturday night, December 29th, over New Year's weekend. The show will have only one sponsor -- and they will place over 600 newspaper and magazine ads in addition to the network promotion. There's sure to be:

- an audience of 20 to 30 million people -- many thoughtful voters
- as with last year's show, it would begin with the President's greeting each award winner, Fonda, Copeland, et.al., with a short message at the White House reception. During the program, he is the focal point of attention as he applauds and greets each honoree at the Presidential Box.

I think that this opportunity may be too great to pass up. Several points should be made:

- First, on the eve of the political year, we can have the President exposed to upwards of 30,000,000 people -- many elite voters who are difficult to reach on TV ordinarily.
- Second, the President is not political in this setting -- he is being very Presidential in a warm, positive way -- something he does well -- at a time we will most want people to think of him as THE PRESIDENT.

-- Third, it is not a very difficult event for the President to do. He can come down from Camp David for a few hours and go back when it's over. It takes little preparation and is easy compared to a speech, etc.

Given all of this, I think for political purposes, that we should reconsider our decision. Frankly, we won't have many opportunities to have the President in such a non-political Presidential mode before 30 million viewers for an hour and a half. This is too good an opportunity to let go by.

~~CONFIDENTIAL~~
SENSITIVE

RECEIVED

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DAVID:

C O N F I D E N T I A L SENSITIVE EXCLUSIVELY EYES ONLY WH92061
DELIVER OPENING OF BUSINESS TO PHIL WISE FOR THE PRESIDENT

MR PRESIDENT,

I HEARD TODAY FROM TOP REPORTERS THAT TED KENNEDY INTENDS
TO "ADDRESS THE DEBATE QUESTION IN HIS REMARKS ON WED.

WE SHOULD CONSIDER WHETHER TO PREEMPT HIM.

FRITZ MONDALE
0072
8998

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~~CONFIDENTIAL~~
SENSITIVE

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 983, 1.8 AND
ARCHIVIST'S MEMO OF MARCH 10, 1983"

NNNN

THE WHITE HOUSE
WASHINGTON

11/5/79

FOR THE RECORD:

FRANK MOORE RECEIVED A COPY
OF THE ATTACHED.

3:00

Frank J

MEETING WITH SENATOR ALAN SIMPSON

Monday, November 5, 1979
3:00 pm (20 minutes)
The Oval Office

From: Frank Moore JN/BB

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I. PURPOSE

To discuss SALT

II. PERSONAL INFORMATION, PARTICIPANTS, AND PRESS ARRANGEMENTS

A. Personal Information:

Wife's Name: Ann

Children: William Lloyd, Colin Mackenzie,
Susan Lorán

Home Town: Cody, Wyoming

Committee Assignments

Environment and Public Works (5)
Judiciary (7)
Veterans Affairs, Ranking Minority Member

B. Participants: Senator Alan K. Simpson (R-Wyoming)

C. Press Arrangements: White House photographer

III. BACKGROUND

A. SALT Concerns: General Seignious met with Simpson last week and his concerns continue to be the same as when the Administration first made contact with him in January: NATO strength, verification, BACKFIRE, and the lack of a B-1 (he wanted to know what plane the U.S. intended to build similar to the BACKFIRE). He described himself as L-, but he wanted to keep an open mind until he read the SFRC Report. He made quite clear that he did not want to lock himself into any position. Seignious reported that Simpson was not looking for a club to beat the Treaty, but had honest questions.

He signed the Dole letter in June which stated that the following concerns must be satisfied: (1) verification on warheads and stockpiled missiles, cruise missile

ranges; (2) Treaty ambiguities; (3) ICBM vulnerability; (4) BACKFIRE; (5) intermediate range missiles; (6) Alliance; (7) Protocol; (8) quality--heavy missiles--linkage, defense planning.

- B. Political Concerns: Simpson has voted consistently conservative since coming to the Senate. He is considered, however, the most thoughtful of the "neo-conservatives" in the Senate. We had expected him to oppose SALT, but Senator Cranston insists Simpson wants to support SALT. In fact, it is Cranston who has insisted that you see Simpson. He has reported numerous discussions with Simpson (they have become good friends) where Simpson has indicated his strong desire to break with his fellow conservatives and support SALT.

We believe that Simpson may well want to support SALT and is being honest with Cranston, but, in the absence of other conservative support, he will be under enormous pressure to oppose SALT. Wallop, although not formally announced against SALT, will make the atmosphere in Wyoming very difficult for Simpson to support SALT.

