

12/10/79 [1]

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THE WHITE HOUSE
WASHINGTON

5521

12/10/79

Zbig Brzezinski

The attached was returned in
the President's outbox today
and is forwarded to you for
your information. The signed
original has been given to
Bob Linder for action.

Rick Hutcheson

cc: Bob Linder

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

December 7, 1979

ACTION

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI 
SUBJECT: Naval Ship Construction

Graham Claytor has written you a memo (Tab B) requesting an exception to the "alternate vessel" provision of the Vinson-Trammel Act of 1934. This request which the Department of Defense makes annually, reflects a decision made more than a decade ago to get government naval shipyards out of the new ship construction business.

RECOMMENDATION

That you sign the memo at Tab A to Harold authorizing FY 1980 program warship construction in private shipyards.

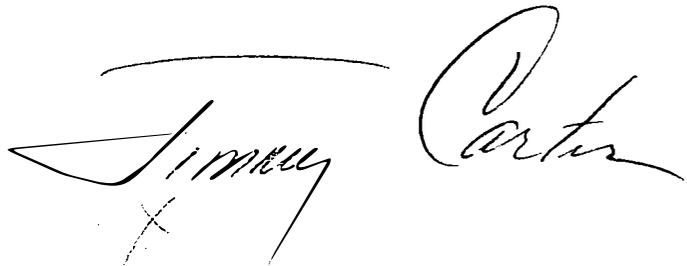
THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR:

THE SECRETARY OF DEFENSE

SUBJECT: Navy Ship Construction

With respect to the naval warships authorized by the Department of Defense Appropriation Authorization Act, 1980, I find that the construction of the first and each succeeding alternate warship in Government Navy yards, as provided in section 302 of the Act of June 11, 1965, Pub. L. No. 89-37, is inconsistent with the public interests. Pursuant to that Act, I hereby authorize the construction in private shipyards of all these warships.

Jimmy Carter

ID 795527

THE WHITE HOUSE

WASHINGTON

DATE: 10 DEC 79

FOR ACTION:

INFO ONLY: STU EIZENSTAT

JIM MCINTYRE

SUBJECT: BRZEZINSKI MEMO RE NAVAL SHIP CONSTRUCTION

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

ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW:

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
X	EIZENSTAT
	MCDONALD
	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
	BRZEZINSKI
X	MCINTYRE <i>Jan 11</i>
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

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

THE WHITE HOUSE
WASHINGTON

12/10/79

Stu Eizenstat

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

The signed original has been given to Bob Linder for action.

Rick Hutcheson

cc: Bob Linder

THE WHITE HOUSE

WASHINGTON

December 7, 1979

*Stu- ok
Late, but
improved
J*

MEMORANDUM FOR THE PRESIDENT

FROM:

STUART EIZENSTAT *Stu*
HARRY SCHWARTZ

SUBJECT:

Collection of Data on Small Business

On September 13, 1979 we sent to you a draft directive jointly prepared by SBA and the Department of Commerce calling for the creation of an interagency committee to develop policies regarding the collection of data on small business.

You returned the draft directive with a comment indicating your concern that the language was unnecessarily abstruse and bureaucratic. The directive has now been simplified and redrafted. Guidance for implementing your directive would be provided to executive departments and agencies in a subsequent memorandum over Stu's signature.

The text of the attached draft directive has been approved by SBA, Commerce, OMB and the speechwriters. We recommend that you sign it.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF
EXECUTIVE DEPARTMENTS AND AGENCIES

Small business is an essential part of our economy and our social fabric. However, we lack detailed current data necessary to distinguish and analyze the condition of small firms, which make up some 95 percent of the nation's total businesses. Thus, federal, state, and local policies that are meant to help these smaller firms are often based on inadequate information.

Some information now collected by the Government is limited in value because different agencies use different definitions in measuring the size of a business. In addition, there is no way to measure the relative contribution that small business makes to our economy, because the data that are collected for the national economic accounts, employment and price indices are not available by size of business. There is no comprehensive data base that can be used for assessing the health of this essential sector of our economy and society.

Therefore, in order to remedy this situation I am directing the Small Business Administration to accelerate the establishment of a small business data base which will provide the information needed to guide effective policymaking for the small business sector.

I am further requesting that all executive departments and agencies which are engaged in information gathering and other relevant activities cooperate fully with the Small Business Administration in this important effort.

Jimmy Carter
X

f.y.i. (I just received)

~

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

December 7, 1979

I called Joy -
He's better now.
still serious
J

RSC:..

Mary King called today to let you know that on Wednesday morning (12/5) Red Colegrove suffered a bad reaction to his chemotherapy and has been re-hospitalized at Bethesda in serious condition. He is suffering from Steven Johnson Syndrome which, Mary believes, is similar to being burned.

Joy told Mary that she wasn't going to let us know about this because she didn't want to add to your and the President's worries at this time.

Joy is with Red almost all of the time and does not want to talk in front of Red about his condition. Mary said there is a nurses' station outside Red's room, phone 295-0937, if someone wanted to call Joy there.

Carol

cc: Susan Clough ✓

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THE WHITE HOUSE
WASHINGTON

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MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*
ARNIE MILLER *AM*

SUBJECT:

Selection of the Administrator of the
Office of Federal Procurement Policy

Your commitment to affirmative action and this Administration's record of hiring women and minorities will be major issues over the next year. In response to your frequent directives, we are trying to lay down the law on affirmative action. Accordingly, we have reviewed the major positions in OMB.

