

11/29/79

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ID 795294

THE WHITE HOUSE
WASHINGTON

DATE: 29 NOV 79

FOR ACTION: PHIL WISE

[Handwritten signature]
FRAN VOORDE

INFO ONLY: JODY POWELL

Tootate

SUBJECT: WEXLER MEMO RE TAPED REMARKS FOR GEORGIA ELECTRIC
MEMBERSHIP CORPORATION (HEYWOOD GAY REQUEST)

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: *[Handwritten signature]* +

+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND

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

PLEASE NOTE OTHER COMMENTS BELOW:

11/29

Since Jack is there, I see no need to do

Jan

**WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET**

ID # 060811

O - OUTGOING

H - INTERNAL

I - INCOMING
Date Correspondence Received (YY/MM/DD) 79, 11, 29

Name of Correspondent: Reverend Norman C Eddy

MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: urges President to take seriously the Energy Conservation measures suggested by the 3/19/79 report of the National Commission on Neighborhoods. Offers help

ROUTE TO:

ACTION

DISPOSITION

Originating Office, Your Last Name	Refer Action Type Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
<u>AW West</u>	ORIGINATOR	<u>79, 12, 13</u>		<u>5 1 1</u>
Office/Agency, Last Name				
<u>AW Brancato</u>	<u>SD</u>	<u>79, 12, 13</u>		<u>5 1 1</u>
	Referral Note:	<u>draft response from Ann</u>		
	R	<u>1 1</u>		<u>1 1</u>
	Referral Note:			
	R	<u>1 1</u>		<u>1 1</u>
	Referral Note:			
	R	<u>1 1</u>		<u>1 1</u>
	Referral Note:			

REFER TYPE: A - Agency, S - Staff ACTION CODES: A - Appropriate Action, C - Comments, D - Draft Response, F - Fact Sheet, I - Info Copy, R - Direct Reply w/Copy, S - For Signature, X - Interim Response DISPOSITION CODES: A - Acknowledged, B - Non-Special Referral, C - Completed, S - Suspended

Comments: _____

THE WHITE HOUSE

WASHINGTON

February 14, 1980

Dear Reverend Eddy:

The report of the National Commission on Neighborhoods, entitled "People, Building Neighborhoods," was sent to me by President Carter, with the request that we review in particular the suggestion regarding energy conservation. Members of my staff have been working closely with the Department of Energy, as well as other departments, on the formulation of stronger, more focused initiatives for energy conservation at the local level throughout the country. The suggestions outlined in the report have been helpful to us in working through this planning process.

My office has also begun discussions with an interdenominational group representing major religious organizations to explore ways in which these organizations can support, and indeed lead, efforts for energy conservation. This working group has been coordinated by the National Council of Churches, whom you may wish to contact for further information.

In addition, Victoria Mongiardo, who served on the National Commission on Neighborhoods and is now Deputy Special Assistant for Ethnic Affairs, continues to keep me informed on these issues. I hope you will not hesitate to contact her if further assistance is needed.

I would like to extend my thanks and those of the President for your concern and efforts in this critical area.

Sincerely,

Anne Wexler
Assistant to the President

The Reverend Norman C. Eddy
Coordinator
East Harlem Interfaith
2050 Second Avenue
New York, New York 10029

cc: Vickie Mongiardo ✓

RB:bgw 2/14/80 9

December 10, 1979

To Reverend Norman Eddy

Thank you for your letter and for your kind words of support regarding the Iranian crisis.

Energy conservation on the part of all Americans is now more important than ever. I am pleased to know that churches and organizations of East Harlem are interested in neighborhood involvement in our energy future. I have asked Anne Wexler to review your letter in the context of the report you cited.

With best wishes,

Sincerely,

JIMMY CARTER

The Reverend Norman C. Eddy
Coordinator
East Harlem Interfaith
2050 Second Avenue
New York, New York 10029

cc and incoming Anne Wexler

JC/jmc/--

SALARY:

Members who are Members of Congress or full-time officers or employees of the U. S. shall serve without compensation. Other members shall receive compensation at the rate of \$100 per day. All members shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of duties vested in the Commission.

TERM:

Pleasure of the President.

PURPOSE:

The Commission shall undertake a comprehensive study and investigation of the factors contributing to the decline of city neighborhoods; and of the factors necessary to neighborhood survival and revitalization.

REPORT:

Not later than one year after the date on which funds first become available, the Commission shall submit to the Congress and the President a comprehensive report on its study and investigation.

TERMINATION:

The Commission shall cease to exist thirty days after the submission of its report.

TERMINATED:

Final report submitted to the President by letter from the Chairman, Joseph F. Timilty, on March 19, 1979. The report is entitled "People, Building Neighborhoods" and will be available from GPO in June 1979.

East
Harlem
Interfaith
060811

2050 Second Avenue
New York, N. Y. 10029
(212) 427-1500

*Susan
mas
J*

November 29, 1979

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

**Electrostatic Copy Made
for Preservation Purposes**

Dear President Carter:

I would like to commend you for your handling of the crisis in Iran and especially for your understanding of the complex religious forces at work there.

More specifically, I would also like to endorse your determined efforts to deal with the energy crisis. As a long-time minister and resident in East Harlem, I have worked closely with Mr. Edwin Suarez, the bearer of this letter, with the people and their organizations.

We can assure you that there is one infallible source of energy that the various levels of American government can count on but usually overlook - the imagination and resourcefulness of individual American citizens in their small, local neighborhoods. Already the people have astonished the experts. If your administration would show its belief in individual initiative in practical ways, by-passing large public and private organizations, America could astonish the world by the amount of energy it could provide locally. In "People, Building Neighborhoods" by the National Commission on Neighborhoods, March 19, 1979 there are many practical suggestions for the empowering of local neighborhoods and their citizens. I urge your Administration to take them seriously, in connection with its energy program.

The churches and organizations of East Harlem are ready to support any plans you have for neighborhood participation in saving and producing energy.

Sincerely yours,

Norman C. Eddy

NCE:11

(Rev.) Norman C. Eddy
Coordinator

3:00 PM

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

November 28, 1979

BRIEFING ON SALT FOR COMMUNITY LEADERS FROM
INDIANA, IOWA, AND MICHIGAN

Thursday, November 29, 1979

3 p.m. - 3:15 p.m.
The East Room

FROM: Anne Wexler *AW*

I. PURPOSE

To educate a group of prominent community leaders from Indiana, Iowa and Michigan on SALT, with the expectation that these leaders will carry our message back to their home states.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background

This is the tenth in a series of SALT briefings for community leaders from key states. The persons in attendance were generally selected because of their ability to influence public opinion in the States of Indiana, Iowa, and Michigan.

B. Participants

Of the 400 persons invited, the largest group consists of persons recommended to us by Senators Bayh, Culver, Levin, and Riegle. The four Senators were invited and may be in attendance. We will not know for certain until the briefing begins, and we will let Phil know then. In general, the audience will consist of political leaders, businesspersons, trade union leaders, attorneys, publishers, university administrators, and interest group leaders.

C. Press Plan

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

III. AGENDA

When you arrive, Zbig Brzezinski and George Seignious will be answering questions from the audience at the completion of a one hour briefing. After you make your remarks and (if you choose) take questions, there will be a reception in the State Dining Room. (See attached agenda)

IV. TALKING POINTS

Suggested talking points are attached. In addition to the usual SALT talking points, these include ideas on the linkage between the Iranian situation and SALT, and a response if you get a question regarding Project ELF, which is an important issue in Michigan.

If Senator Culver is in the audience (as he is expected to be—we will let Phil know for sure), Congressional Liaison and NSC recommend that you praise him for the work he has been doing on SALT and the publicly visible role he has taken.

THE WHITE HOUSE

WASHINGTON

November 27, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER *Anne Wexler*

SUBJECT: Discussion of Iranian Situation at Thursday's
SALT Briefing

The SALT briefing Thursday for community leaders offers an opportunity to comment on the Iranian situation in a context where you can stress the importance of the rule of law in a civilized society. Such a message has the potential to influence the impact that Iran has had on the SALT debate, by making what has happened there an example of why we need SALT.

I suggest that you include in your opening remarks, while the press is in the room, something like the following:

o A hallmark of every civilized society is the commitment to the rule of law, an agreement among peoples to live within limits.

o The plight of the hostages in Iran is a grim reminder of what can happen when the rule of law breaks down, when individuals decide that they are above the law and can ignore the norms that make a just society.

o What is happening to the hostages is also a reminder of the importance of international law. We must have a world order based on respect for one another as human beings and as nations. When the government of a country condones and even encourages the holding hostage of diplomats of another country, the damage to the fabric of international law is serious for the entire community of nations.

o It is against this background that I want to talk to you about SALT today. The Iranian situation is one illustration of why we must have SALT.

o The SALT II treaty shows that nations can place limitations on themselves, that they can sit down at a table and reach an agreement in their mutual interest and that they can abide by that agreement. Even when these nations are competing, as we are with the Soviet Union on many fronts, there is a process of international agreement that can lead to limits on strategic weapons, limits that will help to preserve the peace.

SALT BRIEFING FOR COMMUNITY LEADERS

The East Room

2:00 p.m.	Opening Remarks	Anne Wexler
2:05 p.m.	The SALT II Agreement and U.S. - Soviet Relations	Zbigniew Brzezinski
2:25 p.m.	Questions and Answers	Zbigniew Brzezinski George Seignious
3:00 p.m.	Remarks	The President
3:15 p.m.	Reception -- The State Dining Room	

THE WHITE HOUSE

WASHINGTON

November 27, 1979

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- o The SALT II treaty shows that nations can place limitations on themselves, that they can sit down at a table and reach an agreement in their mutual interest and that they can abide by that agreement. Even when these nations are competing, as we are with the Soviet Union on many fronts, there is a process of international agreement that can lead to limits on strategic weapons, limits that will help to preserve the peace.

TALKING POINTS

Briefing on SALT for Community Leaders

1. SALT II is the most serious matter I will address during my Presidency. The SALT II Treaty was hammered out by the sustained work of three Administrations: President Nixon's, President Ford's, and mine. It builds on the work of every American President since the end of World War II.

2. SALT must be examined realistically. It is not a panacea. It will not end the arms race but it will stabilize and order the competition. It is a supplement -- not a substitute -- for a strong national defense. But it is a major step in the long, historic process of bringing nuclear weapons under regional control.

3. SALT II is based on self-interest, ours and the Soviet Union's. Although the competition between us will continue as far into the future as anyone can see, we share a mutual interest in survival and in steering our competition away from its most dangerous element, an uncontrolled strategic nuclear arms race.

4. SALT II is not based on trust. The Treaty will be adequately verifiable by our own national technical means of verification. In addition, it is in the interest of the Soviet Union to abide by this Treaty. Despite predictions to the contrary, the Soviets have observed the terms of the SALT I Treaty.

5. Whether or not the treaty is ratified, we must be able to make accurate assessments of Soviet capabilities. But SALT II will make this task much easier -- not only because the Treaty forbids concealment measures and interference with means of verification, but also because the Treaty gives us basic standards with which we can compare the information we derive independently from our satellites and other methods.