C. Additional Issues and Personal Information:

- Apparently strongly opposed to ESC, shows the fairly typical "rape of the West" concern (that the synfuels plan which would authorize the Corporation to construct plants largely located in the west would use inordinate amounts of scarce water and damage the environment). Simpson is influenced by his senior Wyoming colleague, Wallop, who is leading the fight against the ESC. Wyoming has much oil, oil shale, coal, and uranium.
- Is the Ranking Minority Member of the Nuclear Regulation Subcommittee of the Environment and Public Works Committee. That subcommittee is chaired by Gary Hart and has the lion's share of jurisdiction over the NRC. The Three Mile Island Commission's report is a matter of great interest to Simpson. He has become increasingly sensitive to the need for plutonium control. He was particularly interested in the nuclear non-proliferation goals of the SALT process.
- The Senator is somewhat skeptical of the windfall profits tax. He firmly believes in the exemption for newly discovered and incremental tertiary oil. However, because of personal experience, he is receptive to our arguments against any stripper exemption. This is a subject which you may want to explore briefly with him.

- He was thrilled to have visited you two weeks ago with his family and Peter McCollough's son. He was captivated by our collection of art from the western United States (Remingtons, Russells, etc.) and you may find this a good "warm-up" topic.
- He knows Secretary Duncan well; they have ranches close to each other in Wyoming.

*I answered all his ?'s. He's not committed, but there is good hope that he will support.
(How-?)*

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THE WHITE HOUSE
WASHINGTON

November 5, 1979
3:25 p.m.

MR. PRESIDENT:

The Senate vote on the ESC
will not be until after 5 p.m.
tomorrow.

Frank Moore

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THE WHITE HOUSE
WASHINGTON

05 Nov 79

Charlie Schultze

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

Rick Hutcheson..

THE WHITE HOUSE
WASHINGTON

11-5-79

To Charlie Schultze

I prefer you.

J. C.

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WASHINGTON

November 5, 1979

MEETING WITH ENERGY COMMITTEE LEADERSHIP

Monday, November 5, 1979
9:15 a.m. (15 minutes)
The Oval Office

I. PURPOSE

To express your support for the Energy Committee's version of the synthetic fuels bill.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background

Monday morning, the Senate will take up S 932, the ESC/synfuels bill. Our current count - a conservative one - is as follows, with a plus indicating support of the Energy Committee's version of the bill:

+ 22 L+ 22 ? 13 L- 15 - 27

As you know, opposition to the Energy Committee's bill is led by the Banking Committee and Senators on the very liberal and very conservative wings of both parties.

We are likely to win, but the count is too close for comfort. It is important that you give maximum support to the Energy Committee. This brief meeting will have the symbolic value of publicly associating you with the efforts of the Energy Committee leadership attending the meeting.

Last week we had a problem with the Committee leadership over an amendment to delete the provisions of the bill authorizing a limited number of government owned or operated synfuels plants (GOCO's or GOGO's). That problem is now resolved. We have told the business groups supporting such an amendment that it now makes no sense for us to aggressively pursue the amendment over opposition of Committee leadership. With the exception of the coal association, they reluctantly agree, and are sticking with the Energy Committee hoping the issue will be dealt with during floor consideration.

Chairman Jackson will be legitimately absent on travel. Johnston will be there, and he is likely to floor manage the bill anyway. Hatfield, the ranking minority member, will be helpful, but Domenici will be the leading voice for the Republicans. He has been outstanding in his support of your program.

You should begin the meeting by making the points outlined below. You should then call on Secretary Duncan for brief remarks. You should conclude the meeting by calling on the Senators for their assessment and advice.

all
this
in
10
minutes
??

Secretary Duncan will send a letter to the leadership immediately after the meeting outlining the Administration's position in more detail.

B. Participants

The President	Senator J. Bennett Johnston
Secretary Duncan	Senator Mark Hatfield
Frank Moore	Senator Pete Domenici
Bo Cutter	Dan Dreyfus
Bob Thomson	Richard Grundy
	Charles Trabandt
	David Swanson

C. Press Plan White House photo

III. TALKING POINTS

1. You should begin by congratulating the Committee on its fine work. Its bill is a comprehensive measure that has a conservation component for the short-term, a gasahol component for the mid-term, and long-term programs in synthetic fuels, solar energy and geothermal. You should tell the leadership that you support their bill.

2. You should express particular support for the synthetic fuels Title of the bill. It authorizes a phased program for the production of synthetic fuels from coal, oil shale, tar sands and biomass. The initial authorization is for a \$20 billion first phase.