Among the top 38 positions, there is only one minority staff member, the head of OMB's Civil Rights Office. These figures reveal that OMB has one of the worst, if not the worst, records in the Administration.

We believe that you cannot afford that kind of performance in the Executive Office of the President. It's too close to you personally.

It is true that Jim's staff has made an effort with respect to this job; however, we are measured by results and not by effort. We recommend that you direct Jim to:

- rapidly identify another minority candidate for this job, which is the only remaining Presidential appointment in OMB;
- aggressively recruit minority candidates for other upcoming SES vacancies;
- report to you in 60 days on his progress.

To the President
Merry Christmas
from
Jim Free

Carter Swamps Kennedy in Poll At Fund-Raisers

By LARRY DAUGHTREY

President Carter demonstrated last night he still has solid support among active Tennessee Democrats, swamping Massachusetts Sen. Edward Kennedy in a straw poll at 10 party fund-raising dinners.

California Gov. Jerry Brown, who has no visible campaign in the state, was a distant third in the balloting, conducted by United Press International.

With results from all 10 cities holding the dinners last night, these were the totals:

Carter	1,425 (84.5%)
Kennedy	236 (14.1%)
Brown	24 (1.4%)

The voting was conducted simultaneously in Nashville, Johnson City, Knoxville, Chattanooga, Livingston, Tullahoma, Clarksville, Lawrenceburg, Jackson and Memphis. Party faithful paid \$15 to attend the dinners.

Although the dinners had been planned for some time to finance legislative races next year and retire party debts, UPI's plans to conduct the

(Turn to Page 2, Column 1)

Carter Swamps Kennedy in Poll

(Continued From Page One)

straw poll caught both Kennedy and Carter forces by surprise last weekend.

Despite charges by both camps, there was no hard evidence that either had sought to pack the dinners with supporters, and the vote attracted little national attention.

The vote may reflect Carter's special place in the hearts of loyal Democrats in the state. During the early 1970s, when Democrats here were out of office, dispirited and broke, then Georgia Gov. Carter was a constant visitor.

IN ONE OF THOSE visits to Tullahoma in 1972, Carter packed the local National Guard Armory and raised several thousand dollars for the party. Last night, the Tullahoma crowd gave Carter a 129-10 margin over Kennedy, with two votes for Brown.

In Nashville, where Kennedy has the public endorsement of Mayor Richard Fulton, Carter won by a margin of 150-43, with Brown getting two votes.

The crisis in Iran also may have been on the minds of some of the Democrats. As he cast his vote for Carter in Nashville, longtime political figure Fred Lowry said:

"I BELIEVE AT THIS time Carter is doing everything humanly possible to bring about a settlement in Iran. I think Kennedy made a mistake that's going to hurt the hostages, and hurt himself politically." Lowry referred to Kennedy's remarks criticizing the former rule of the ousted Shah of Iran at a time when 50 Americans are being held hostage in Tehran.

Carter's victory was particularly solid in the more conservative rural areas of the state. At Lawrenceburg he led Kennedy by 130-12.

In Jackson the vote was 177-11. In Livingston Carter led 93-14. The Tri-Cities vote was 185 for Carter to Kennedy's 23. In Clarksville Carter led by a margin of 96-13.

THE MASSACHUSETTS senator fared little better in the big cities. In Chattanooga it was Carter 77-16, in Memphis 194-32, in Knoxville 194-62.

The vote was legally meaningless, since 1980 national convention delegates will not be chosen until the state's May 6 presidential primary. Both Carter and Kennedy have vowed to wage active campaigns in the state.

"I think that the Iran crisis is certainly important here," said Rep. Marilyn Lloyd Bouquard, attending the meeting in Chattanooga.

"I THINK ALSO THAT our country has faced major economic and social hurdles that would present a challenge to any man or woman — and that President Carter has constantly done his best."

President Carter is, of course, very popular in Tennessee, said William Harris, state party chairman. "I'm not surprised at all."

THE WHITE HOUSE
WASHINGTON

①

MEMORANDUM FOR THE PRESIDENT December 10, 1979
FROM: LLOYD N. CUTLER *Lnc*
SUBJECT: SALT

Attached is a list of senators who attended the meeting at Senator Warner's home on December 7 to hear Harold Brown and Graham Claytor review the status of the 1981 defense budget and the five-year program.

In Warner's view all of them (including Warner himself) are still fair prospects for voting in favor of SALT II, notwithstanding the public positions or public silence they have maintained up until now.

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OFFICE OF THE DEPUTY SECRETARY OF DEFENSE

10 Dec 79

MEMO FOR Mr. Cutler

The following Senators attended my meeting at Senator Warner's home last Friday, 7 Dec.

Nunn (D-Ga) ✓	Warner (R-Va) ✓
Johnston (D-La) ✓	Boschwitz (R-Minn) ✓
Chiles (D-Fla) ✓	Bellmon (R-Okla) ✓
DeConcini (D-Ariz) ✓	Schmitt (R-N.Mex) ✓
Stewart (D-Ala) ✓	Heinz (R-Pa) ✓
Glenn (D-Ohio) ✓	Packwood (R-Oreg) ✓
Pryor (D-Ariz) ✓	Danforth (R-Mo) ✓
Boren (D-Okla) ✓	



W. Graham Claytor, Jr.

THE WHITE HOUSE
WASHINGTON

SUSAN:

Hamilton thought you might
add this to the President's
reading.