6. The details of ICBMs and SLBMs, throwweight and yield and all the rest are important. It was largely because of these details that the Treaty took seven years to negotiate. But these details should not blind us to the real significance of the treaty as a contribution to stability, security and peace.

7. The Treaty must be judged on its merits, but we must consider the consequences of rejection:

-- If we do not get SALT ratified, I think it will be a profound blow against the security of our country and against the prospect for world peace, heightening the possibility of confrontation in each local crisis.

-- Radical departure from the process of arms control that began with the atmospheric test ban and SALT I and will continue with SALT III and a comprehensive test ban.

-- Triggering an expensive, dangerous race for a nuclear superiority that each side has the means and will to prevent the other from attaining, with a loss of security for both.

-- Calling into question our ability to manage a stable East-West relationship, undermining the very foundation of some of our alliances, including NATO.

-- It will weaken efforts to control nuclear proliferation because of a breakdown between the superpowers.

-- Gravely compromise and weaken our Nation's position as a leader in the search for peace.

8. We must not play politics with the security of the United States. We must not play politics with the survival of the human race. We must not play politics with SALT II. It is much too important for that -- too vital to our country, to our allies, and to the cause of peace. I am confident that all Senators will perform their high responsibilities as the national interest requires.

9. Importance of the coming debate; solicitation of support, stressing that SALT is on track and we are pressing for a vote this year.

ELF

Q: When you were campaigning for the Presidency three years ago, you made a commitment that you would not put Project SEAFARER or ELF in Michigan against the will of the people. Yet ELF is still alive. What is your position on that now?

A: My commitment was not to proceed with SEAFARER against the will of the people. We have greatly modified the SEAFARER proposal in every possible way. The most recent ELF proposal under consideration at the Department of Defense would use less than 5 percent of the land planned for SEAFARER. We have brought Michigan officials into the Defense Department, and we have had people go out to explain to them what modifications were taking place.

We are looking for every alternative to what was, at one time, considered a threat to Michigan's environment. I believe almost all environmental concerns have now been allayed by the Environmental Impact Statement process for ELF and by the favorable report on ELF by the National Academy of Sciences.

We have very significantly modified the original proposal. If I decide that such a system is necessary for the security of our country, then I would have to direct that the system go forward. But we are still assessing it, still working with the people in Michigan and other states, to try to find a reasonable alternative to any objectionable use of an extremely low-frequency communication system.

3:00 PM

THE WHITE HOUSE
WASHINGTON

November 29, 1979

NOTE FOR THE PRESIDENT

FROM: ANNE WEXLER AW

We have been informed by Senator Bayh's office that one of the attendees at today's SALT briefing has a particular interest in civil defense.

Accordingly, the NSC has prepared a suggested response, should a question be asked about civil defense.

**Electrostatic Copy Made
for Preservation Purposes**

November 29, 1979

CIVIL DEFENSE

Q: Why have you not done more for civil defense?

A: I initiated a government study in 1978 of civil defense issues as they concern our national security and as they concern non-military emergencies within the United States. As a result of that study, I issued the first statement of U.S. civil defense policy in nearly two decades and the first clear and long-term national civil defense policy in our history. That policy was implemented initially within the Department of Defense and is now the responsibility of the Federal Emergency Management Agency. The civil defense budget in this fiscal year (FY 80) has been increased by about \$10 million. This build-up is likely to continue over the next 5 years. The emphasis in our programs is on evacuation, rather than shelters, and on dual use measures. Our policy states civil defense serves not only to reduce the number of casualties in the event of nuclear war, but also to reduce the hazards to our population in natural disasters and other emergencies. The wisdom of moving in this direction was demonstrated by the Three-Mile Island incident. Civil defense workers were very important in that incident.

THE WHITE HOUSE
WASHINGTON

11/29/79

Fred Kahn

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

Rick Hutcheson

cc: Jack Watson
Phil Wise

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

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION
FYI

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

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

THE WHITE HOUSE
WASHINGTON

11/29/79

Mr. President:

Eizenstat, Wexler, Peterson,
Donovan and Schultze concur.

Wise and Watson have no
comment.

Rick

THE WHITE HOUSE

WASHINGTON

November 20, 1979

*cc Fred - ok -
I share Jack's
concerns - there
must be a
positive
result
J*

MEMORANDUM TO THE PRESIDENT

FROM: ALFRED E. KAHN *Fred*

SUBJECT: Proposed White House Conference on
State/Local Regulatory Reform

One of the main foci of our continuing effort to involve state and local governments in our anti-inflation program has been regulatory reform. The purpose of this memorandum is to propose that we hold a White House Conference on the subject.

The one-day conference would be held in Washington in early January. It would provide a visible national forum for regulatory reform at the state and local level, emphasizing its importance in the fight against inflation. We would use it to give public recognition to accomplishments already achieved and efforts under way, and to encourage other states and localities to emulate these efforts. It would also provide an opportunity for the exchange of experience and ideas. We plan to focus attention on specific areas where reform is most needed and the opportunities seem greatest, and to exchange concrete suggestions of how to move effectively.

We would use the occasion also to underscore our own accomplishments and supply an added boost to initiatives now under way at the Federal level.

The people we want to reach are the ones who are in a position really to move this process in their respective states or localities. We would invite representatives of state and local governments, business, labor, and consumer groups.

We feel that White House sponsorship is essential to the success of the program for three reasons. First, while we do not want the Federal Government to be in the position of telling the states what to do, we do think it is entirely reasonable for the White House to supply the leadership and coordination. Second, we want to get credit for what we have been doing. And third, and most obviously, we are most likely in this way to get important people to come and to participate enthusiastically.

We have had extensive discussions of this proposal with representatives of state and local governments, with senior White House staff, Doug Costle, the Federal Regulatory Council, and other Federal agencies. They are generally supportive.

Jack Watson, however, has raised two specific concerns. First, that the conference will provide a forum for state and local officials to complain about federal regulations. Secondly, that unless we have an announcement to make or action steps we want the states to take, the conference would be unproductive.

While Jack's support remains critical to the success of the program, I think this timidity is unjustified. The Administration's record on regulatory reform is excellent and the forum provides the opportunity to reinforce our record without claiming to have solved all the problems and with the understanding that more work needs to be done.

Finally, we have planned a genuinely substantive program with a heavy emphasis on what specifically has been accomplished and with concrete suggestions for future action.

In sum, I believe the concerns he raises can be overcome.

With your approval we would proceed with the program. I attach a draft agenda.

We would hold the sessions in the Old Executive Office Building and would like to have a White House reception at the end of the day, with your attendance, if possible.

APPROVAL
 DISAPPROVAL



WHITE HOUSE CONFERENCE
ON
STATE/LOCAL REGULATORY REFORM

DRAFT AGENDA

- 9:30 - 10:30 OPENING SESSION: ALFRED E. KAHN AND DOUG COSTLE
The meaning and logic of regulatory reform:
targets and accomplishments at the Federal level.
- 10:45 - 11:30 PANEL DISCUSSIONS: Why should states be interested
in regulatory reform: the constituents of reform
(Broadly based panel of regulatory reform advocates-
Administration official as Moderator; Business
representative; Consumer representative)
- 11:30 - 12:00 STATE REGULATORY OVERVIEW: Problems and Potential
at the State Level (by Governor active in
regulatory reform)
- 12:00 - 1:00 LUNCH
- 1:00 - 2:00 STATE REGULATORY PROCESS AND PROCEDURES:
Sunset, Regulation Review Commissions, Permitting
and Licensing Procedures, and similar topics,
with each handled by someone who has presided
over reforms in that area at the state level.
- 2:00 - 4:00 CONCURRENT SESSIONS: Devoted to more detailed and
technical discussions of important regulatory
issues at the state and local level, with a heavy
emphasis on concrete achievement and specific plans.
- Panels would focus on such topics as:
- Housing
 - Health Care
 - Professional Regulation
 - Federal/State Regulatory Relationships
- 4:15 - 5:00 White House Reception

ID 795207

THE WHITE HOUSE

WASHINGTON

DATE: 26 NOV 79

FOR ACTION: JODY POWELL

JACK WATSON

FRAN VOORDE

PHIL WISE

no comment (over Jody Powell)
no comment (over Jack Watson)
no comment (over Phil Wise)

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

AL MCDONALD

FRANK MOORE

ANNE WEXLER

JIM MCINTYRE

ESTHER PETERSON

CHARLIE SCHULTZE

SUBJECT: ~~MCINTYRE~~ **EANN** MEMO RE PROPOSED WHITE HOUSE CONFERENCE ON
STATE AND LOCAL REGULATORY REFORM

++++
+ RESPONSE DUE TO ~~DATE~~ *Rick Hutcheson* +
+ BY: 1200 PM WEDNESDAY 28 NOV 79 +
++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

<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
<input type="checkbox"/>	NO DEADLINE
<input type="checkbox"/>	FOR APPROPRIATE HANDLING
<input type="checkbox"/>	LAST DAY FOR ACTION

*send info
copy of
staffing sheet
to Missy
so she'll
know*

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

ACTION
FYI

<input checked="" type="checkbox"/>	VICE PRESIDENT
	JORDAN
	CUTLER
<input checked="" type="checkbox"/>	DONOVAN
<input checked="" type="checkbox"/>	EIZENSTAT
<input checked="" type="checkbox"/>	MCDONALD
<input checked="" type="checkbox"/>	MOORE
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<input checked="" type="checkbox"/>	WATSON
<input checked="" type="checkbox"/>	WEDDINGTON
<input checked="" type="checkbox"/>	WEXLER
<input checked="" type="checkbox"/>	BRZEZINSKI
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	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

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

THE WHITE HOUSE

WASHINGTON

November 21, 1979

MEMORANDUM TO: Rick Hutcheson
Bill Simon

FROM: Missy Mandell *MM*

We have circulated this proposal to White House senior staff and have agreement to go ahead from Stu Eizenstat, Anne Wexler, Esther Peterson, Hedley Donovan, and Charlie Schultze's office. We have also been working with the Federal Regulatory Council, OMB, Environmental Protection Agency, HUD, and HEW on the program and participants.

Jack Watson has some reservations as indicated in the attached memorandum.

Attachment

THE WHITE HOUSE

WASHINGTON

DATE: 26 NOV 79

FOR ACTION: JODY POWELL

JACK WATSON

FRAN VOORDE

PHIL WISE

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

AL MCDONALD

FRANK MOORE

ANNE WEXLER

JIM MCINTYRE

ESTHER PETERSON

CHARLIE SCHULTZE

SUBJECT: MCINTYRE MEMO RE PROPOSED WHITE HOUSE CONFERENCE ON
STATE AND LOCAL REGULATORY REFORM

+++++

+ RESPONSE DUE TO BERT CARP +

+ BY: 1200 PM WEDNESDAY 28 NOV 79 +

+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

MEMORANDUM TO THE PRESIDENT

Page 2

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In sum, I believe the concerns he raises can be overcome.

With your approval we would proceed with the program. I attach a draft agenda.

We would hold the sessions in the Old Executive Office Building and would like to have a White House reception at the end of the day, with your attendance, if possible.