The bill also authorizes a federally-chartered corporation to administer financial incentives for the private sector. The corporation is made appropriately accountable, but it is free of administrative and personnel complexities that would otherwise bog down our efforts to produce synthetic fuels on a commercial scale.

If you make only one point in favor of the synthetic fuels

Title, it should be that the program authorized by the bill is essential to our national defense. You have developed this theme very effectively in past meetings.

3. You will not have time to discuss the other issues addressed in the bill. You should express general support for the bill and express your understanding that your staff has made the Committee aware of those few areas where differences remain.

4. For your information, chief among these is the residential conservation section. It authorizes a \$4.8 billion, 5-year grant and loan program. We object to the use of grants. It also allows households with a \$40,000 income or less to receive assistance. We think the cut-off should be at 120% of the poverty level - approximately \$18,000.

5. You should conclude your opening remarks by noting that Secretary Duncan is sending the Committee a letter expressing the Administration's official position in more detail.

THE WHITE HOUSE
WASHINGTON

11/5/79

Lloyd Cutler

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

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

Interesting
J

November 3, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD N. CUTLER

LNC

SUBJECT: SALT

If you have time, you may enjoy going through the attached extract from the SFRC mark-up transcript of October 31 in which Senator Helms charged that the Administration's spokesmen have too much influence on the mark-up decisions of the Committee.

As a result, Senator Helms succeeded in getting minority approval to retain General Rowny as his personal consultant, and Rowny will probably be present at the Executive Session next Tuesday when we discuss the Glenn Backfire and Percy anti-satellite proposals.

This was probably Helms' purpose all along. We are fortunate he did not think of it earlier in the mark-up.

Harold Brown will be our principal spokesman in the Tuesday Executive Session.

LNC

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The Chairman. Yes, Senator Helms.

Senator Helms. I have not consumed a great deal of time. I have offered no amendments and have chosen to defer that until this matter reaches the floor, if it does.

But if the Committee would indulge me for just a few minutes I would like to pay my respects to Mr. Cutler.

Mr. Cutler. Yes, Senator Helms.

Senator Helms. He and I have opposing interests in this matter.

But I want to say to you, sir, that you are a very impressive man. I have been very much interested in watching you work.

What is your official capacity with the President of the United States?

Mr. Cutler. I am presently the Counsel to the President, Senator Helms.

Senator Helms. You succeeded Mr. Lipshutz, is that right?

Mr. Cutler. Yes, sir.

Senator Helms. Your duties in that capacity are specifically what?

Mr. Cutler. Well, sir, let me say to explain my presence here that before I took on that appointment, while still in private life, I agreed to serve as Special Counsel to assist in the presentation of the Administration case on behalf of advice and consent of the SALT II Treaty.

Senator Helms. Would you pull your microphone a little closer

1 please. I'm sorry, but I don't understand all you are saying.

2 Mr. Cutler. Certainly.

3 What I am saying, sir, is before I took on this post,
4 which I took on October first, at the end of June, while still
5 in private life, I agreed to serve as Special Counsel to the
6 President to assist in presenting the Executive Branch's case
7 on behalf of ratification of the SALT II Treaty to the Senate.
8 I have been involved in that since the end of June. When I agreed
9 to take on this additional post of Counsel to the President,
10 which is full time, I was asked to continue those activities on
11 behalf of SALT II. That is what I am doing here today.

12 Senator Helms. So you are the President's representative
13 on behalf of SALT II, not only with this Committee, but with the
14 entire Senate?

15 Mr. Cutler. Yes, sir.

16 Senator Helms. In effect, then, you are -- and I use
17 this word in its most acceptable sense -- lobbying both this
18 Committee and the entire Senate.

19 Mr. Cutler. In the most acceptable sense, yes.

20 (General laughter.)

21 Senator Helms. You were appointed to this position on
22 August 17, is that correct?

23 Mr. Cutler. As you talking about the position of Counsel
24 to the President?

25 Senator Helms. Yes.

1 Mr. Cutler. I am not certain of the exact date, but it
2 is within a day or two.

3 Senator Helms. Prior to that time, did you occupy any
4 SALT-related position?

5 Mr. Cutler. Yes, sir, as I have just explained.

6 Senator Helms. Besides that.

7 Mr. Cutler. I'm not sure I understand you, Senator Helms.
8 Since June, I have been serving as Special Counsel to the President
9 in relation to the presentation of the SALT II Treaty to the
10 Senate. Before that time, before June, I had no connection
11 whatsoever with the SALT II negotiations.