Eleanor
12/7

A handwritten mark consisting of a large, stylized letter 'E' or similar symbol, with a horizontal line extending to the right below it.

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The President Thought you might like to see this

Sindlinger's News Release

NEWS RELEASE – NOVEMBER 15, 1979

Media In Pennsylvania

Based on 636 nationwide telephone interviews completed last night (Wednesday, November 14) for Sindlinger & Company's syndicated client service, President Carter's handling of the Iranian situation has created a complete U-turn in his popularity from "highly critical" to "overwhelmingly favorable."

. . . 9 out of 10 agree with the oil cutoff and impounding of Iranian funds.

. . . 6 out of 10 now give Carter a favorable job rating.

Sindlinger & Company of Media in Pennsylvania has a unique distinction that sets it apart from all other public opinion polling organizations—it has been operating on a nationwide daily basis for the past 24 years and is able to catch changing public opinion as it takes place and can report the results immediately. According to Albert E. Sindlinger, Chairman of the Board, the last seven days of interviewing reveal some most interesting and significant findings which all other pollsters will be picking up in their surveys to be reported later.

. . . A key Sindlinger observation is that Ayatollah Khomeini's action of holding Americans as embassy hostages is sure to go down in history as doing something for the United States that we ourselves could not have accomplished—that is, all future polls should show that Khomeini has restored and united the American people's confidence in themselves that has been slowly destroyed over recent years.

. . . President Carter's "cool" in contrast to the public's horror of seeing garbage being carried out in an American flag has done more to unite Americans than anything else so far, and people are saying "we have taken enough" as new millions of "Teddy Roosevelts" are expressing themselves.

. . . All future public opinion polls are sure to reveal the complete American outrage being expressed and the consequence of uniting us for a single purpose that could give the United States an energy policy if we can quickly learn how to do it.

. . . Sindlinger is informing all clients that the Forecast Confidence Index has risen sharply during the last week because the Iranian situation has united this confidence measurement among the American people.

(continued over)

Sindlinger's News Release

Page 2 —

- ... Another observation is that the political pollsters will find that this week was bad timing for the Republicans and for those Democrats who had already taken a "Chap-Quick Jump" off the Carter bridge and may find some hard swimming in deep waters as they try to get back to shore.
- ... But the most significant finding from our recent nationwide interviewing makes it perfectly clear that Iran better see to it that no American hostages become dead Americans—for we would hate to be an Iranian student in this country under such a circumstance.
- ... We are certain that all the public opinion polls will be confirming what we have just reported.

THE WHITE HOUSE
WASHINGTON

1:30 PM
Frank - Done
J

MEETING WITH SENATOR CHARLES McC. MATHIAS

Monday, December 10, 1979
1:30 p.m. (30 minutes)
The Oval Office

From: Frank Moore

Frank Moore

**Electrostatic Copy Made
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I. PURPOSE

To discuss SALT and ask his advice about how to keep up momentum now that Robert Byrd has indicated the Treaty will not be brought up until after Christmas.

II. PERSONAL INFORMATION, PARTICIPANTS, PRESS ARRANGEMENTS AND BACKGROUND

A. Personal Information

Wife's Name: Ann

Children: Charles
Robert

Home Town: Frederick, Maryland

Committee Assignments:

Appropriations (4)
Government Affairs (5)
Judiciary (2)
Select Committee on Intelligence (3)

B. Participants: Senator Charles Mathias
(Nickname: Mac)

C. Press Arrangements: White House Photographer only

III. BACKGROUND

SALT Concerns: He has been consistently supportive of SALT and has been a charter member of the Cranston group. Early in the year he was worried about the effect PRC normalization had had on the SALT talks. He now is concerned about increased defense spending and the difficulties it poses for liberal and moderate Senators. Since Byrd's scheduling announcement, he has expressed concern about the effect of delay not only on the

Treaty but also on Republican Senators especially. We have reason to believe he wants to discuss this with you.

Although he has been identified publicly as a SALT supporter, he takes some pains in his public statements to say that, although he would like to vote for SALT, he is not committed either "personally or publicly." In the middle of November in a Floor statement he said that he wants to see you present a concept of a national policy that envisions an orchestrated program of foreign policy and military competence that relates each to the other and designates how you will employ each component part.

He is very worried about the quandry in which Kissinger's approach has placed moderate Republican Senators. He has warned various members of the Administration not to "take on" Kissinger, because Republican Senators who want to vote for SALT need cover. He feels this personally because he is watching a right wing primary challenge next year.

Mathias has been with you on all difficult foreign policy votes: Panama, Mideast arms sales, Turkish embargo, and Rhodesia. He thought the Soviet troops in Cuba matter was not handled well, but did speak positively about your action to increase surveillance and to give additional assistance to the Caribbean.

Although he is one of the Republicans without whom we could not do on foreign policy (especially foreign aid -- he is on the Inouye appropriations subcommittee), he feels neglected by the White House on this issue. He is not normally invited to small foreign policy meetings at the White House.

You should also be aware that while his office had asked us not to have a Maryland SALT briefing, names submitted for one meeting by Americans for SALT inadvertently contained some of his constituents. He was extremely unhappy about that. Although we apologized, he brought it up when he met with you and some of his colleagues a few weeks ago. He might mention it again.

*Constructive - Kissinger The key -
Then explain to Senate the generic
reasons for SALT - (not the specifics)*

12/10/79

Jerry Rafshoon

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

12-10-79

To Jerry

What is the status
of a campaign photograph?