APPROVAL

DISAPPROVAL

WHITE HOUSE CONFERENCE
ON
STATE/LOCAL REGULATORY REFORM

DRAFT AGENDA

- 9:30 - 10:30 OPENING SESSION: ALFRED E. KAHN AND DOUG COSTLE
The meaning and logic of regulatory reform:
targets and accomplishments at the Federal level.
- 10:45 - 11:30 PANEL DISCUSSIONS: Why should states be interested
in regulatory reform: the constituents of reform
(Broadly based panel of regulatory reform advocates-
Administration official as Moderator; Business
representative; Consumer representative)
- 11:30 - 12:00 STATE REGULATORY OVERVIEW: Problems and Potential
at the State Level (by Governor active in
regulatory reform)
- 12:00 - 1:00 LUNCH
- 1:00 - 2:00 STATE REGULATORY PROCESS AND PROCEDURES:
Sunset, Regulation Review Commissions, Permitting
and Licensing Procedures, and similar topics,
with each handled by someone who has presided
over reforms in that area at the state level.
- 2:00 - 4:00 CONCURRENT SESSIONS: Devoted to more detailed and
technical discussions of important regulatory
issues at the state and local level, with a heavy
emphasis on concrete achievement and specific plans.
- Panels would focus on such topics as:
- Housing
 - Health Care
 - Professional Regulation
 - Federal/State Regulatory Relationships
- 4:15 - 5:00 White House Reception

795207

THE WHITE HOUSE

WASHINGTON

DATE: 26 NOV 79

FOR ACTION: JODY POWELL

JACK WATSON

FRAN VOORDE

PHIL WISE

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

AL MCDONALD

FRANK MOORE

ANNE WEXLER

JIM MCINTYRE

ESTHER PETERSON

CHARLIE SCHULTZE

SUBJECT: MCINTYRE MEMO RE PROPOSED WHITE HOUSE CONFERENCE ON

KAHJ

STATE AND LOCAL REGULATORY REFORM

+++++

+ RESPONSE DJE TO BERT CARP +

+ BY: 1200 PM WEDNESDAY 28 NOV 79 +

+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

fran

DATE: 26 NOV 79

FOR ACTION: JODY POWELL

JACK WATSON

FRAN VOORDE

PHIL WISE

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

AL MCDONALD

FRANK MOORE

ANNE WEXLER

JIM MCINTYRE

ESTHER PETERSON

CHARLIE SCHULTZE

SUBJECT: ~~MEMO~~ MEMO RE PROPOSED WHITE HOUSE CONFERENCE ON STATE AND LOCAL REGULATORY REFORM

top late

+++++

+ RESPONSE DJE TO BERT CARP +

+ BY: 1200 PM WEDNESDAY 28 NOV 79 +

+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

Opposed to Conference - Our "foci" should be on Federal regulatory reform directly during an election year - - - the states & local need too low a priority - cc. McDonald

Note: Received 12/3/79

11:30 am (inter office mail)

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

C

November 28, 1979

INFORMATION ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: Gus Speth

Gus Speth

**Electrostatic Copy Made
for Preservation Purposes**

SUBJECT: Low Nuclear Growth and the U.S. Economy

The increasing demand on you to address the question of nuclear power's future role in the U.S. makes it appropriate to consider two important questions:

1. Can the U.S. have adequate energy growth without great reliance on nuclear power?
2. What are the implications for the U.S. economy in reducing U.S. energy growth?

There is disagreement on the answers to these questions; they cannot be answered definitively. However, the following answers represent the results of our analysis and the thinking of a wide segment of the energy policy community.

1. Low Nuclear Energy Growth

It appears likely, though not certain, that the U.S. can satisfy its energy needs in this century without requiring more nuclear power than that which is already operating or under construction.

Recently, DOE revised its May NEP-II estimates of U.S. energy needs in the year 2000: total energy demand is now estimated to be about 10 percent lower, and no reliance is placed on nuclear power in the year 2000 beyond those plants already operating or under construction. (The revised NEP-II estimates assume 9 quadrillion Btu or "quads" of nuclear power in the year 2000. This is about 150 gigawatts installed capacity or about 160 actual plants.)

Based on an analysis of over 40 recent energy studies, CEQ's Good News About Energy (February 1979) estimated that total U.S. energy demand in the year 2000 need not exceed 85-90 quads. Like DOE's revised NEP-II, we found no need to assume that nuclear power use in the year 2000 need exceed 9 quads.

The two projections are as follows:

	<u>1978</u>	<u>Year 2000 "NEP-II Revised"</u>	<u>Year 2000 "Good News"</u>
Oil and gas	58 Quads	50 Quads	40-43 Quads
Coal	14	39	18-19
Nuclear	3	9	8-9
Renewables	<u>4</u>	<u>11</u>	<u>19</u>
	80	108	85-90

Note that if energy growth does climb to 108 quads as NEP-II currently projects, coal consumption would have to grow dramatically in the next two decades. This degree of expansion would have serious environmental consequences. Increased use of nuclear power and renewables could offset this projected growth in coal to some degree, but the best and perhaps only way to curb this growth significantly is through conservation.

2. Implications for the Economy at Lower Energy Growth

Several recent energy studies suggest that total U.S. energy needs in the year 2000 will fall in the 85-115 quad range. This is a rather wide range, however, and a key question is: what is the economic penalty for holding energy growth to the low end of this range? Again, no one can be certain. But some sophisticated work has been done, and the results are encouraging.

Economists at Data Resources, Inc., and Harvard have examined the effects on GNP of energy policies (particularly higher prices) designed to reduce U.S. energy consumption from 116 quads to 90 quads in the year 2000. They found that "on the average, each percentage point reduction in energy input leads to only a 0.2 percentage point reduction in real GNP." Thus, reducing year 2000 energy demand from 116 to 90 quads (a 22 percent reduction) would result in GNP in the year 2000 being only 4% lower than it otherwise would have been. Despite this small loss, GNP would increase by 89% in this 90-quad future between 1977 and 2000.

Is a 4% lower GNP in the year 2000 worth it? A New York Times editorial earlier this year called it "a good bargain." Environmentally, we would pay dearly for producing 116 quads rather than 90, with costs that are not reflected in GNP. Producing those extra 26 quads would also generate large social and economic strains and dislocations. And it will be much harder to increase our independence from foreign suppliers if during the next two decades we are increasing our consumption by 36 quads over current levels rather than by 10 quads.

Conclusions

While there are uncertainties, it does not appear necessary to have high rates of nuclear power growth or overall energy growth in order to have a prosperous, full employment economy. If the DRI-Harvard estimate is correct, we can have about a 90% expansion in GNP between 1977 and 2000 with energy consumption increasing by only about 15-20%. Population will rise about 20% during this period, so GNP per capita would be expanding significantly.

THE WHITE HOUSE
WASHINGTON
11/29/79

Frank Moore

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

Rick Hutcheson

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

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION
FYI

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

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

1:30 PM

MEETING WITH SENATOR TED STEVENS

Frank J

Thursday, November 29, 1979
1:30 p.m. (30 minutes)
The Oval Office

From: Frank Moore *FM/BB*
Zbigniew Brzezinski

I. PURPOSE

To discuss SALT

II. PERSONAL INFORMATION, PARTICIPANTS, PRESS ARRANGEMENTS AND BACKGROUND

A. Personal Information

<u>Marital Status:</u>	Widower
<u>Children:</u>	Susan, Beth, Walter Ted and Ben
<u>Home Town:</u>	Anchorage, Alaska
<u>Committee Assignments:</u>	
Appropriations	(3)
Energy and Natural Resources	(5)
Governmental Affairs	(4)

B. Participants: Senator Ted Stevens

C. Press Arrangements: Off the record

III. BACKGROUND

A. SALT Concerns: We have asked that you see Stevens because, with Baker's absence on the campaign trail, he will be pivotal in the SALT debate. It is crucial that we get a good sounding of his current thinking.

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The impression we have of Stevens' position is that it is based less on substance than on politics. He has been watching Baker very closely. Before it was clear that Baker was so clearly against SALT, Stevens seemed to be extremely careful not to alienate the Conservative Republicans. Now that Baker is committed against the Treaty, Stevens seems to be positioning himself to be able to unify various Republican voices on SALT.

He has been generally negative in his approach to SALT and the Administration's handling of foreign policy issues-- most recently Cuban troops. Throughout the summer and fall he has turned down Administration offers to brief him. The public statements he has made are that SALT II as currently presented is unacceptable. He is primarily concerned about the exclusion of BACKFIRE, which could be deployed in Siberia and threaten Alaska. Most recently he pointed out on the Senate Floor that the 5,500 mile limit for missiles to be classified as ICBM comes from a determination of the distance between Murmansk and Maine. In that calculation, he wondered what would happen to Alaska and the SS-20s in Siberia, which were not included in SALT. In the same speech he said that we should not link SALT and TNF.

Early in November Stevens' legislative assistant let it be known that placement of AWACS capability or a F-15 wing in Alaska would help allay Stevens' defense concerns. This also would help him to argue to his constituents that he was watching out for their security.

B. Additional Issues and Personal Information:

Senator Stevens is becoming more and more active in the Republican leadership with Senator Baker on the campaign trail. At times, he is surprisingly responsible and fair. For example, he has virtually single-handedly kept Republicans in line during the Iranian crisis. In significant part, this is due to his close working relationship with Senator Byrd. Robert Byrd is the Chairman and Ted Stevens is the Ranking Minority Member of the Interior Appropriations Subcommittee and from this committee service together, they have become close friends. That, we suspect, is why Senator Byrd believes we should not give up on getting Stevens' vote on SALT.

As you probably know, Stevens and Gravel are bitter enemies, personally and politically. Gravel's intransigence on D-2 lands has contributed to Stevens' attitude which has been one of compromise. Senator Stevens is almost certain to raise the Alaska lands issue. I recommend that you avoid any discussion with him and tell him that you will have Secretary Andrus get with him on this.

TALKING POINTS
FOR
SENATOR STEVENS

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- The Soviets are currently deploying the Backfire to one base in the eastern part of the Soviet Union. Backfires from this base will be able to strike targets in Alaska on two-way missions. As you know, Backfires are capable of striking targets throughout the US on one-way missions.
- While the Backfire two-way capability against Alaska is unique, this does not have any practical effect on the likelihood that Alaska would either: (1) suffer greater damage in nuclear war or (2) be attacked without the rest of the US being attacked.
- The same is true of the situation with respect to the SS-20's deployed in the eastern part of the Soviet Union.
- In fact, the Soviets will have a much greater capability to attack targets in the continental United States than they will to attack targets in Alaska because of bomber and SLBM deployment patterns.
- I can assure you that I would consider any attack on Alaska to be just as serious as an attack on any other state in the Union.
- It is true that we define intercontinental systems based on the minimum distance between the continental boundaries of the US and the Soviet Union.
- This was a practical approach to meeting our SALT I and SALT II objectives of limiting among other things growth in Soviet ICBM forces.
- We will be taking up the limitations on systems such as the SS-20 and Backfire in SALT III to ensure that all longrange nuclear systems with capabilities against all 50 states and our Allies will be limited.
- While it would have been nice to have been able to deal with limitations on such systems in SALT II, it is clear that a step-by-step approach to limiting all of these systems is the only practical alternative.