12 Senator Helms. Right.

13 Now you are a very prominent attorney in Washington.
14 I looked in Martindale-Hubbell and I counted 106 attorneys.
15 That is some law firm that you have.

16 Mr. Cutler. I had. I am forcing myself to put it into the
17 past tense, Senator Helms. I had. I was a member of.

18 Senator Helms. You have just answered another question
19 that I had proposed to ask. You never served on the SALT II
20 Delegation as a negotiator or in any other position?

21 Mr. Cutler. No, sir.

22 Senator Helms. Have you ever engaged in negotiations with
23 the Soviet Union concerning arms control?

24 Mr. Cutler. No, sir.

25 Senator Helms. So, it is fair to say that you have come by

1 your considerable knowledge of this treaty by talking with the
2 advocates of the treaty, is that so?

3
4 Mr. Cutler. I have come by it as a lawyer dealing with
5 my client, sir, just as you would.

6 Senator Helms. Exactly.

7 You have spent no time with those who have doubts about
8 the treaty?

9 Mr. Cutler. Oh, I have spent a great deal of time with
10 those who have doubts about the treaty.

11 Senator Helms. How much time have you spent with Ed Rowny,
12 for example?

13 Mr. Cutler. I have spent no time with General Rowny.
14 I have spent a good deal of time with Paul Nitze; I have spent
15 time with Admiral Zumwalt; I have spent time with Eugene Rostow;
16 I think I have spent a good deal of time with opponents of the
17 treaty in and out of the Senate.

18 Senator Helms. Yes.

19 I believe I am correct in this -- and you can correct me
20 if I am not entirely correct. I believe General Rosny has served
21 longer as a SALT negotiator than probably anybody else. Is that
22 not correct?

23 Ambassador Earle. No, it is not entirely correct, Senator
24 Helms.

25 Senator Helms. It is either correct or it isn't.

Ambassador Earle. I first was on the Delegation as a

1 Consultant in November, 1972. General Rowny came in February, 1973.

2 It is true that he has served longer as a full-time member.
3 I did not become a full-time member until October, 1973.

4 Senator Helms. All right, then, I will stand corrected.
5 General Rowny served as a full-time member of the Delegation
6 longer than anyone else.

7 Ambassador Earle. Yes.

8 Mr. Cutler. Senator Helms, I am not sure where this is
9 leading, but if you think it would be useful for me to speak with
10 General Rosny, I would be --

11 Senator Helms. It may be that you are apprehensive about
12 where I am leading, sir.

13 The point, Mr. Cutler, is I paid my respects to you at the
14 outset. I was genuine in doing so. This is not your fault.
15 You are doing your job. But it has occurred to me day after day
16 that here we sit, as a Committee, arrayed with proponents of the
17 treaty. There is no one at that table who will say well, look
18 here, I don't agree with Mr. Cutler about this.

19 You know, I would like to raise the question of what happened
20 to Paul Warnke on this thing. He negotiated the treaty and he is
21 a pretty good lawyer himself.

22 Mr. Cutler. He is a very good lawyer.

23 Senator Helms. The Administration was fearful of bringing
24 Mr. Warnke up and it brought your own good self, and that is fine.
25 It is a good strategy on their part.

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The point I am making, and where I am leading, Mr. Cutler, is that here we are, in these public hearings, and not a soul at that table is willing or in a position to say wait a minute, I don't agree with Mr. Cutler on this. Moreover, when Senators deign to raise a question of some significance, inevitably we hear oh, we must go into Executive Session on that.

Mr. Chairman, as we finish the markup of this exceedingly important matter, I don't see why we can't have both sides represented at that table so that we can have a free and open discussion. We have not even been willing in Executive Session to have the disagreeing members of the Senate Intelligence Committee appear before us. I wrote the Chairman requesting that they be allowed to appear, and that was denied in the most courteous way.

I am saying as gently as I can that we have a one-way street going herein terms of presentation of this treaty. That is the reason I am no part of it.

Now I am going to have some amendments when we get to the floor.

I say this with the utmost of friendliness for my colleagues, but it is just like a fellow said the other day, who is very knowledgeable on this Senate and on this Committee. He said that it was nine to six going in and it is going to be nine to six coming out. So you are working with the kind of figures that are satisfactory to you.

Mr. Cutler, I mean nothing personal.. I admire the way you

1 proper and appropriate.

2 Senator Helms. If the Senator would yield, I have not
3 suggested that they were improper.

4 Senator Sarbanes. Well, why bring it up?

5 Senator Helms. All I am saying, Senator, if you will let
6 me respond to you, is that I think we ought to understand and the
7 public ought to understand that this is a one-way street show
8 that we have here.