J

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THE WHITE HOUSE
WASHINGTON

12/10/79

Sarah Weddington

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

Rick Hutcheson

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for Preservation Purposes**

**30-40 PASSENGER JET AIRCRAFT
MANUFACTURING PROJECT**

*Sarah
from Krupsak
J*

PROJECT DESCRIPTION

ICX AVIATION, INC., a Washington, D.C. based corporation, has been involved, for the past four years, in the design and development of a 30-40 passenger tri-jet air transport. The aircraft is equipped with a fully pressurized stand-up/walk-around cabin, capable of serving, among other markets, small rural communities 250 to 1,000 miles apart on 3,000 foot landing strips. The aircraft is a derivative design of an existing aircraft manufactured in the Soviet Union called the YAK-40, of which over 1,000 have been manufactured since 1968 and have an 11-year proven history of successful operation.

ICX AVIATION, INC. has acquired all aircraft design drawings, all manufacturing and performance data, all machine tool fixtures, subassembly and final assembly tooling and one operational demonstrator aircraft plus two prototype airframes for test purposes, thereby eliminating more than 300 million dollars in design and development costs. Protocol documents (signed agreements) grant ICX Aviation exclusive worldwide rights to the Soviet design and the sole right to manufacture and market the aircraft in all countries and areas of the world other than in the USSR and eight Soviet satellite territories.

ICX Aviation, Inc. has scheduled the manufacture of the airplane at the 1,800,000 sq. ft. underutilized Wheatfield facility (Bell Textron Aerospace plant), Niagara International Airport, Niagara Falls, New York. Occupancy of one-half of this facility is anticipated no later than January 1, 1980. The first production model is scheduled in mid-1982. The new aircraft will employ in its manufacture the latest state-of-the-art in the U.S. manufacture of components and U.S. materials. Component manufacturers, subcontractors and materials suppliers are located throughout the U.S., in more than 26 states.

Acquisition of proven technology for the aircraft design and locating at an operational facility saves the manufacturer more than \$300 million in design and development costs and accelerates the aircraft certification and manufacturing processes by years. These savings will be reflected in a reduction in the purchase price (in 1979 dollars \$4.5 to \$5 million), making available for the first time an economically viable jet aircraft that will provide the same commercial carrier level service to rural communities throughout the U.S. and the world as major cities have always enjoyed. It will be manufactured to the same flight safety standards as those required for major regional and trunk airlines (Federal Air Regs. Part 25).

ICX Aviation, Inc., in its transition from the design/development stages of the X-Avia aircraft project to the manufacturing stage, changes its corporate name to Lewis Aircraft Company, Inc., and designates the U.S. production model of the aircraft the LC-3.

DOMESTIC IMPLICATIONS

The manufacture of the U.S. LC-3, a 40-passenger tri-jet aircraft will:

- Provide for the first time, jet powered commercial carrier level service (passenger/cargo) to rural communities throughout the United States and the world (spans the aircraft gap between the 17-passenger turbo prop and the 90-passenger jet transport in the system);
- Provide savings in Federal, state, local and private funding for runway extensions throughout the U.S. and the world;
- Improve U.S. balance of payments. 85% of the production will be for the \$33 billion export market;
- Improve U.S. Economy by creating 5,000 direct manufacturing jobs in Western New York and 8350 indirect jobs in the area; and by promoting commerce and trade in approximately 26 states in which are located the airframe manufacturer, component manufacturers, subcontractors and materials suppliers. Thousands of new direct jobs in these 26 states (see attached list), as well as jobs in scores of indirect services will also be generated;
- Provide an economic means for serving current air routes abandoned as uneconomical as a result of the 1978 Airline Deregulation Act without reducing the quality of air service;
- Reduce the need for subsidies to air carriers required to provide "essential" air service in accordance with CAB regulations.

The net present worth of federal personal income taxes generated by the jobs created through the LC-3 program is \$390 million, or \$19.5 million annually.

The net present worth of state income tax generated by the direct jobs created through the LC-3 program is \$44.6 million or \$7.1 million annually.

A PARTIAL LIST FOLLOWS:

*ARIZONA, PHOENIX - GARRETT TFE-731-3 ENGINES
(AIRESEARCH MFG. CORP. OF ARIZONA)
6,000 ENGINES FOR 2000 LC-3 - APPROX. \$2.0 BILLION 1/
PLUS SPARES AT 10% OF BASE - \$200 MILLION 1/

PHOENIX - AVIONICS - FLT. CONTROL SYSTEMS
SPERRY FLT. SYSTEMS/AVIONICS DIVISION
SPI - 80/81 FLT. DIRECTOR SYSTEM
AUTO PILOT SPZ-600
APPROX. \$400 MILLION FOR 2000 LC-3 1/

*CALIFORNIA, TORRANCE - GARDENA - LOS ANGELES
ENGINE SUPPORT SYSTEMS & MISCELLANEOUS EQUIPMENT
APPROX. \$550 MILLION FOR 2000 LC-3 1/

HITCO - GARDENA - INTERIORS
APPROX. \$275 MILLION FOR 2000 LC-3 1/

*FLORIDA, FT. LAUDERDALE - RADAR
BENOIX CORPORATION - BENOIX RADAR
APPROX. \$24 MILLION FOR 2000 LC-3 1/

STEWART, FLA - NACELLES FOR GARRETT ENGINES
GRUMMAN AEROSPACE CORPORATION
NARCELLES IN PAIRS & A THRUST REVERSER KIT
APPROX. \$375 MILLION FOR 2000 LC-3 1/