Good discussion. Friendly. L- on
SALT. Concerned re consequences of
rejection. Thinks Scoop may be the
key as he was on SALT I
J

2:15 PM

THE WHITE HOUSE
WASHINGTON

November 28, 1979

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MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*
BRUCE KIRSCHENBAUM *BK*

SUBJECT: Meeting with Mayor-elect Bill Green
of Philadelphia, Pennsylvania

Thursday, November 29, 1979
2:15 p.m. (20 minutes), Oval Office
Photo Opportunity at the Beginning of
Meeting

Participants

Mayor-elect Bill Green
Jack Watson

Purpose

This is a post-election courtesy call. The Vice President will be meeting with Bill at 1:30 p.m. We will try to have the Vice President speak with you before your own meeting.

We hope this meeting will be so cordial and cooperative that Green will be convinced not to go with Kennedy, at least not for quite awhile. If we can keep him neutral for several months, we will be able to organize many "Green" people.

Background

Political - Green won the Philadelphia mayoral race with more than 52% of the vote, easily defeating Marston and Lucien Blackwell.

There are said to be left-over animosities from Green's 1976 loss to John Heinz for U.S. Senate. He is said to blame you, Hamilton and Jody for too favorable comments about Heinz. He is also said to believe he was offered the STR job but lost out to Bob Strauss.

His ties to the Kennedy family are strong. One story is that his father died of a heart attack because of John Kennedy's death. While he was very close to Bobby, it is uncertain how personally close he is to Ted.

Goldschmidt - Green is reportedly concerned about Neil Goldschmidt's statements concerning federal assistance being condition on support of your re-election. He indicated such in a New York Times' article this past Sunday (attached).

Issues

Bill's staff indicates he will not raise detailed substantive issues at this meeting. The staff expects politics to be discussed. However, you should be aware of the most serious issues.

1. Whitman Park

- a. The lawsuit over construction of this low income housing project in a white middle-class neighborhood is over. The court has ordered it built. Bill has said he will enforce the court order.
- b. Because of this housing issue, the City's Community Development Block Grant (\$67.7 million annually) has been conditioned by the Court and split into three pieces. Each condition concerns low-income housing.
- c. Whitman Park is now being held up by the inability of HUD to find a developer at the statutory "prototype" costs. This is because no one really wants to go near the project unless the price is right. HUD is willing to negotiate how those extra costs are met, and my staff will talk to Bill about how he wants to handle that politically.

- d. UDAG eligibility has been withdrawn from Philadelphia because of non-performance on low-income housing. Bill is meeting with Bob Embry tomorrow on how they can resolve all of these issues.
2. There is the impression that your Administration has not done enough for Philadelphia. As in other areas, that is not the case.
 - a. Total federal spending in Philadelphia for FY 79 will be nearly \$1 billion greater than in FY 77 (up from \$4.5 billion to \$5.4 billion).
 - b. Per capita federal spending in FY 78 is 50% greater than the rest of the country.
 - c. Unemployment rate in Philadelphia has been reduced from 9.3% to 8.6% (as of August). The number of jobs has increased 2.9%. Black unemployment for Philadelphia was 19.5% (1978), but that compares to 21.3% in 1977. (While you are still not happy with these numbers, it is a significant achievement.)

3. Police Brutality Suit

While we doubt Bill will raise this, you should know that the Federal District Court Judge dismissed the Justice Department's charge that Rizzo and high-ranking police officials condoned systematic police brutality. The Judge ruled that there was a lack of constitutional authority to bring such an action against a local government. However, the Court let stand the charges that the Police Department maintained a policy of brutality that discriminated against blacks, in violation of LEAA's authorizing legislation. Justice is reviewing appeal options.

Talking Points

We suggest you make this a cordial, substantive meeting. You should indicate the following:

1. You understand the difficult times ahead for Bill. He is taking over the reins of the fourth largest city (1.9 million people) after eight years of serious economic and social problems.

2. You want to, and will, help him as much as possible to heal the division between whites and blacks, as well as assist on economic development. In fact, at a meeting with your major domestic Cabinet members this morning, you told them they should work closely with Bill on these important matters.
3. You are proud of the national urban policy announced in 1978. Under that policy, Philadelphia, contrary to some popular impressions, has fared very well. We will continue to make progress.
4. You are sorry you could not keep your scheduled trip to Philadelphia because of the Iranian crises. You will re-schedule the town hall meeting as soon as possible.
5. In response to specific issues he might raise:

- a. Whitman Park/Housing/CDBG

You have full confidence in Moon Landrieu's understanding of the difficulties a big city Mayor faces. You have instructed Moon to work closely with Bill. You understand that Bill is seeing Embry today. Bill should check in with Jack if any problems arise. Also, he should check with Jack about how this issue should be handled politically during transition.

It is a difficult issue and you want to do what is right for all the people of Philadelphia. You are confident these problems can be resolved with a cooperative relationship.

- b. Carter Administration Accomplishments for Philadelphia

You feel the facts prove the popular impression to be wrong. Jack will work with Bill's staff to compile a statement of the record. Statements from Bill and others to correct this mis-impression would help turn this around.

- c. Police Brutality Suit

This is a legal matter for the courts to decide. It would be highly improper for you to intercede in anyway.

Attachment

Philadelphia Asks U.S. To Free Housing Funds

PHILADELPHIA, Nov. 24 (UPI) — The city of Philadelphia, its Mayor-elect preparing for a fence-mending trip to Washington, has asked the Federal Government to release \$70 million in community development funds blocked in a disputed over public housing.

The city housing director, John Gallery, has requested a meeting with Assistant Secretary Robert C. Embry Jr. of the United States Housing and Urban Development Department to discuss his contention that Federal actions are stop-

ping the city from meeting one condition for receiving the funds.

The department blocked \$67 million in community development funds for this year and demanded that the city meet three conditions. The city has met one requirement, presenting a detailed rehabilitation plan, and is nearly half done with the second requirement that it process some 448 specific houses for rehabilitation.

But Mr. Gallery argued in a letter earlier this month that delays in the start of the controversial Whitman Housing project were federally caused by negotiations with the developers.

On Thursday, Mayor-elect William J. Green, a former Congressman, will return to Washington on a trip that he said

would cement an understanding that the city would not face Federal retribution because of his position in the Presidential campaign. Mr. Green is a longtime friend of Senator Edward M. Kennedy of Massachusetts but has also voiced support for President Carter.

THE WHITE HOUSE
WASHINGTON

29 'Nov 79 . . .

FOR THE RECORD:

THE ORIGINALS WERE GIVEN
TO EV SMALL FOR DELIVERY.
BRZEZINSKI RECEIVED A COPY.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

6819

November 28, 1979

28
C

ACTION

MEMORANDUM FOR: THE PRESIDENT
FROM: HENRY OWEN *oo*
SUBJECT: Letters to Senator Inouye and
Congressman Long

*Dan or
Danny?*

We face a growing danger that the deadlock between the House and Senate foreign aid appropriations sub-committees will continue and prevent passage of a bill this year -- and require us to rely on a continuing resolution instead. This would deprive us of needed money for Kampuchean aid and other vital purposes, including ISTC. To avoid this we are actively promoting a compromise. To reinforce this effort, Bob Beckel believes that the attached letters would be helpful. Tom Ehrlich and I agree. If you sign, they will be hand carried to Inouye and Long tomorrow morning.

RECOMMENDATION

That you sign the attached letters (Tabs A and B), which have been cleared by Tom Ehrlich, Bob Beckel, and your speechwriters.

(TWO SIGNATURES REQUESTED)

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for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

November 29, 1979

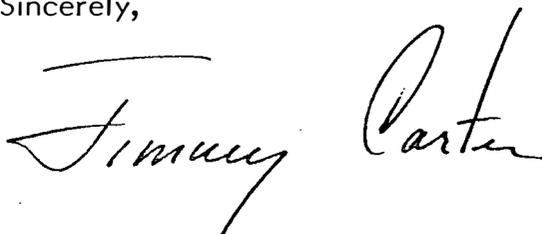
Dear Danny:

I know that for several weeks you and other members of the House/Senate Conference Committee on the Fiscal 1980 Foreign Assistance Appropriations have been trying hard to resolve differences on key issues in the bill. I am writing to thank you for this effort, to indicate why rapid passage of this bill is of critical importance to United States foreign policy, and to appeal to you directly to work toward a timely and successful conclusion of the Conference Committee.

H. R. 4473, as you know, contains appropriations for programs that are vital to our national interests. Many of these programs would suffer, as would our foreign policy, if we had to rely on a continuing appropriations resolution for much longer. The Kampuchean refugee situation is just one example. Moreover, our relationship with nations that are of central importance to the United States could be damaged by a failure to enact new appropriations legislation.

Officials of this Administration are ready to work with you to assist in concluding this matter quickly. Please let me know if there is any way I can help.

Sincerely,

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

The Honorable Daniel K. Inouye
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

November 29, 1979

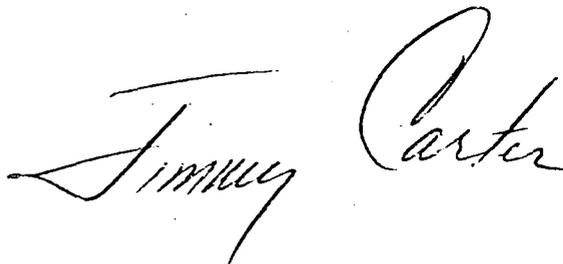
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Sincerely,

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

The Honorable Clarence D. Long
United States House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE
WASHINGTON

11/29/79

Stu Eizenstat
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
Fran Voorde

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

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION
EYE

	VICE PRESIDENT
	JORDAN
	CUTLER
	DONOVAN
X	BIZZNESSMAN
	MCDONALD
	MOORE
	BOWELL
X	WATSON
	WEDDINGTON
	WEXLER
	BRZEZINSKI
	MCINDYRE
	SCHULTZE
	ANDRUS
	ASKREW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREBS
	LANDRIBU
	MARSHALL

	MULLER
	VANCE
	BULLER
	CAMPBELL
	H. CARTER
	CLOUGH
	CRUKSHANK
	FIRST LADY
	FRANCIS
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PRESS
	SANDERS
	SEETH
	SORAUSS
	TORRES
X	WOORDE
X	WISE

THE WHITE HOUSE
WASHINGTON

November 28, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT/JACK WATSON
SUBJECT: Meeting with Mayor Bradley

*Jack
ok, but I
am not inclined
forward any
federal
financing
J*

I understand that you have turned down the request for a meeting with Mayor Bradley on Federal financing of the 1984 Summer Olympics. I strongly urge that you reconsider that decision.

Mayor Bradley has persistently asked for this meeting, primarily because he wants to be able to show his supporters, as well as his critics that he does have access to you and can get a meeting with you on this subject. The other participants are directly involved in the Olympics preparation and are important supporters of your re-election. The meeting would be very brief and would simply provide them an opportunity to explain the basis of their funding request.

Mayor Bradley clearly would like to receive some type of commitment on Federal financing. However, he recognizes that any decision will have to be made in the future, on the merits, and in the relevant agencies. He does not expect that you will make a commitment to him in a brief meeting. But for political reasons it is important that a meeting be held.