9 Senator Sarbanes. If you thought when we went into Executive
10 Session that it was proper, why bring it up and pose a question about
11 it? Secondly, if it is correct, as I have asserted, that you
12 made the point that no disagreeing member of the Senate Intelligence
13 Committee could sit in, I make the point that no agreeing member
14 could sit in, and therefore it has been treated in a fair and
15 even-handed way, so why bring up that issue?

16 I am not into this thing between you and Cutler. I don't
17 know what is behind that and why you have chosen to launch that
18 attack. But I do --

19 Senator Helms. I have not attacked Mr. Cutler.

20 Senator Sarbanes. Let me just finish what I was saying.

21 Senator Helms. Well, you are mis-stating the facts.

22 Senator Sarbanes. On these two matters that are within
23 the control of this Committee, on the use of the Executive Session
24 and on who appeared before us representing the Intelligence Committee
25 I think the procedures of this Committee have been proper and

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appropriate.

That is the only point I am making.

Senator Helms. Sure you do. They are going your way.

The Chairman. Gentlemen, we are not going to get into a prolonged debate, I hope, on the procedures of this Committee, which follow the procedures of the past. The markup is in line with every markup of every bill of consequence of which I am aware.

The staff that is here is available to all members of the Committee for whatever position they take. It consists of Republican Minority staff members and Democratic Majority staff members, who are available to support any position that any member of this Committee wishes to take. I think if it turns out that a majority on this Committee of nine, or eight, or ten favors the treaty, it does not mean that the procedures of the Committee have been a stacked deck. It simply means that that is how the Senators on this Committee have decided the case, based upon all of the evidence.

No one could suggest that during the hearings we did not hear from all of the opponents over and over again. The best known and best accredited opponents of the treaty appeared in Public Session and in Executive Session.

I think Senator Helms would agree that I tried to accommodate the requests of the members of this Committee who opposed the treaty to secure for them and for the Committee, as a whole, the testimony of the opponents of this treaty both in open and in

1 closed, or Executive Session.

2 Senator Helms. Would the Chairman be willing to consider
3 having someone like General Rowny sit with us for the conclusion
4 of the markup, just so we can be sure that everything is dandy
5 about this treaty?

6 The Chairman. We heard from General Rowny. We heard
7 from all other opponents of the treaty and proponents of the treaty.
8 It would be neither appropriate for the chief proponents of the
9 treaty or the opponents to sit here in the markup session. We have
10 passed the hearing stage. We have our own staff before us.
11 The only reason the Executive Branch is here is to accommodate
12 the needs of the Committee because we want to know the Executive
13 response to various proposals before we decide on them.

14 Never in connection with any treaty have we brought in
15 witnesses who have testified for or against and made them participant
16 in the markup. Such would be an unprecedented procedure.

17 Senator Helms. Mr. Chairman, if you would yield once more,
18 this is a friendly discussion. General Rowny is not just
19 another opposition witness. He is the man who has served longer
20 full-time as a SALT Negotiator than anybody else. I feel the
21 need for somebody else. I don't even have the authority to bring
22 a staff member into the Executive Sessions.

23 Senator Javits. Mr. Chairman, I have a parliamentary inquiry

24 The Chairman. Senator Javits.

25 Senator Javits. Is there any rule of the Committee which

1 would prevent General Rowny from being present as a member of the
2 staff of or as a person whom Senator Helms wishes to advise
3 him? That is my first question.

4 Second, is there any rule of the Committee which would
5 prevent Senator Helms from making any point or asking any question
6 which he may be advised to make or which may be suggested to him
7 by General Rowny, assuming my first parliamentary inquiry is
8 answered affirmatively?

9 The Chairman. As to your first inquiry, the answer is yes.
10 As to your second inquiry, the answer is no.

11 Senator Baker. I'm sorry, but I didn't get that. Would
12 somebody remind me what the first and second were?

13 (General laughter.)

14 Senator Javits. The first was is there any inhibition in the
15 rules of the Committee regarding Senator Helms having General
16 Rowny at his side as a member of his staff or as an adviser
17 while these proceedings of markup are going on.

18 Senator Baker. The answer is yes, there is such a
19 prohibition?

20 Senator Javits. No, no. Yes, there is not.

21 Senator Baker. There is no such prohibition.

22 Senator Percy. Mr. Chairman, may I comment?

23 The Chairman. Senator Percy.

24 Senator Percy. I think, first of all, that Senator Helms
25 underestimates the fact that there are knowledgeable, articulate,

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and forceful voices against this treaty on this side of the table at all times, and they have been extraordinarily effective. They have drawn upon all of the testimony. They have it committed to memory. They can reference pages and quotes from General Rowny and others.