*IOWA, CEDAR RAPIDS - AVIONICS
ROCKWELL INTERNATIONAL CORP.
AVIONICS & MISSILES GROUP (COLLINS)
APPROX. \$400 MILLION FOR 2000 LC-3 1/

*NEW YORK, NIAGARA - WHEATFIELD - LC-3 MFG. ASSEMBLY
ICX AVIATION - HEADQUARTERED IN NIAGARA
X-AVIA AIRFRAME MFG. & SUB & FINAL ASSEMBLY
5000 - 7000 JOBS IN 3 YEARS
\$84 MILLION TO \$98 MILLION ANNUAL PAYROLL IN 3 YEARS
APPROX. \$10.0 BILLION IN SALES FOR 2000 LC-3 WITH
SPARES 1/
PROJECTED TO BECOME THE LARGEST UNIT VOLUME CIVIL
AIRCRAFT COMPANY IN THE WORLD.

Continued...

*OHIO, MAPLE HEIGHTS - POWER DISTRIBUTION PANELS
LEAR-SIGLER, INC. - POWER EQUIPMENT DIVISION
STARTERS - GENERATORS & OTHER
APPROX. \$3.2 MILLION FOR 2000 LC-3 1/

AKRON - TIRES

*OTHER STATES NOT LISTED FOR LOCATION OF:
SUB CONTRACTORS - SUPPLIERS

- **CREATE: THOUSANDS OF KEY & SUPPORT POSITIONS IN THE OPENING OF AN ENTIRELY NEW AIRCRAFT MARKET IN THE U.S. & ABROAD - (ONE THAT HAS ALWAYS BEEN THERE BUT ONE FOR WHICH AN AIRCRAFT WAS NEVER DESIGNED NOR DEVELOPED)
- **CREATE: THOUSANDS OF KEY & SUPPORT POSITIONS INHERENT IN OPENING OF NEW JET SERVICE MARKETS & ABANDONED MARKETS (IN WAKE OF DEREGULATION PROGRAM) IN RURAL COMMUNITIES IN THE U.S. & THROUGHOUT THE WORLD

1/ PROJECTION FOR 20 YEAR PERIOD

12/10/79

Sarah Weddington
Tim Kraft
Bob Strauss

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

Rick Hutcheson

ORIGINAL to c/m for delivery.

JIMMY CARTER

12-10-79

To Warren Hearnes

Bob Strauss has told
me about his discussion
with you. I am very
grateful for your
interest and friendship.
I look forward to thank-
ing you personally.

Best wishes,

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

12/10/79

Jack Watson
Frank Press

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

The signed original is being hand-
delivered via Stripping.

Rick Hutcheson

cc: Stripping

THE WHITE HOUSE

WASHINGTON

ACTION:

December 8, 1979

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JACK WATSON *Jack*

FRANK PRESS *FP*

SUBJECT:

Letter to Commissioner
Hendrie, NRC (Tab A)

Commissioner Hendrie of the Nuclear Regulatory Commission has shown understanding and support for your decision to replace him as Chairman. He issued a statement to the press yesterday that endorsed your decision.

RECOMMENDATION

We suggest that you send him a letter along the lines of the attached that would indicate your appreciation.

Approve Disapprove

THE WHITE HOUSE
WASHINGTON
December 10, 1979

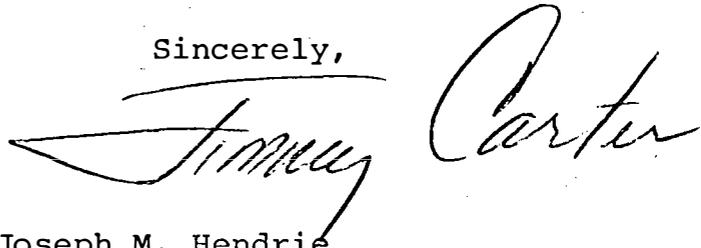
To Commissioner Joseph Hendrie

The Kemeny Commission made a strong recommendation that the regulation of nuclear power should be under the direction of outside leadership. In the spirit of that recommendation, I decided to appoint a new Chairman of the Nuclear Regulatory Commission. In the interim, Dr. John Ahearne will serve as Chairman.

I appreciate the understanding and support you have shown for my decision. You have served as Chairman in a very difficult period, and I am sure that you will assist your successors in the transition.

I am confident that you will lend your best efforts and your expertise to the important work before the Commission.

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,".

Commissioner Joseph M. Hendrie
Nuclear Regulatory Commission
1717 H Street, N.W.
Washington, D.C. 20555

4:00 P.M.

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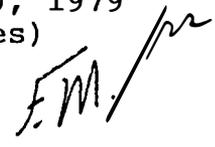
THE WHITE HOUSE
WASHINGTON

December 10, 1979

MEETING WITH DEMOCRATIC SENATORS

Monday, December 10, 1979
4:00 p.m. (45 minutes)
The Residence

From: Frank Moore



I. PURPOSE

To meet with a group of Senators who have either endorsed you formally or have indicated to Senator Inouye that they are ready to do so.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: These Senators have been asked to meet with you, the Vice President and Bob Strauss for a general discussion of events in Iran and their effects on the campaign.