Participants

- Mayor Bradley
- Ray Remy, Deputy Mayor of Los Angeles
- Lew Wasserman
- Peter Ueberroth, President, Los Angeles Olympics Organizing Committee
- John Ferraro, Los Angeles City Council President

THE WHITE HOUSE
WASHINGTON

11/29/79

Jack Watson

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

As agreed, please hold the
letters for dating until
the appropriate time (originals)
and then coordinate timing
with CL and Treasury.

Rick Hutcheson

cc: Jim McIntyre

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

ADMIN CONF ID
 CONFIDENTIAL
 SECRET
 EYES ONLY

ACTION
 FYI

VICE PRESIDENT

JORDAN

CUTLER

DONOVAN

EITZENSTAT

MCDONALD

MOORE

POWELL

WATSON

WEDDINGTON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ANDRUS

ASKEW

BERGLAND

BROWN

CIVILETTI

DUNCAN

GOLDSCHMIDT

HARRIS

KREPS

LANDRTEU

MARSHALL

MILLER

VANCE

BUTLER

CAMPBELL

H. CARTER

CLOUGH

CRUIKSHANK

FIRST LADY

FRANCIS

HARDEN

HERTZBERG

HUTCHESON

KAHN

LINDER

MARTIN

MILLER

MOE

PETERSON

PRESS

SANDERS

SPETH

STRAUSS

TORRES

VOORDE

WISE

THE WHITE HOUSE
WASHINGTON

11/29/79

Mr. President:

Watson concurs, and will coordinate the release of the letters with CL and Treasury -- after the Shah leaves New York City.

Rick

*pls. see Pendant's
note*

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h



THE SECRETARY OF THE TREASURY
WASHINGTON

November 21, 1979

*Susan
Let Jack Mail,
after informing
Jim McJ
J LeHessigud
11/29/79
lc*

MEMORANDUM FOR THE PRESIDENT

Subject: Reimbursement to New York City for Police Protection

An issue which New York City officials have continually raised with Administration officials is the need for more realistic reimbursement for police protection provided to visiting foreign dignitaries. This is also an emotional issue with many New Yorkers. Working with Domestic Policy Staff officials and the New York City Congressional delegation (particularly Joe Addabbo), Treasury has recently secured language in the 1980 Appropriations Bill which meets some of New York's principal concerns. As a result, in this fiscal year reimbursement can be provided for motorcades and for security at places the dignitary visits. In addition, regulatory changes are being made which solve other problems.

New York City has recently expended substantial resources protecting numerous foreign visitors including Fidel Castro attending the United Nations General Assembly. I recommend that you send the attached letter to Mayor Koch praising the efforts of the Police Department and pointing to the fact that Administration efforts will allow more realistic reimbursement. I am also attaching proposed letters for you to send to Tom Steed and Joe Addabbo who are the Congressional principals involved in the legislative change.

Bill

G. William Miller

Attachments

**Electrostatic Copy Made
for Preservation Purposes**

(THREE SIGNATURES REQUESTED)

THE WHITE HOUSE

WASHINGTON

To Mayor Ed Koch

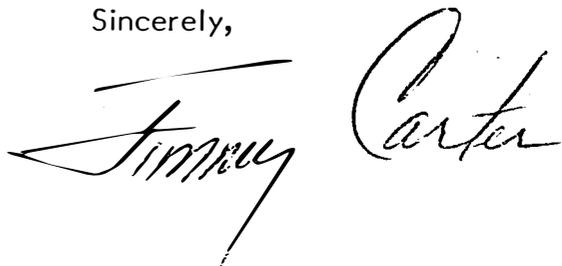
You and I know how long things can take in politics, so here is some news of which we can both be proud: I am pleased to tell you that the Federal government is going to help the people of New York pay for the cost of protecting foreign visitors.

This year's United Nations General Assembly placed an extraordinary burden on the New York City Police Department, involving as it did the visits of many important foreign visitors, including Pope John Paul II and Fidel Castro. Throughout this period, your police officers performed in an extraordinarily effective manner and earned our respect and admiration. This is a credit to your own leadership, as well as that of Police Commissioner McGuire.

As you have discussed with me, these protective tasks do place strains on your police and fiscal resources. I am, therefore, especially pleased that through the efforts of my Administration, working closely with the City and its Congressional delegation, in particular with Joe Addabbo, it will now be possible to provide more adequate reimbursement for these expenses. Statutory language included in the 1980 Treasury Appropriations bill will allow for protection for visitors at the United Nations, while in motorcades and at other places they visit. Revised regulations will allow more complete reimbursement for security at missions and for the administrative expenses involved in this effort.

Again, my personal thanks for the difficult job your police officers performed so well -- I'm pleased to be able to help.

Sincerely,

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

The Honorable Edward Koch
Mayor of New York
New York, New York 10007

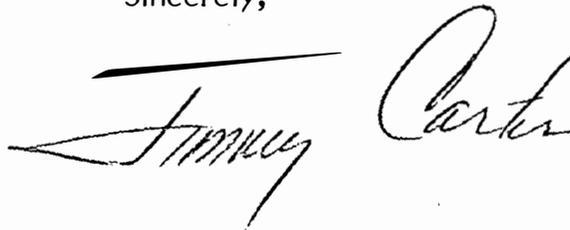
THE WHITE HOUSE

WASHINGTON

Dear Chairman Steed:

Recently, the City of New York has been called upon to deal with the security problems associated with the latest session of the United Nations General Assembly. This year's session involved some particularly difficult situations relating to such varied visitors as Pope John Paul II and Fidel Castro. Fortunately, as a result of language in this year's Treasury Appropriations bill, as well as changes being made in implementing regulations, more equitable reimbursement for these expenses will be made to New York than ever before. I am pleased that my Administration was able to work with you and your Committee to accomplish this needed change.

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The Honorable Tom Steed
Chairman
Subcommittee on Treasury,
Postal Service, General Government
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

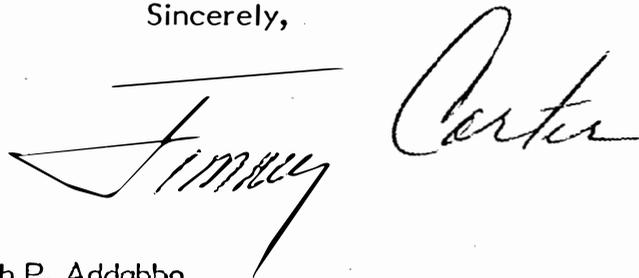
THE WHITE HOUSE

WASHINGTON

Dear Congressman Addabbo:

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The Honorable Joseph P. Addabbo
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

DATE: 26 NOV 79

FOR ACTION: FRANK MOORE

JACK WATSON

RICK HERTZBERG

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

SARAH WEDDINGTON

JIM MCINTYRE

SUBJECT: MILLER MEMO RE REIMBURSEMENT TO NEW YORK CITY FOR
POLICE PROTECTION

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM WEDNESDAY 28 NOV 79 +

+++++

ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW:

*See charges
Gordon Stewart
11/28/79
Note insert A*



THE SECRETARY OF THE TREASURY
WASHINGTON

November 21, 1979

MEMORANDUM FOR THE PRESIDENT

Subject: Reimbursement to New York City for Police Protection

An issue which New York City officials have continually raised with Administration officials is the need for more realistic reimbursement for police protection provided to visiting foreign dignitaries. This is also an emotional issue with many New Yorkers. Working with Domestic Policy Staff officials and the New York City Congressional delegation (particularly Joe Addabbo), Treasury has recently secured language in the 1980 Appropriations Bill which meets some of New York's principal concerns. As a result, in this fiscal year reimbursement can be provided for motorcades and for security at places the dignitary visits. In addition, regulatory changes are being made which solve other problems.

New York City has recently expended substantial resources protecting numerous foreign visitors including Fidel Castro attending the United Nations General Assembly. I recommend that you send the attached letter to Mayor Koch praising the efforts of the Police Department and pointing to the fact that Administration efforts will allow more realistic reimbursement. I am also attaching proposed letters for you to send to Tom Steed and Joe Addabbo who are the Congressional principals involved in the legislative change.

Bill
G. William Miller

Attachments

ID 795206

THE WHITE HOUSE

WASHINGTON

DATE: 26 NOV 79

FOR ACTION: FRANK MOORE

concur

JACK WATSON

attached

RICK HERTZBERG

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

SARAH WEDDINGTON

JIM MCINTYRE

SUBJECT: MILLER MEMO RE REIMBURSEMENT TO NEW YORK CITY FOR
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ACTION REQUESTED:

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PLEASE NOTE OTHER COMMENTS BELOW:

DATE: 26 NOV 79

FOR ACTION: FRANK MOORE

JACK WATSON

RICK HERTZBERG

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

SARAH WEDDINGTON

JIM MCINTYRE

SUBJECT: MILLER MEMO RE REIMBURSEMENT TO NEW YORK CITY FOR
POLICE PROTECTION

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 1200 PM WEDNESDAY 28 NOV 79 +

+++++

ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW:

We endorsed the Miller suggestion but my office and Congressional Liaison should handle how it is actually released rather than the Department of the Treasury. Secondly, we will not let it be released until the Shah has left New York so the issue of reimbursement of his protection would not be raised.

Draft Letter for President's Signature

To Mayor Ed Koch

This year's United Nations General Assembly again placed an extraordinary burden on the New York City Police Department, involving as it did the visits of many important foreign visitors, including Pope John Paul II and Fidel Castro. Throughout this period, your police officers performed in an extraordinarily effective manner and earned again our respect and admiration. This is a credit to your own leadership, as well as that of Police Commissioner McGuire.

As you have discussed with me, providing this protection does place real strains on your police and fiscal resources. I am, therefore, especially pleased that through the efforts of my Administration, working closely with the City and its Congressional delegation, in particular with Joe Addabbo, it will now be possible to provide more adequate reimbursement for these expenses. Statutory language included in the 1980 Treasury Appropriations bill will allow for protection for these visitors at the United Nations, while in motorcades and at other places they visit. Revised regulations will allow more complete

reimbursement for security at missions and for the administrative expenses involved in this effort.

Again, my personal thanks for the difficult job your police officers performed so well.

Sincerely,

The Honorable
Edward Koch
Mayor of New York
New York, New York

Draft Letter for President's Signature

To Chairman Tom Steed

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Sincerely,

The Honorable
Tom Steed, Chairman
Subcommittee on Treasury, Postal
Service, General Government
Committee on Appropriations
House of Representatives
Washington, D. C. 20515

Draft Letter for President's Signature

To Congressman Joseph P. Addabbo

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Sincerely,

The Honorable
Joseph P. Addabbo
House of Representatives
Washington, D. C. 20515

You and I know all too well how long progress can take
Some
is going to help the people of New York pay for
the cost of protecting foreign visitors.
in politics
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the cost of protecting foreign visitors.
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the cost of protecting foreign visitors.
is going to help the people of New York pay for
the cost of protecting foreign visitors.

Draft Letter for President's Signature

To Mayor Ed Koch:

Dem Ed (insert a - above)
This year's United Nations General Assembly ~~again~~

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tools
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Again, my personal thanks for the difficult job your police officers performed so well. ~~to~~ I'm pleased ~~to~~ to be able to help.