Secondly, I think this is an excellent suggestion. In other Committees we have constantly drawn upon advisers for help. The whole purpose of our Committee deliberation is to get as much help as we can get and get the best articulation of every argument that we are going to hear on the floor. On the floor we have available the time to get further information. I would hope that we accommodate Senator Helms and have him available, and if it is at all possible within the rules, have him speak up and say what happened at a particular time in the negotiations. I think that would add to this deliberation and help us proceed in a way that would be more representative of what is going to happen actually on the floor.

Senator Helms. If the Senator would yield, that is the point I was trying to make, and I appreciate it. I would feel comfortable, and I think the American people would be less suspicious, if there were an Ed Rowny sitting down there saying now look here, I don't agree with Mr. Cutler, Mr. Cutler has never negotiated a SALT II Treaty one minute in his life.

Mr. Cutler. Ambassador Earle negotiated this treaty.

Senator Helms. But you have been doing the talking,

1 and very eloquently, I might say.

2 Mr. Cutler. It may be my voice, but it is not necessarily
3 all my thoughts.

4 Senator Helms. Mr. Cutler, I don't think you ever agreed
5 to be a puppet.

6 Senator Lugar. Mr. Chairman.

7 The Chairman. Gentlemen, I would hope that we could move
8 ahead with our business here. We have another proposal pending.

9 Senator Lugar.

10 Senator Lugar. May I take just a moment.

11 I am intrigued by the problem that Senator Helms has raised.
12 It comes very late in the hearing and markup procedure and, as a
13 practical matter, the markup is almost concluded, as Senator Helms
14 mentioned.

15 But it seems to me that as a matter of procedure the
16 Committee really needs to think through what has occurred here
17 because I admire, as does Senator Helms, Mr. Cutler's work. I
18 think it has been magnificent. He is better prepared to debate the
19 treaty than many members of this Committee. I will not specify
20 which ones are better prepared than Mr. Cutler and which ones
21 are not, but he has, in effect, been a major debater.

22 The problem that I think Senator Helms brings to the
23 fore and to which the Chairman alluded is this. We hear back and
24 forth the debate, but Mr. Cutler has not been countered by someone
25 of counsel who is equally gifted on the other side. So, members of

1 the Committee, the public, or the press, who are listening to this
2 debate, may not have gotten the full show that they needed on an
3 issue of this importance.

4 It may be too late in the game for General Rowny or anyone
5 else of comparable stature to be secured and to be afforded equal
6 opportunity. But I would think, before we get into another treaty
7 or something of this significance, that the Committee, as a matter
8 of procedure, really does need to think through what should be
9 the role of Counsel to the President or Counsellors for the
10 Administration. Whereas there may be proponents and opponents
11 of this particular treaty, times change. The shoe may be on the
12 other foot at another time and on other suggestions.

13 As a matter of governmental procedure, if the debate is to
14 be a good one, I suspect probably the sides need to be better
15 balanced.

16 I have no particular brief for General Rowny or anybody
17 else. I think he would be an appropriate person. The problem
18 would be interjecting him into this debate in a way in which
19 there was a counterforce.

20 Senator Biden. Mr. Chairman, may I make one brief point?

21 The Chairman. Yes, Senator Biden.

22 Senator Biden. After we hear these types of discussions
23 that have gone on this morning, it always occurs to me that it
24 solves a problem for me. When I hear these discussions, I am
25 no longer surprised about why the public has the view of the Senate

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that it does. We constantly denigrate ourselves.

The implication of the last two speakers is that Mr. Cutler, a gifted lawyer, who has not had a background in SALT, is more capable of arguing and understanding SALT than me or anyone else up here who has equal or greater background.

Quite frankly, I resent that. I resent the fact that it was suggested that Mr. Cutler or anyone else, fine lawyer or not, has greater capabilities by definition of being Counsel to the President than 15 members of the United States Senate who have spent probably as much, or more, time on this treaty than Mr. Cutler.

The second point I want to make is this. Senator Helms, a gifted debater and a gifted Senator has a gifted way of making implications about the conduct of our business in a way that throws disfavor on the Senate, the implication being that we go into Executive Session to hide things from the public that should not be hidden, when he and others raise the Executive Session requirement themselves. I don't know how many times I have heard the Senator from North Carolina say, "If I could only say in public what I have here in this document." You know, that is a favored technique.