B. Participants: The President
The Vice President
Ambassador Strauss
Senator Max Baucus
Senator Lloyd Bentsen
Senator Joseph Biden
Senator Lawton Chiles
Senator Thomas Eagleton
Senator Walter Huddleston
Senator Daniel Inouye
Senator Spark Matsunaga
Senator John Melcher
Senator Robert Morgan
Senator Sam Nunn
Senator Jim Sasser
Senator Donald Stewart
Senator Herman Talmadge
Frank Moore
Dan Tate
Jon Tumlner
Bob Russell

C. Press Plan: White House Photographer only

III. ADDITIONAL INFORMATION

Senator Inouye's full report on the current status of the Senate endorsements, modified by information from the Vice President's office is attached. Of the six L+, we think we already have Senators Boren and DeConcini. We expect them to make formal announcements shortly.

Of the 14 Carter endorsements, Melcher, Sasser, Stewart and Baucus are new and should be reconfirmed.

IV. TALKING POINTS

1. You should sound the Senators out on how to handle campaign travel and the tenor of campaign appearances by both you and senior administration officials.

December 8, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore

Senator Inouye called Thursday to give the following results of his poll of the Senate.

Carter -- 14 Senators

Talmadge	Biden
Inouye	Morgan
Eagleton	Matsunaga
Bentsen	Melcher
Chiles	Sasser
Nunn	Baucus
Huddleston	Stewart

L+ Carter -- 6 Senators

Stennis	Stevenson
Randolph	Heflin
Boren	DeConcini

Kennedy -- 5 Senators

Kennedy	Durkin
Pell	Tsongas
McGovern	

L+ Kennedy -- 6 Senators

Williams	Metzenbaum
Culver	Riegle
Bumpers	Gravel

Neutral -- 22 Senators

Muskie	Nelson
Long	Burdick
Jackson	Hollings
Church	Cannon
Proxmire	Ford
Byrd (W. Va.)	Stone
Magnuson	Leahy
Cranston	Moynihan
Byrd (Va.)	Exon
Ribicoff	Levin
Bayh	Bradley

Not Contacted -- 6 Senators

Johnston	Zorinsky
Glenn	Sarbanes
Hart	Pryor

THE WHITE HOUSE
WASHINGTON

MR. PRESIDENT,

You need only be
concerned with pp 5-10.

We will have someone
read the two questions
(p. 5 and pp 7;8) to you.

I think you should
not read the answers, but
high light the suggested text
and use it ~~as~~ as a guide
to talk you way through.

(over)

(2)

THE WHITE HOUSE
WASHINGTON

It is important that
you keep your answers to
about the length of the
prepared text.

Jody

3:00 PM

THE WHITE HOUSE

WASHINGTON

December 7, 1979

Radio

MEMORANDUM FOR THE PRESIDENT

FROM: EDWARD SANDERS *Ed*

SUBJECT: Three-Minute Interview Taping Session on SALT II
for the Social Action Committee of Reform Judaism.
Monday, December 10, 1979 - 3:00 p.m.

I. PURPOSE

To tape a three-minute interview on SALT II, which will be attached to a previous tape that you have already completed.

II. BACKGROUND, PARTICIPANTS

This tape will be used by the Social Action Committee of Reform Judaism, which comes under the auspices of the Union of American Hebrew Congregations. The Social Action Committee of Reform Judaism develops material to assist Reform synagogues in setting up social-action programs relating the principles of Judaism to contemporary social programs and assists congregations in studying the moral and religious implications of social issues such as civil rights, civil liberties, and church-state relations.

Rabbi David Saperstein, Associate Director, will work with Anne Edwards to complete his portion of the tape at a later date.

When completed, this tape will be transmitted by telephone on a Friday night to several hundred synagogues throughout the country and heard by thousands of people in synagogues throughout the United States.

I might point out that this organization adopted a resolution at their national convention calling for ratification of the SALT II treaty.

Participants:

The President
Anne Edwards, White House Staff

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SALT II recorded briefing for the Religious Action
Center of the Commission on Social Action of Reform
Judaism.

MR. P.
JUST SKIM
THIS THRU
P. 4. JLP

RABBI SAPERSTEIN (to be taped separately
and added in): The Strategic Arms Limitations
Talks - SALT - are continuing negotiations between
the United States and the Soviet Union. The
first phase of the negotiations, SALT I, were
formally opened in 1969 and the SALT I agreements
were signed in 1972.

SALT II is a detailed and complex treaty
which took seven years to negotiate.

Briefly, these are the major provisions of
the SALT II Treaty: First, a ceiling of 2,250
strategic nuclear delivery vehicles -- that is,
strategic missile launchers and bombers -- has
been set. The Soviet Union will have to convert,

destroy or dismantle some 250 of their delivery vehicles. The United States will not have to dismantle any.

Strategically, the Soviet Union will dismantle ten percent of their missiles and bombers, including missiles which are the equivalent to our Polaris and Minuteman missiles. Symbolically, they will have set an important precedent -- that nations are willing to disarm in a balanced, measured way. It will be an example for the world and a precedent for future agreements between the U.S. and the U.S.S.R.

A second provision of the treaty stipulates that, within the agreed ceiling, sub-ceilings are placed on specific types of nuclear systems.

Third, no multiple warhead ICBM will be permitted to carry more than ten warheads. This is an important provision for which the United States bargained very hard. We had not planned to place more than ten warheads on our M-X ICBM. Because Soviet ICBMs are larger although less accurate, they could have been configured to carry 20 to 30 warheads. The treaty also includes limitations on the numbers of warheads on sea-launched and air-launched missiles.