Sincerely,

~~PS How do you~~

The Honorable
Edward Koch
Mayor of New York
New York, New York

Draft Letter for President's Signature

Dear

~~To~~ Congressman ~~Joseph P.~~ Addabbo;

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House of Representatives
Washington, D. C. 20515

Draft Letter for President's Signature

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Sincerely,

The Honorable
Tom Steed, Chairman
Subcommittee on Treasury, Postal
Service, General Government
Committee on Appropriations
House of Representatives
Washington, D. C. 20515

Insert A:

~~XXXXXXXXXX~~
You and I know all too well how long ~~some programs~~^{Mr. Igo} can take in politics, so here is ~~some~~^{some} news of which we can both be proud:

I am pleased to tell you that the federal government is going to help the people of New York pay for the cost of protecting foreign visitors.

8:00 AM

THE WHITE HOUSE
WASHINGTON

November 28, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jach*
SUBJECT: Domestic Policy Breakfast
Thursday, November 29, 1979
8:00 a.m., Cabinet Room

Participants

Vice President
Secretary Harris
Secretary Landrieu
Secretary Goldschmidt
Secretary Marshall
Hamilton Jordan
Stu Eizenstat
Al McDonald
Charlie Schultze
Under Secretary Anthony Solomon, Treasury Department
James McIntyre

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Agenda

Tomorrow morning's agenda should focus on one substantive and two political issues. The discussion on steel should take up most of the time.

1. U.S. Steel Lay-Offs

Some background information on the U.S. steel announcement has been provided to you for your press conference. More details about locational impacts, etc., are being assembled. I have invited Tony Solomon (Bill Miller is out of the country) to join us in order to discuss this matter. Neil specifically wanted it on the agenda because he has used the Carter Administration's success with its steel program as an important accomplishment. (One of his first speeches as Secretary was to the United Steel Workers in Pittsburgh.)

Bruce held an interagency meeting this morning with EDA, EPA, Treasury and Labor in order to make sure the Administration speaks with one voice on this matter. In particular, we have to be careful about not making this a "federal problem". Senator Glenn cleared a press statement with our office on Tuesday night which said he is working with the White House on coordinating help to communities and individuals impacted. He agreed that he would not blame the shut-downs on imports, environmental issues, or the Federal government. The entire issue of trade adjustment payments could be set-off if we indicate it results from imports (which it does not). You should emphasize this position to the participants and that no final decisions on aid, impact analysis, etc., should be announced before cleared through our office.

2. Dick Moe has had problems getting Cabinet officers to respond to his requests for them to make statements critical of Senator Kennedy's record or position. When he does make such a request, very often they pass it on to a lower level staff person who speaks with the press. This is unacceptable. You should indicate that Dick Moe's requests are your requests.
3. I think you should discuss Neil's remarks regarding Jane Byrne. While he meant well, and the first part of his statement about her credibility was good, the issue of discretionary funds caused some back-fire. There is always a fine line between sending negative signals about an individual and ending up with the Administration painted as hurting the people of a city.

This could be particularly hurtful since we are beefing up our grants process. You might also mention that this grants function has been formally switched from Frank Moore's office to Jack Watson's under Bruce Kirschenbaum's direction. (Hamilton sent a memo to senior staff on November 21, 1979.)

Senator Kennedy has just written and released a letter to John Rousakis, past President of the National League of Cities as of today, criticizing Neil's stand on aid to Chicago. The letter accuses the White House of compiling an enemies list.

Our inclination is to have John respond forcefully rather than the White House issuing a statement. I spoke to the Democratic Mayors in Las Vegas on Tuesday when Mayor Dick Fulton of Nashville (who has endorsed Kennedy) took a similar line in a question from the floor. My response that "this Administration deals fairly with all cities, but that the government cannot be removed from politics" got a standing ovation from the Democratic Mayors.

Attachment

NOTE

(You should indicate to the participants that you will be meeting with Mayor-elect Bill Green this afternoon. You will tell the Mayor that he has instructed his Domestic Cabinet to cooperate with Bill in the coming months to solve important economic and social problems. However, you should also tell the participants to touch base with my office before any major decisions or announcements.)

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

November 28, 1979

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}

Subject: U.S. Steel Layoffs: Another Example
of Why Inflation is So Stubborn

There are a large number of factors responsible for the U.S. Steel plant closings. One of them often gets lost in the discussion. In 1967, hourly employment costs (wages plus fringes) in the steel industry were 28 percent higher than the average for all manufacturing. Only ten years later, in 1977, steel industry hourly employment costs had risen to a point 64 percent higher than the average for all manufacturing! (While I do not have the data for 1978 and 1979, nothing has happened to change the 1977 relationship in any fundamental way.) Had steel wages risen in line with average wages over the period, steel costs would be about 9 percent lower, and the steel industry much more competitive with other materials and foreign producers.

The larger than average growth in steel wages was not associated with a larger than average growth in productivity. Indeed, quite the contrary. In the ten year period 1967 to 1977, productivity growth for all of manufacturing averaged 2.4 percent per year. In the steel industry it averaged between 1.1 and 1.5 percent a year depending on which of several BLS measures are used.

Prior to 1974, steel industry wage settlements had often been preceded by long strikes. During those strikes, many steel users turned to foreign steel, and after the strike was over stayed with the foreign supplier. To avoid this and other problems brought about by periodic strikes the industry and the union, in 1974, entered into an Experimental Negotiations Agreement (ENA), under which the union waived the right to strike (arbitration is required in case of a deadlock). In return, in 1974 and 1977 the union got very fat wage settlements which have significantly reduced the competitive ability of the U.S. steel industry. Most of the increase in steel wages relative to other industries occurred after 1974.

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for Preservation Purposes**

As the competitive deterioration began to have its effect, labor and management joined to seek various kinds of protection. They sponsored the "steel caucus" in the Congress. They have been pushing for relaxation of environmental rules and for more liberal depreciation allowances. Using the threat of filing large-scale anti-dumping suits they succeeded in getting a trigger price mechanism established, which gives them some limited protection against foreign steel competition. (Some of that foreign competition may indeed be helped by government subsidy.)

Despite the protection, 8 percent of U.S. Steel's work force will suffer some costs. But the industry as a whole will continue to seek additional protection, and will undoubtedly use the U.S. Steel plant closings as an argument.

In each specific instance, sheltering an industry or a sector from the results of its own inflationary actions appears necessary in order to avoid some very painful human and social costs. But taken altogether, such actions strongly reinforce inflationary behavior; they send out the message that those who take inflationary actions can get the immediate rewards without having to bear the subsequent costs.

THE WHITE HOUSE
WASHINGTON
29 Nov 79

Stu Eizenstat

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

Rick Hutcheson

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

ADMIN CONFID
 CONFIDENTIAL
 SECRET
 EYES ONLY

ACTION
 FYI

VICE PRESIDENT
 JORDAN
 CUTLER
 DONOVAN
 EIZENSTAT
 MCDONALD
 MOORE
 POWELL
 WATSON
 WEDDINGTON
 WEXLER
 BRZEZINSKI
 MCINTYRE
 SCHULTZE

ANDRUS
 ASKEW
 BERGLAND
 BROWN
 CIVILETTI
 DUNCAN
 GOLDSCHMIDT
 HARRIS
 KREPS
 LANDRIEU
 MARSHALL

MULLER
 VANCE

BUYLER
 CAMPBELL
 H. CARTER
 CLOUGH
 CRUIKSHANK
 FIRST LADY
 FRANCIS
 HARDEN
 HERTZBERG
 HUTCHINSON
 KAHN
 LINDER
 MARTIN
 MILLER
 MOE
 PETERSON
 PRESS
 SANDERS
 SPETH
 STEAUSS
 TORRES
 VOORDE
 WISE

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

November 28, 1979

cc Stu
C
/

EYES ONLY

MEMORANDUM TO THE PRESIDENT

From: Charlie Schultze (CL)

Subject: October Merchandise Trade Balance
(To be Released at 2:30 p.m., Thursday, Nov. 29)

The U.S. merchandise trade deficit fell to \$2.0 billion in October, from \$2.8 billion in September and \$2.4 billion in August.

> Exports rose from September by a healthy \$1 billion and are now 31 percent above a year ago. Speedier growth abroad (hurray for the Bonn Summit), a delayed export reaction to the 1978 depreciation of the dollar, and strong farm exports have all played a role. Last month's increase was helped by \$715 million in receipts from gold sales compared to only \$310 million in September. The recent good performance of exports has been a major factor holding up the U.S. economy in the face of recessionary forces. In the third quarter GNP statistics, for example, U.S. exports after adjustment for inflation rose at an annual rate of 23 percent, and contributed one-half of that quarter's GNP growth.

Imports rose by only \$200 million, despite an increase of \$480 million in oil imports. Imports of machinery and transportation equipment fell by over \$150 million.

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for Preservation Purposes**

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

November 28, 1979

cc Stu
J

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for Preservation Purposes

MEMORANDUM TO THE PRESIDENT

From: Charlie Schultze ^{CLS}

Subject: Impact of OPEC Pricing and Production Decisions on
the U.S. Economy

We have estimated the effect on the U.S. economy of several possible OPEC pricing decisions at the Caracas meeting and subsequently during 1980. This memo summarizes the results for your information.

The Importance of Production Decisions

If the oil market is tight, with demand tending to outrun production, spot market prices will remain above OPEC official prices. Moreover, refiners and dealers can pass on all of the higher crude oil costs, both spot and official, to their customers. Indeed in 1979 the imbalance between demand and supply was so great that the huge crude oil cost increases were fully passed on and margins were increased. In order to assess the economic consequences of any particular OPEC official price increase, therefore, it is also necessary to make some assumptions about the balance of supply and demand in the oil market, especially as it is affected by the level of production in Saudi Arabia, Iran, Kuwait, and several other countries.

Economic Impacts

We have assumed two different official OPEC price increases -- a 20 percent (\$4.30 bbl) and a 40 percent (\$8.60 bbl) increase subsequently escalated to keep pace with general inflation. In each case we then assumed two different states of the oil market: first, a situation in which the market is tight enough so that the gap between spot and official prices remains and refiner and dealers are able to pass the new costs on fully to their customers; second, an easier supply-demand situation in which refiners and dealers in the U.S. are forced to give up half of the recent increases in their margins, so that consumers bear only part of the brunt of the OPEC increases. The results are summarized below, in terms of changes in inflation and growth rates relative to what they would have been were oil prices to rise only with inflation:

Effect of OPEC Pricing Decisions
(percent)

	Change in Inflation Rate (CPI)		Change in Growth Rate	
	1980	1981	1980	1981
I. 20% Official Price Increase				
A. Tight Market	1.4	0.8	-0.8	-0.4
B. Easier Market	1.1	0.7	-0.6	-0.3
II. 40% Official Price Increase				
A. Tight Market	2.7	1.7	-1.5	-0.7
B. Easier Market	2.5	1.5	-1.3	-0.6

Note: Inflation and growth measured from fourth quarter to fourth quarter.

Under what I believe would be a highly optimistic forecast -- a 20% official price increase moderated by some reductions in margins -- oil price developments would add, in round numbers, about 1 percent a year to the inflation rate in 1980 and 1981. Some 300 thousand more people would be on the unemployment rolls by the end of 1980 and another 100 thousand by the end of 1981. Under a highly pessimistic forecast -- a 40% official price increase with no margin reduction -- the inflation rate would be boosted by over 2 1/2 percent in 1980 and 1 1/2 percent in 1981. By the end of 1981 some 1 million additional unemployed would result.