In conclusion, let me address the point about the Intelligence Committee. It has been suggested that there has been no articulate spokesperson from the Committee against the treaty. If I were Senator Lugar, I would be highly offended. Senator Lugar and I serve on that Committee. We know as much about what takes place

1 in this treaty as any other member of that Committee. We both
2 sat through those briefings. Senator Lugar is a Rhodes Scholar
3 and one of the most gifted men and minds in the Senate. He sat
4 through those hearings, and Senator Helms suggests there is no
5 intelligence rebuttal.

6 I would be offended if I were you, Senator Lugar.

7 (General laughter.)

8 Senator Biden. The point is I really wish we would stop
9 doing this to ourselves. It is a terrible thing to do to the
10 Senate as an institution, it really is.

11 Senator Helms. Mr. Chairman.

12 The Chairman. Senator Helms.

13 Senator Helms. I am sure the Senator from Delaware is
14 just as worthy as just as worthy as he says he is.

15 Senator Biden. It depends on who I am debating.

16 Senator Helms. The fact remains that the Chairman will
17 confirm that I did write to him about the matter of two additional
18 Senators on the Intelligence Committee appearing before us in
19 Executive Session.

20 Senator Biden. Yes, and I recall Senator Goldwater's
21 response to you on that.

22 Senator Helms. Yes. He was personally offended by it.
23 But that does not alter the point that these two Senators desired
24 to appear, and it is a matter of record, Senator Biden, that I
25 made a formal request of the Chairman.

1 Now, if you want to get personal about this thing, we can
2 do it either here or outside in the hall and discuss it.

3 (General laughter.)

4 The Chairman. I think we should move on to a consideration
5 of the proposal that Senator Percy and Senator Javits and I are
6 offering relating to the Protocol. It is before the members.

7 Senator Baker. Mr. Chairman, before you do that, and I
8 do this with great timidity because I am afraid I am about to step
9 into troubled waters.

10 (General laughter.)

11 Senator Baker. I do not think we ought to dismiss the request
12 out of hand. I would counsel that at least we have an opportunity
13 to think about this a little before we proceed to the final
14 markup of this treaty.

15 As I understand the procedure that you outlined at the
16 beginning and as I believe Senator Javits pointed out to us on the
17 Republican side in our initial caucus, we would run through the
18 treaty and make our proposals as they are arrived at in sequence
19 and, when we finish that, we will use the same procedure that is
20 used in the full Senate; this is, we will go back to the beginning
21 and will approve the treaty article by article.

22 Is that the procedure?

23 The Chairman. No, that is not quite the procedure we
24 had agreed upon. We said that any decision taken by the Committee
25 during the course of the markup would be tentative in the sense

1 that it would be subject to reconsideration upon motion of any
2 member before the final vote is taken.

3 Senator Baker. The point of the matter is the Committee
4 will have an opportunity to readdress any part of the treaty.

5 The Chairman. Yes.

6 Senator Baker. I thank the Chairman.

7 Senator Javits. Mr. Chairman, I am sorry to interrupt
8 the proceedings, but I think this matter is serious enough to
9 warrant interruption.

10 I ask unanimous consent that the following appear in the
11 record, which is the Unanimous Adoption of Procedures for the
12 Markup of the SALT II Treaty. Under the heading "Administration
13 Comments," it reads as follows: "Comments of the Administration
14 on each particular proposal will be solicited in writing and included
15 in the markup documents where time allows. The President has
16 designated Lloyd Cutler to speak for the Administration at the
17 markup when the position of the Administration is unclear or
18 requires elaboration."

19 Also, Mr. Chairman, I ask unanimous consent to include
20 the following from the Rules of the Committee on Foreign Relations
21 of the United States Senate. This is found on page 3 of those
22 Committee Rules and reads as follows: "Staff Attendance at
23 Meetings. A member may have one member of his personal staff
24 for whom that member assumes personal responsibility accompany
25 and be seated near him at Committee meetings. Attendance of

1 Committee staff at meetings shall be limited to those designated
2 by the Staff Director or the Minority Staff Director. Each member
3 of the Committee may designate members of his personal staff
4 who hold a Top Secret security clearance for the purpose of their
5 eligibility to attend Executive Sessions of the Committee. The
6 Committee, by majority vote, or the Chairman, with the concurrence
7 of the Ranking Minority Member, may limit staff attendance at
8 specified meetings."