Fourth, both sides may construct and deploy only one new type of ICBM over the life of the treaty, that is until 1986.

Fifth, a protocol to the main agreement provides certain restrictions on mobile inter-

continental ballistic missiles, sea-launched
and ground-launched long-range cruise missiles,
and air-to-surface ballistic missiles until
after December 31, 1981.

Finally, the treaty includes a number of
provisions related to verification. For example,
each side has agreed not to interfere with the
other's verification systems or deliberately
conceal activities related to strategic systems
in a manner which would impede verification.

SALT II recorded interview for the Religious Action Center of the Commission on Social Action of Reform Judaism.

RABBI SAPERSTEIN (to be taped separately and added in): President Carter, not only has your Administration made the ratification of the SALT II Treaty one of its central concerns, but you have personally expressed your desire for ratification in the strongest terms. Why do you feel so strongly that this treaty must be passed?

PRESIDENT CARTER: I am the third President who has participated in the SALT process. I will probably never face a more important issue than SALT II ~~this one~~, and neither will the Senate, because the prevention of nuclear war transcends all other issues in importance.

MOVED TO P. 7

There is no doubt [~~in my mind~~] that the treaty enhances the prospects for sustained world peace. There is no doubt [~~in my mind~~] that the treaty will enhance our own national security.

SALT II, when ratified by the Senate, will reduce the risk of nuclear war. It will set **NEW, MEANINGFUL** limits ^{ON} [~~to~~] the most dangerous aspect of the competition between ourselves and the Soviet Union.

We will be much more successful in **DANGEROUS PROLIFERATION** restraining the [~~spread~~] of nuclear explosives **THE TWO SUPER POWERS** to other nations, if [~~we and the Soviets~~] are successful in demonstrating that we can constrain our own weapons programs.

The SALT II Treaty is much more specific
and detailed than any other previous arms agree-
ment. It took nearly seven years to negotiate
this treaty, because we did not want to leave
anything to chance. We negotiated in good faith,
and so did the Soviet officials. We have been tough
bargainers, and so have they.

II
I AM THE THIRD PRESIDENT WHO HAS BEEN MUDGED IN
THE SALT PROCESS. If, after all these years of negotiation,
[~~under three Presidents~~] a carefully-balanced
agreement in our country's best interests is
rejected, the SALT process might be very difficult
to bring back to life.

RABBI SAPERSTEIN (to be taped separately
and added in): Mr. President, how will the SALT II

Treaty affect progress towards peace in the Middle

East and efforts on behalf of Soviet Jewry?

IT WOULD BE UNWISE TO
PRESIDENT CARTER: ~~[We will not try to]~~ impose

binding linkage between Soviet behavior and SALT.--

WE ~~[do]~~ will NOT ~~[we]~~ accept any Soviet attempts to link

SALT with aspects of our own foreign policy of

which they may disapprove.

However, ratification of the SALT II Treaty

will enhance OUR ~~[the]~~ ability ~~[of the American Government]~~

to advance the cause of peace in the Middle East

and the cause of human rights in the Soviet Union.

During the past year we have made significant

progress in each of these areas. The Peace Treaty

between Israel and Egypt and the unprecedented

levels of Jewish emigration from the U.S.S.R. have

been due in large measure to a sense of stability

*PREVENT PROLIF AMONG POTENTIAL
ENEMIES OF ISRAEL*

in the relationship of the global powers. We could not continue to progress towards peace and freedom in the atmosphere of suspicion, mistrust and intense superpower competition which would inevitably follow the failure of the Senate to ratify the SALT II Treaty.

~~[Rather]~~ The spirit of cooperation and STABILITY
~~[detente]~~ which would be furthered by this ^{SALT} treaty
is ^{VERY IMPORTANT} ~~[essential]~~ to progress in both the Middle East
settlement and the cause of human rights.

My greatest responsibility as President is
to maintain our Nation's security and ^{WORLD} peace. The
Reform Jewish Community also has made an historic
commitment to peace. Your commitment was exemplified

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by the Union of American Hebrew Congregations'
decision -- the first in the Jewish Community --
to call for ratification of the SALT II Treaty.

For more than thirty years the threat of
nuclear holocaust has hung over us. SALT II gives
us the chance to lift this threat and preserve
our world for future generations.

###

THE WHITE HOUSE
WASHINGTON

12/13/79

Zbig Brzezinski

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

Rick Hutcheson

cc: Jim McIntyre

5687

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

*Zb 19
J*

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

INFORMATION

December 13, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI *ZB.*
SUBJECT: People-to-People Strategy on Central America and the Caribbean

After you left the meeting on Friday, Cy Vance met with the group for another 20 minutes, and then Bob Pastor continued the dialogue for an additional hour. There is tremendous interest in the proposal, and all the participants promised that they would send us suggested candidates for an expanded group and some specific ideas on ways to structure the program. We hope to send you that information next week so that we can plan for an expanded meeting after the holidays.

There was some confusion as to whether the regional target for this effort is just the Caribbean, or also Central America. Andy Young argued strongly for the broader definition, and I agree with that. Unless you indicate otherwise, we will assume that you feel the effort should be directed at Central America and the Caribbean, and should to the extent possible, involve other basin countries like Venezuela, Colombia, and Mexico in the exchanges.

ok

The major issue discussed was the extent to which the US Government would be willing to financially support this program in the early stages. All of the group felt that an effective and well-coordinated effort would require US Government financial support at the beginning. This could be done by a grant from AID to a Commission Secretariat, which would be the coordinating hub of the organization. We stressed your interest in this being a private effort without government funding.

*Let
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Fed \$*

Other comments made by the group:

1. Airplane Trip. On reflection, most of the members felt that it would be inappropriate to initiate such a program with a quick tour by a group through the area in a Presidential plane. I agree with that. It seems to me that there are three objectives such a tour would be designed to serve: (1) to establish if the host government is interested in such a program; (2) to make contact with local groups and people; and (3) to determine the kinds of needs which the program would aim to serve. We could do the first by a letter from you, and the second and third could be accomplished by either a low profile tour by a few members or by informal discussions and contacts with government officials and local leaders.

*I prefer
The
low
profile
tour*

*not
what
I
wants*

2. Objectives. Fascell said that he still was not sure what we want to accomplish by this effort, and whether we are talking about only expanding existing organizations, or something more. His point is well taken, and I recommend that we convey to the members that you view this effort as serving three goals: (1) attitude: improve mutual understanding and appreciation through people-to-people exchanges; (2) development: help meet the developmental needs of the nations of the region through small-scale and personal assistance efforts; and (3) democracy: to encourage political and economic pluralism by working directly with private groups in the area in a way which will lead them toward playing important roles in their societies. To serve these goals, we hope to involve a wide range of groups and leaders.

We have kept our Ambassadors informed of this idea and are seeking their views on how to proceed. In the light of your comments on the conclusion of the Caribbean Chiefs of Mission Conference, we will cable our Ambassadors and make three points: (1) We ought to be looking for creative ways to relate to Central America and the Caribbean, not just through traditional aid instruments. (2) In a time of budgetary stringency, it is especially important for us to look for ways to stretch our aid -- make it more efficient and effective. (3) We are examining the idea of an important people-to-people program to the area. State is working hard on this idea.

If you approve this general approach, Bob Pastor will inform the members of the group and encourage them to relay their candidates and comments to us soonest. He will also make sure that a cable is sent to our Ambassadors in the Caribbean and Central America along the lines described above.

Zbig - Without further delay, let Bob Pastor set down in writing - in outline form - exactly what I have said in the Cabinet & Roosevelt Rooms - Add what he has received in advice from others plus his own ideas. Submit to me for comment and approval. Then we'll move forward. I could do this personally, but don't choose to do so. Ambassadors are probably not inclined to support what I want done - The major thrust of which will be non-governmental (federal) -

✓



CABINET ECONOMIC POLICY GROUP

DEPARTMENT OF THE TREASURY

WASHINGTON, D.C. 20220

December 7, 1979

①

MEMORANDUM FOR THE PRESIDENT

FROM: RANDALL K.C. KAU *Randall K.C. Kau*
EXECUTIVE DIRECTOR, ECONOMIC POLICY GROUP

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SUBJECT: EPG ACTIVITIES

Meeting of December 3, 1979

- . Reviewed options to liberalize tax depreciation
- . Agreed to refine further Treasury's proposal for a constant rate depreciation system, under which
 - .. The present choices of asset life and method of computing depreciation would be replaced by a single constant rate for each asset class;
 - .. Assets would be classified as under the present Asset Depreciation Range (ADR) System mainly by activity in which they are employed, but the number of such classes would be reduced substantially;
 - .. The constant rate would be evaluated periodically for its relationship to true economic depreciation; and
 - .. The investment credit would be simplified by allowing the full 10 percent for all eligible property and eliminating depreciation recapture in most cases.
- . Directed the Deputies to rewrite the proposal for a tax based incomes policy along the following lines:
 - .. Tax penalty to be based on a firm's income tax liability rather than eligibility to use accelerated depreciation;
 - .. Tax penalty to be based on compliance with price standard only and not the pay standard; and
 - .. Application of tax penalty to be limited to firms above a certain size in order to minimize administrative problems.
- . Considered approaches to tax incentives for savings and agreed that Treasury should report on possible modifications to pending legislation which would exclude \$100 of interest income (House bill) or \$200 of interest and dividend income (Senate bill).

- . Agreed that further tax initiatives for research and development were not appropriate, since direct government spending is a more effective way to stimulate promising R&D projects.

Meeting of December 6, 1979

- . Reviewed an inventory of employment and training programs and other spending options;
- . Established an interagency task force headed by CEA to examine potential countercyclical spending initiatives which could be activated if economic conditions warrant.

Meeting of December 7, 1979

- . Reviewed interagency task force report on the state of housing market and prospects for the future;
- . Agreed that Administration should support inclusion in pending legislation on financial reform of a 12 month override of state usury ceilings on real estate loans;
- . Agreed that Treasury should not vigorously oppose restoration of the 25 basis point differential on money market certificates issued by savings and loans and mutual savings banks. This decision must be made by the bank and thrift regulators.
- . Directed the interagency task force to report back to the EPG on the "Brooke-Cranston" GNMA-Tandem Program under which single and multi-family mortgages or new homes are purchased by GNMA at below market rates for countercyclical purposes.

Other EPG Activities

- . Consultations with representatives of the AFL-CIO on Wednesday, December 5, on various economic issues now being considered;
- . Breakfast meeting with you on Thursday, December 6, on the issues raised by an increase in the tax on gasoline.