I think it likely that the result will be somewhere between these two estimates, with a price hike near 20 percent but with little if any margin reductions.

SALT -

Ind - Mich - Iowa

BAYH - CULVER - LEVIN - RIEGEL
SECURITY - WORLD PEACE

RULE of LAW - TRAM/SALT

MOST SERIOUS

7/3 - NOT SUB/STRONG DEF.

NOT PANACEA

NOT on TRUST - VERIFY

PR/UP/PD/NSC/ST/TC's

10% US no limit

11/29/79

SALT Briefing

VERIFY

ARMS RACE

INTERRUPT PROCESS

NATO

US Leadership

Non Prolif

SEPTAPER/ELF - 20:1

Breakfast with Domestic Policy Advisers

11/29/79

THE WHITE HOUSE
WASHINGTON

Domestic Leaders 11-29-79

Steel - unified voice

Dick Moe's requests

Neil vs Ayatollah Jare

Grants Frank → Jack

Bill Green Cab thru Jack

Econ dev policy (Neil)

Campaign assessment - good, early

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for Preservation Purposes.

UNITED STATES COURT OF APPEALS
FOR THE
DISTRICT OF COLUMBIA CIRCUIT
SPECIAL PROSECUTOR DIVISION

①
—

REPORT OF THE ATTORNEY GENERAL :
PURSUANT TO 28 U.S.C. §592(c)(1) :
SUBJECT: WHITE HOUSE CHIEF :
OF STAFF :
HAMILTON JORDAN :

No. 79-7

In accordance with section 592(c)(1) of Title 28, United States Code, as added by the Ethics in Government Act of 1978, Public Law 95-521, I, Benjamin R. Civiletti, Attorney General of the United States, make the following application to the Court for the appointment of a Special Prosecutor.

1. Allegation. On August 22, 1979, the Department of Justice received an allegation of the use of cocaine by Hamilton Jordan in violation of the federal criminal laws. Attorneys representing two owners of Studio 54, a New York City discotheque, informed federal prosecutors that one of their clients claimed that Hamilton Jordan used cocaine once in his presence during a 1978 visit to the discotheque. The information was offered by the defense attorneys in connection with an effort to persuade federal prosecutors to dismiss felony tax and obstruction of justice charges pending against their clients. The offer was rejected, and the clients have

entered pleas of guilty since that time.

2. Reasons for the Application for a Special Prosecutor.

On August 23, 1979, I ordered that a preliminary investigation of the initial cocaine use allegation be undertaken pursuant to 28 U.S.C. §592(a). The preliminary investigation was ordered because Hamilton Jordan is a person covered by the Special Prosecutor Act, see 28 U.S.C. §591(b)(3), */ and because the specific conduct alleged would constitute a violation of a federal criminal law other than a petty offense, see 21 U.S.C. §844 (providing a misdemeanor sanction for first offense possession of a controlled substance). **/ To date,

**/ Section 591(b)(3) of Title 28, United States Code, provides that "any individual working in the Executive Office of the President and compensated at a rate not less than the annual rate of basic pay provided for level IV of the Executive Schedule under section 5315 of Title 5" is covered by the special prosecutor provisions. Hamilton Jordan is employed in the Executive Office of the President as White House Chief of Staff and is compensated at a rate in excess of that provided to persons at level IV of the Executive Schedule.

**/ The federal possession of a controlled substance statute, 21 U.S.C. §844(a), provides:

"It shall be unlawful for any person knowingly or intentionally to possess a controlled substance unless such substance was obtained directly, or pursuant to a valid prescription or order, from a practitioner, while acting in the course of his professional practice, or except as otherwise authorized by this subchapter or subchapter II of this chapter. Any person who violates this subsection shall be sentenced to a term of imprisonment of not more than one year, a fine of not more than \$5,000 or both, except that if he commits such offense after a prior conviction or convictions under this subsection have become final, he shall be sentenced to a term of imprisonment of not more than 2 years, a fine of not more than \$10,000 or both."

Cocaine is a schedule II controlled substance. 21 U.S.C. §812.

the preliminary investigation commenced on August 23, 1979, has focused on the initial Studio 54 allegation, although investigation of three other uncertain allegations has also been undertaken by the FBI. ***/

The preliminary investigation of the Studio 54 allegation is concluded. The Department has not utilized the compulsory process of a grand jury for key witnesses. As a result of the preliminary investigation it is my conclusion that the matter is so unsubstantiated that prosecution is not warranted.

However, in view of the limitations imposed on the Department during the course of a preliminary investigation, I am unable to find that this matter is "so unsubstantiated that no further investigation . . . is warranted." Information from a number of pertinent witnesses has not been obtainable in

***/ One of these allegations has been dismissed as frivolous because the investigation has disclosed that Mr. Jordan was not in the city in question on the date claimed and because there is no corroboration for the allegation.

The second allegation, received on September 13, 1979, is that at a party held on October 21, 1977 in Beverly Hills, California, Hamilton Jordan used cocaine purchased that evening by other persons at the party. This allegation was made by one individual whose story has materially differed in two proffers by her counsel. No one has provided any corroboration for the allegation of this one individual. It is unsubstantiated.

The third allegation, received on October 23, 1979, was that Jordan used cocaine at a party following a named concert in December 1978 and that the source of the allegation was a girlfriend of an identified person, both of whom attended the party. The concert took place in April 1978, not December, and neither the identified person nor his girlfriend attended it. No one who went to the party has corroborated the hearsay allegation. It too is so unsubstantiated as not to warrant referral.

the preliminary investigation without compulsory process.

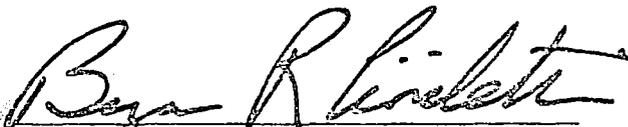
Final resolution will require that information, an assessment of the credibility of several witnesses, under oath, and the reevaluation of the evidence. Then determinations can be made concerning whether an incident of the type alleged, in light of the available evidence, warrants any further action. The statute requires here that such investigation be conducted now by a special prosecutor appointed by the court.

3. Proposed Jurisdiction of the Special Prosecutor. In view of my determination pursuant to 28 U.S.C. §592(c)(1) that preliminary investigation of the allegation requires the appointment of a special prosecutor, I recommend that jurisdiction of the special prosecutor be the allegation of cocaine use by Hamilton Jordan at Studio 54 in New York City on June 27, 1978, in violation of the federal criminal law, with the authority and duties provided in section 594 of Title 28, United States Code, as added by the Ethics in Government Act of 1978, Public Law 95-521.

Since the facts are intertwined, the special prosecutor should also be granted jurisdiction to investigate whether anyone has deliberately made false statements to the Department of Justice to initiate or mislead the preliminary investigation in this matter. If the special prosecutor finds that there are any facts or circumstances to reasonably indicate that any such

violation of the federal criminal laws may have occurred, he or she should be directed by this Court to refer those matters to the Department promptly for further investigation and, if warranted, prosecution by the Department of Justice following completion of the special prosecutor's principal assignment.

Respectfully submitted,


BENJAMIN R. CIVILETTI
Attorney General of the
United States

Dated: November ^{19th} 1979.

NEW HAMPSHIRE

NOVEMBER 29, 1979

*Rosalynn's
statement -
good
J*

IT'S WONDERFUL TO BE BACK IN NEW HAMPSHIRE. AS SOME OF YOU MAY KNOW, I CAME HERE TODAY WITH JOAN MONDALE, AND JIMMY'S MOTHER, AND MY DAUGHTER-IN-LAW, JUDY. WE MADE UP A MAP OF OUR DAY -- AND YOU SHOULD SEE HOW WE ARE BLITZING THE STATE IN SIX COUNTIES AND 21 COMMUNITIES. ON THE WAY UP WE TALKED ABOUT VISITING OLD FRIENDS, MAKING NEW ONES, AND ABOUT A SPECIAL MESSAGE WE ARE CARRYING FROM THE PRESIDENT:

HE SENDS HIS LOVE. BUT HE ALSO SENT US HERE TO ASK FOR YOUR SUPPORT AT THIS VERY CRITICAL TIME IN OUR NATIONAL HISTORY.

**Electrostatic Copy Made
for Preservation Purposes**

2.

THE PAST FEW WEEKS HAVE BEEN THE MOST DIFFICULT OF HIS PRESIDENCY. INDEED THEY HAVE BEEN SOME OF THE MOST TRYING WEEKS IN OUR NATION'S HISTORY. TERRORISTS, HALF A WORLD AWAY, ARE HOLDING AMERICANS HOSTAGE, SUPPORTED BY THEIR GOVERNMENT.

THIS ACTION IS AN OUTRAGE, TOTALLY OUTSIDE THE BONDS OF INTERNATIONAL LAW -- AND FOR THE WHOLE WORLD TO SEE. BUT ALSO FOR THE WORLD TO SEE IS THIS NATION AND OUR PRESIDENT ACTING WITH CALMNESS, WITH COURAGE, AND WITH MEASURED ACTION.

EVERY AMERICAN FEELS ANGER AT WHAT IS HAPPENING, AND EVERY AMERICAN FEELS CONCERN FOR THE SAFETY AND PRIDE FOR THE GREAT COURAGE OF THOSE BEING HELD HOSTAGE.

WE ARE USING ALL DIPLOMATIC MEANS TO RESOLVE THIS CRISIS AND THE PRESIDENT HAS ACTED FIRMLY TO PROTECT OUR INTERESTS. HE HAS MADE IT CLEAR THAT THE IRANIANS WILL BE HELD ACCOUNTABLE FOR THEIR ACTIONS -- AND THAT THE UNITED STATES OF AMERICA WILL NOT YIELD TO TERRORISM OR BLACKMAIL.

I AM PROUD OF THE PRESIDENT FOR HIS LEADERSHIP. I AM PROUD OF THE RESTRAINT OF THE AMERICAN PEOPLE. AND I AM ESPECIALLY PROUD OF THE QUIET COURAGE OF THE EMBASSY PERSONNEL UNDERGOING THIS TERRIBLE ORDEAL.

THIS CRISIS HAS BROUGHT HOME A VERY IMPORTANT LESSON: OUR DEPENDENCE ON FOREIGN OIL IS A CLEAR AND PRESENT DANGER TO OUR NATIONAL SECURITY.

AND WE MUST HAVE A CLEAR, COMPREHENSIVE ENERGY POLICY FOR OUR COUNTRY.

JIMMY HAS BEEN WORKING IN A CONCENTRATED, PERSISTENT WAY EVER SINCE HE HAS BEEN PRESIDENT TO DEVELOP A GOOD ENERGY PROGRAM. LAST YEAR WE MADE PROGRESS, AND THIS YEAR CONGRESS HAS PASSED 2 IMPORTANT MEASURES THAT THE PRESIDENT HAS ASKED FOR --

ONE GAVE EMERGENCY GAS RATIONING AUTHORITY AND AUTHORITY TO SET STATE BY STATE CONSERVATION TARGETS.

ANOTHER, WHICH THE PRESIDENT SIGNED THIS WEEK PROVIDES FUNDS TO LOW-INCOME PEOPLE TO HELP PAY FUEL BILLS THIS WINTER.

THE PRESIDENT IS DETERMINED THAT PEOPLE WITH HIGH HEATING COSTS NOT HAVE TO CHOOSE BETWEEN HEATING THEIR HOMES AND PUTTING FOOD ON THE TABLE. HE SAW TO IT THAT ADEQUATE SUPPLIES OF HOME HEATING OIL WOULD BE AVAILABLE, ESPECIALLY IN NEW ENGLAND, AND HE IS SEEING TO IT THAT PEOPLE GET HELP TO PAY THE COST.

HOWEVER, CONGRESS HAS NOT ACTED ON ALL THE PROPOSALS. AND CONGRESS MUST NOT ADJOURN NEXT MONTH WITHOUT PASSING KEY ENERGY LEGISLATION THIS COUNTRY NEEDS.

ONE BILL WE MUST HAVE IS THE WINDFALL PROFITS TAX. THIS TAX WILL RETURN TO THE PUBLIC FUNDS WHICH WOULD OTHERWISE GO TO THE OIL COMPANIES.

WE WILL HAVE INCREASED FUNDS FOR MASS TRANSIT, FOR CONSERVATION, FOR SOLAR AND OTHER ALTERNATIVE ENERGY RESEARCH AND DEVELOPMENT.

IT IS ESSENTIAL THAT A STRONG TAX BE PASSED SO THAT THE PEOPLE WILL REAP THE BENEFITS OF THE PROFITS ON OIL RATHER THAN THE OIL COMPANIES.

MY HUSBAND HAS ASKED FOR A STRONG WINDFALL PROFITS TAX AND THE HOUSE HAS PASSED A STRONG BILL. THE WEAKEST VERSION OF THE TAX IS THE ONE THAT IS NOW BEING PROPOSED BY THE UNITED STATES SENATE.

I URGE YOU TO WRITE YOUR SENATORS AND THOSE IN YOUR NEIGHBORING STATES AND ASK THEM TO SUPPORT THE STRONG WINDFALL PROFITS TAX BILL MY HUSBAND HAS PROPOSED -- FOR THE GOOD OF THE COUNTRY!

IF WE ARE SERIOUS ABOUT OUR NATIONAL SECURITY, OUR ECONOMIC HEALTH, OUR FREEDOM, WE MUST TAKE THESE IMPORTANT STEPS NECESSARY TO REDUCE OUR DEPENDENCE ON FOREIGN OIL -- AND TO REDUCE INFLATION.

IMPORTED OIL IS THE SINGLE MOST IMPORTANT CAUSE OF INFLATION. WE IMPORT 1/2 OF ALL THE OIL WE USE FROM FOREIGN COUNTRIES -- AND WE HAVE NO CONTROL OVER THE PRICE OF OPEC OIL. IT HAS

INCREASED 10-FOLD IN THE LAST 7 YEARS. THE PRICE HAS INCREASED 65% SINCE LAST DECEMBER, AND IF OPEC RAISES PRICES AGAIN, OIL PRICES WILL GO UP AGAIN.

I FELT TODAY THAT I HAD TO TALK WITH YOU ABOUT ENERGY, BECAUSE THERE HAVE BEEN SO MANY MIS-REPRESENTATIONS OF MY HUSBAND'S RECORD -- AND OF THE FACTS CONCERNING ENERGY.

THERE ARE OTHER FACTS I WOULD LIKE TO POINT OUT.

1) MY HUSBAND DID NOT DECONTROL HOME HEATING OIL -- FORMER PRESIDENT FORD DECONTROLLED HOME HEATING OIL, AND THE SENATOR FROM MASSACHUSETTS VOTED FOR IT.

2) JIMMY HAS HAD THE EXECUTIVES OF MAJOR OIL COMPANIES TO THE WHITE HOUSE TO ASK THEM TO PROVIDE ADEQUATE HOME HEATING OIL FOR THE NEW ENGLAND STATES AND TO HOLD PRICES DOWN.

HE HAS CONTACTED 27 MAJOR REFINERS TO ASK THEM TO FREEZE PRICES ON HOME HEATING OIL FOR THIS WINTER.

3) THE CARTER ADMINISTRATION HAS TRIPLED FUNDING FOR SOLAR RESEARCH AND DEVELOPMENT.

WE HAVE CONSISTENTLY STRESSED CONSERVATION AND ESTABLISHED INCENTIVES AND TAX CREDITS FOR WEATHERIZING HOMES AND INSTALLING SOLAR EQUIPMENT.

4) CONTRARY TO SENATOR KENNEDY'S STATEMENTS, THE EFFECT OF DECONTROL ON INFLATION HAS BEEN VERY SMALL. IT HAS CONTRIBUTED LESS THAN 1/4 OF 1% TO THE INFLATION RATE,

AND TO DATE THE COST OF DECONTROL TO THE AVERAGE FAMILY HAS BEEN LESS THAN \$20.

I AM PROUD OF JIMMY BECAUSE HE HAS HAD THE COURAGE TO FACE THE POLITICALLY DIFFICULT, LONG-IGNORED REALITIES OF OUR ENERGY NEEDS.

THIS IS NOT A TIME FOR TIMID, HALF-STEPS. WE MIGHT NOT UNDERSTAND HOW WE GOT INTO THIS MESS, BUT WE DO KNOW WE MUST GET OUT OF IT. IT IS NOT A TIME FOR POLITICAL EXPEDIENCY EITHER.

IT MIGHT BE POLITICALLY ATTRACTIVE TO TALK ABOUT POLICIES OF CHEAPER ENERGY, CHEAPER HEATING OIL, CHEAPER GASOLINE -- OR TO SAY THAT WE NEED TO STUDY THE SITUATION FOR ANOTHER FEW YEARS -- OR TO SAY THAT SLAPPING CONTROLS ON OIL PRICES IS THE ANSWER.

THE TRUTH IS THAT THESE ARE IRRESPONSIBLE MEASURES THAT WILL LEAD TO MORE WASTE, MORE DEMAND FOR IMPORTED OIL, MORE DEPENDENCE ON FOREIGN COUNTRIES, MORE INFLATION AND MORE UNEMPLOYMENT -- IN SHORT, A WEAKER AMERICA.

FOR 3 YEARS JIMMY CARTER HAS TALKED SENSE TO THE AMERICAN PEOPLE. PEOPLE HAVE HEARD SOMETHING THAT HAS LONG BEEN LACKING FROM OUR NATION'S LEADERSHIP -- THE TRUTH.

THIS PRESIDENT BELIEVES THAT TO SUCCEED IN THE 1980'S WE NEED MORE, NOT LESS, OF THE HARD TRUTH. THE TIMES ARE GONE WHEN OUR COUNTRY CAN PUT OFF TILL TOMORROW WHAT NEEDS TO BE DONE TODAY. THE TIMES ARE GONE WHEN OUR COUNTRY CAN PURSUE PROGRAMS ATTUNED TO THE 60'S, INSTEAD OF THE 80'S. THE TIMES ARE GONE WHEN WE CAN SPEND OURSELVES OUT OF EVERY PROBLEM.

WE MUST CONTINUE TO FACE UP TO THE ISSUES OF THE DAY.

WITH CALM, STRONG, EFFECTIVE LEADERSHIP -- WITH A STRONG, EFFECTIVE GOVERNMENT -- WITH AN ECONOMY EXPANDING AGAIN -- WITH INFLATION AND ENERGY SHORTAGES BEHIND US -- WITH PEOPLE BELIEVING AGAIN -- WE CAN SET OUR COURSE FOR THE FUTURE WE HAVE ALL DREAMED ABOUT.

WE MUST NEVER UNDERESTIMATE THE GOODNESS OF OUR PEOPLE.
WE MUST NEVER UNDERESTIMATE OUR ABILITY TO MEET ANY CHALLENGE --
TO OVERCOME ANY CRISES,

EVERY IMPORTANT VICTORY THIS COUNTRY HAS EVER WON -- WITH
AMERICANS STRUGGLING TOGETHER -- HAS MADE US STRONGER AS A NATION.

WE HAVE A WONDERFUL COUNTRY. WE HAVE A WONDERFUL PEOPLE.

TOGETHER, WORKING TOGETHER, WE CAN MOVE FORWARD INTO THE
1980'S WITH A SPIRIT OF PRIDE AND PATRIOTISM AND CONFIDENCE IN
THE FUTURE --

AND MAKE OUR COUNTRY EVEN GREATER THAN IT ALREADY IS!

THE WHITE HOUSE
WASHINGTON

11/29/79

Anne Wexler

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

Rick Hutcheson

cc: Phil Wise
Fran Voorde



Representing Georgia's member-owned electric systems.

29

Georgia Electric Membership Corporation

148 International Boulevard / Suite 845 / Atlanta, Georgia 30303 / Phone (404) 659-3430

November 15, 1979

Mr. Phil Spector
The White House
Washington, D. C. 20500

Dear Phil:

The rural electric cooperatives of Georgia will have their Annual Meeting of Members in Atlanta, December 2-4. Approximately 500 people will attend, representing every geographical section of Georgia. In addition, Jack Watson will deliver a special address which will attract delegates from many other states as well as our national association from Washington.

During the General Session on December 3, I will give a 30-minute report on major activities of the past year and try to issue challenges for the '80s. At the conclusion of my remarks, I would like to show a picture of the President on three large screens and play a tape of his voice making a brief statement. Therefore, I respectfully request the President to put the enclosed words on tape for this use.

Phil, I give you and the President my personal assurance his remarks will be used with great discretion and will enhance his already fine image among our industry nationwide. This request fits into a series of activities I am undertaking to build support for the President's re-election campaign.

I realize this is an unusual request and will require the President's personal attention. However, I am convinced America needs Jimmy Carter in the White House and I plan to do all I can to see him re-elected.

Respectfully,

A handwritten signature in cursive script that reads "Heywood C. Gay".

Heywood C. Gay
Executive Vice President

HCG/rlb

Enclosures

P.S. If the President's eyes see this page, I want to urge him to accept an invitation to address the NRECA Annual Meeting in New Orleans, March 2-6, 1980. His presence with these 12,000 people would add significantly to our efforts in the rural areas for re-election. This is also a few days before the critical primaries throughout the southeast.

ID 795294

THE WHITE HOUSE

WASHINGTON

DATE: 29 NOV 79

FOR ACTION: PHIL WISE

FRAN VOORDE

INFO ONLY: JODY POWELL

SUBJECT: WEXLER MEMO RE TAPED REMARKS FOR GEORGIA ELECTRIC
MEMBERSHIP CORPORATION (HEYWOOD GAY REQUEST)

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +
+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND

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

PLEASE NOTE OTHER COMMENTS BELOW:

This can be signed early Friday —

UUBD
ID 795294

THE WHITE HOUSE
WASHINGTON

DATE: 29 NOV 79

FOR ACTION: PHIL WISE

FRAN VOORDE

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INFO ONLY: JODY POWELL

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ACTION REQUESTED: IMMEDIATE TURNAROUND

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

PLEASE NOTE OTHER COMMENTS BELOW:
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ACTION
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