9 This is our practice now. Senator Helms, quite properly, is
10 entirely within his rights in suggesting a change.

11 I will convene a meeting of the Minority and will consult
12 with the Minority as to whether or not a change should be proposed.
13 If the Minority so decides, I will propose one to the Chairman.

14 Senator Baker. Mr. Chairman, if the Senator would yield
15 to you --

16 Senator Javits. I yield.

17 Senator Baker. -- I think that is an outstanding suggestion
18 I think that is a way to approach this in an orderly way. I don't
19 think we are likely to resolve this today or at this meeting. So
20 I applaud Senator Javits' decision to do that. I will be there
21 and will participate in the deliberations. We can approach the
22 issue again at another time.

23 Senator Church. Very well.

24 With the permission of the Committee we will now take up
25 the Protocol understanding that has been jointly proposed by

THE WHITE HOUSE
WASHINGTON

11/5/79

Stu Eizenstat

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

Rick Hutcheson

cc: Zbig Brzezinski

THE WHITE HOUSE
WASHINGTON

11/2/79

Mr. President:

Brzezinski concurs.

Congressional Liaison has no
comment.

Rick

THE WHITE HOUSE

WASHINGTON
October 31, 1979

C

MEMORANDUM FOR THE PRESIDENT

FROM STU EIZENSTAT *Stu*
LEE DOGOLOFF *LD*

SUBJECT NARCOTICS ASSISTANCE TO MEXICO

Last August we reported that Joe Califano had informed Cy Vance that paraquat sprayed by the Mexicans on marihuana could potentially pose serious harm to 50-100 of the estimated 16 million marihuana users in the United States. This triggered the Percy Amendment to the Foreign Assistance Act which requires State to reduce or suspend our aid to the Mexican marihuana eradication program.

At your direction, last month Congressional Liaison met with Senator Percy who agreed to clarifying language in the amendment which ensured that we would not have to cut off all assistance to the Mexican program. It was determined that approximately 25% of the funds which we provide are used directly or indirectly for marihuana eradication and we withheld \$500,000 of the \$2 million which had not been obligated for FY 1979 (total assistance \$12 million). We are working to minimize the impact on the FY 1980 assistance to Mexico. The Percy Amendment has also effectively eliminated the possibility of sponsoring a herbicide eradication program in Colombia where it is needed.

In principle, we oppose legislation such as the Percy Amendment. It sets an inflexible standard (potential serious harm to one or two people) without allowing the government to take into consideration negative effects on the overall drug effort or on other foreign policy matters. Legislative action is necessary to correct the situation. Some members of Congress and concerned Federal agencies have expressed support for a change, although HEW agrees only with repeal or status quo.

We would prefer having the amendment repealed. We are also considering a change patterned after current environmental health legislation, which would give the government more latitude in determining relative safety.

With your agreement, we will explore the Hill's receptivity to repealing or modifying the Percy Amendment and report back to you.

<input checked="" type="checkbox"/>	Agree	<i>Do what is necessary to strengthen our drug control program with Mexico J</i>
<input type="checkbox"/>	Disagree	

ID 794757

THE WHITE HOUSE
WASHINGTON

DATE: 29 OCT 79

FOR ACTION: AL MCDONALD

FRANK MOORE

ZBIG BREZINSKI

*Concur
M/S*

nk
*get FM
comment*

INFO ONLY: THE VICE PRESIDENT

SUBJECT: EIZENSTAT MEMO RE NARCOTICS ASSISTANCE TO MEXICO
(REVISION OF EARLIER MEMO)

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM FRIDAY 02 NOV 79 +
+++++

ACTION REQUESTED: DOES THIS ISSUE NEED TO BE DECIDED BY THE PRES?

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

PLEASE NOTE OTHER COMMENTS BELOW:

ACTION
FYI

*does this issue
need to be
decided by
the Pres?*

<input checked="" type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND
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THE WHITE HOUSE
WASHINGTON

*pulled
per
str
will be replaced
today 10/30
revision
attached*

DATE: 29 OCT 79

FOR ACTION: AL MCDONALD

FRANK MOORE

ZBIG BREZINSKI

INFO ONLY: THE VICE PRESIDENT

SUBJECT: EIZENSTAT MEMO RE NARCOTICS ASSISTANCE TO MEXICO

+++++
+ RESPONSE DUE TO BERT CARP +
+ BY: 1200 PM WEDNESDAY 31 OCT 79 +
+++++

ACTION REQUESTED: DOES THIS ISSUE NEED TO BE DECIDED BY THE PRES?

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

PLEASE NOTE OTHER COMMENTS BELOW: