

2/21/80

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THE PRESIDENT'S SCHEDULE

Thursday - February 21, 1980

7:30 Dr. Zbigniew Brzezinski - The Oval Office.

✓ 8:00 Breakfast with Economic Advisers.
(60 min.) (Dr. Alfred Kahn) - The Cabinet Room.

10:00 Mr. Hamilton Jordan and Mr. Frank Moore.
The Oval Office.

✓ 11:00 Senator Lloyd Bentsen. (Mr. Frank Moore).
(15 min.) The Oval Office.

✓ 11:45 Congressman Herbert Harris. (Mr. Frank Moore).
(5 min.) The Oval Office.

✓ ~~11:50~~ 11:50 Col. Lawrence R. O'Grady, National President,
(5 min.) Reserve Officers Association, and Mr. J. Milnor
Roberts, Executive Director. (Ms. Anne Wexler).
The Oval Office.

✓ 11:55 Congressman David Bonior. (Mr. Frank Moore).
(5 min.) The Oval Office.

2:00 Mr. Hedley Donovan - The Oval Office.
(30 min.)

✓ 3:15 Briefing for Community Leaders on National
(15 min.) Security and Energy Policy. (Ms. Anne Wexler).
The East Room.

THE WHITE HOUSE

WASHINGTON

February 21, 1980

P

TO: The President

FROM: Phil *Phil*

The Rabbinical College of America has voted to confer on both you and the First Lady Honorary Degrees - yours as Doctor of Laws, hers as Doctor of Humane Letters.

The College trains young men to become Rabbis in the orthodox Lubavitch Movement.

David Chase, an enthusiastic supporter and contributor, is Chairman of the Board of Trustees of the College. While he hopes you would be able to accept the degree at their annual Founders Dinner in New York City, he would understand if your schedule did not allow this (Rosalynn has already agreed to attend at some date in the future and accept her degree).

We're asking now for your approval simply to accept the Honorary Degree. Chase will then communicate this to their people in 39 States (He thinks this would be especially helpful in New York).

_____ approve _____ disapprove

*ok for
Rosalynn
J*

February 21, 1980

To Pilar Cortella de Rubin

It was a special pleasure for me to welcome you to the White House.

Thank you for the signed, Number One print of your painting, In Search of the Beyond. I feel honored that you have dedicated the first Bicentennial Commemoration edition of this insightful work to me.

With my deep appreciation and with my best wishes,

Sincerely,

JIMMY CARTER

Ms. Pilar Cortella de Rubin
3210 Blue Bonnet Boulevard
Houston, Texas 77025

✓ cc and green sheet: Jan Vranich

JC:JMC:cmb--

30 - PAINTING IN SEARCH OF THE BEYOND

Pilar Cortella de Rubin
3210 Bluebonnet
Houston, Texas 77025

Susan
"Th"
LMS
J

February 15, 1980

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

Dear Mr. President:

I should first like to express my respect and admiration for the sincere way you manifest your religious beliefs. Your spiritual values are having a good influence nationally, as well as internationally. This new approach will bring a new light to a world that needs a clean, direct and truthful relationship. There is no communication stronger than that of the spirit. It is with that sentiment in mind that I dedicate to you the first Bicentennial Commemoration edition of "In Search of the Beyond".

The original "In Search of the Beyond" is presently on exhibit at the Visitor's Center of the LJB Space Center (NASA) in Houston. This painting was accomplished in the Bicentennial year in honor of this country and was inspired by Apollo VIII when the astronauts read from the Book of Genesis. Given the sincere sentiment with which I created the work, and its historic, spiritual and scientific context, it is my hope that one day it will be on permanent exhibit in the White House or the National Air and Space Museum.

Sincerely,

Pilar Cortella de Rubin



Electrostatic Copy Made
for Preservation Purposes

DATE: 2-21-20

TO: Suzanne Brooker

Please note that
the P wants to see this,
per his note.

Handwritten initials and date:
2/21
JB

Handwritten signature of Joyce Mitchell Cook, circled.

FROM: Joyce Mitchell Cook
Assistant to the Director--Issues
Presidential Correspondence
Room 94, Ext. 6545

WASHINGTON

2/15/80

Joyce Cook --

-- Susan Clough

*presented gift
today*

THE WHITE HOUSE

WASHINGTON

February 8, 1980

Cartella

MEETING WITH PILAR DE RUBIN

Friday, February 15, 1980
11:50 a.m. (3 minutes)
The Oval Office

*Amy
Art Gallery
Spanish*

*3210 Bluestem,
Houston 77025.*

I. PURPOSE:

To present the President with the first signed print - color of a painting that now is displayed at the LBJ Space Center.

*signed w/ appropriate
meeting of...
undergoing in gallery
30" x 31"*

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN:

- A. Background: Ms. Rubin is a Hispanic artist from Houston, Texas, who embraces the classical tradition of her native Spain. In 1975, the Institute of Hispanic Culture planned several exhibits emphasizing Hispanic contributions to the arts and sciences where Ms. Rubin rendered In Search of the Beyond. The oil painting deals with the infinite character of the creation and the oneness of science, religion, and philosophy. The Bicentennial Commission of Houston in recognition of its transcendental subject, historical context, and artistic merits, issued Ms. Rubin its official document which indicates the contribution of this painting made to the 200 year commemoration of American history.
- B. Participants: Meses. Rubin, her daughter, Maria Blanca, Frankel, Campos, Messrs. Colon, Tapia, Cole, and Scott.
- C. Press Plan: Press photo opportunity

Meeting with Pilar De Rubin
Friday, February 15, 1980
Page 2

III. TALKING POINTS:

- A. This is an opportunity to demonstrate, by the acceptance of this print, to Hispanics of this country the recognition of the contributions to the Arts of a most accomplished artist whose work has been recognized by NASA.
- B. Scotty Scott is former Commissioner of the Houston Bicentennial Commission.

*In Recognition
Of*

*In Search Of The Beyond - Pilar C. Rubin - Artist
For Your History Making Participation Toward
The Commemoration of 200 Years of American History.*

R. E. Scott
EXECUTIVE DIRECTOR

Joe D. Lee
CHAIRMAN

Houston American Revolution



Continental Commission

February 21, 1980

Dear Mr. Love:

The President did see your letter as I had promised and has sent you back a message, a copy of which is enclosed.

Sincerely,

Patricia Y. Bario
Deputy Press Secretary

Mr. Cornelius L. Love
1613 Cherry Lane
Shelbyville, Kentucky 40065

PYB:bl

Enclosure

February 13, 1980

Dear Mr. Love:

Your letter is one of the more thoughtful and heartwarming ones, addressed to the President, that I have seen in some time. I wanted to thank you for it on his behalf.

I am sending it on to his attention.

Sincerely,

Patricia Y. Bario
Deputy Press Secretary

Mr. Cornelius L. Love
1613 Cherry Lane
Shelbyville, Kentucky 40065

PYB:bl

DATE: 2/1

TO: Patricia

**FROM: Ann Thomas
Special Reply
Presidential Correspondence
Room 91, Ext. 2276**

9
ALT

cc: C. L. Love
Thanks!
You're great!

Shelbyville, Kentucky
January 30, 1980
Jimmy Carter

President Jimmy Carter
1600 Pennsylvania Avenue, N. W.
Washington, D.C. 20002

Dear Mr. President,

Sincerely hope that this letter will in some manner be called to your attention. In this respect, I also sincerely hope that it will impart an added sense of security that solid Americans still rally and stand behind a solid President who acts in the best of his ability to solve the complex problems that face our nation in these perilous times.

Millions of Americans who can forsake their own personal goals by looking beyond their nose, should be able to see, and realize that our nation, as we know and love it, is in serious trouble. In this respect, they must immediately reaffirm their loyalty to God and country and stand firmly behind our President.

As for myself, acting as a committee of one solid American, I am firmly convinced in heart and mind to stand behind you 100% in all your current and future endeavors in the behalf of our people and the United States of America. For I know of no other, who can do more, or less, for the best interests of all concerned.

I offer no solutions to the complex problems you face, and I sincerely wish that I could. I can however, offer you a vote of confidence in your ability to cope with them and a prayer for your continued good health and courage in the difficult search.

As a further source of encouragement I am sending along a copy of a writing that adorns the walls of my home. I often refer to it as the other side of my bible. It was copied and reprinted by my friend Colonel Harland Sanders and given wide distribution a few years ago.

I had called his attention to it while he was pondering a subject in the form of a question to me "as to why so many people didn't seem to like him". Having no precise answer my writing on the wall seemed to offer one logical conclusion.

Mr. President, helps to relay my message that you are doing an excellent job as the leader of our nation. It explains the price that you must pay, for doing it so well. I am relaying this same message to all who come within the reach of my voice.

Sincerely yours,
C. L. Love
C. L. Love

enc; PENALTY OF LEADERSHIP
Personal info on sender

Electrostatic Copy Made
for Preservation Purposes

Mr. President;

Your staff must often wonder what types of people write different types of letters from across America. It is very obvious that you don't have time to give it much thought. So here is a brief of the solid American that wrote this one.

Home Address: 1613 Cherry Lane, Shelbyville, Ky.
Love, Cornelius L. SS# 428-14-7851
Age 57
Birthplace: McComb, (Pike County) Miss.
White-Male Veteran World War 2
Army-Air Force June 1940-August 1945-Volunteer
Combat Air Crewman-B-17 Flying Fortress-Europe
Hit by AA-fire over Germany, 18,000 foot emergency
parachute jump over Belgium. Hospitalized-later
honorable medical discharge.
MARTIAL STATUS: Married 1956 -No children
Registered and votes- Independent
Occupation: Outdoor Writer
Beliefs: God, Country, and Justice for those
who earn and respect and deserve it's
purpose.

Goals: To rekindle the sparks of patriotism in
the hearts of Americans that was once a
roaring fire that has kept us free. To
encourage support of our Government in
all their endeavors to attain peaceful
solutions to serious problems that now
threaten the continuation of life itself,
upon this earth.

Thoughts at present:

The great architect that created this
vast universe -surely knows the problems that
beset it. It most surely must be a short time
before he implements some changes.

Call
1-30-80

THE PENALTY OF LEADERSHIP

In every field of human endeavor, he that is first must perpetually live in the white light of publicity. ¶ Whether the leadership be vested in a man or in a manufactured product, emulation and envy are ever at work. ¶ In art, in literature, in music, in industry, the reward and the punishment are always the same. ¶ The reward is widespread recognition; the punishment, fierce denial and detraction. ¶ When a man's work becomes a standard for the whole world, it also becomes a target for the shafts of the envious few. ¶ If his work be merely mediocre, he will be left severely alone—if he achieve a masterpiece, it will set a million tongues a-wagging. ¶ Jealousy does not protrude its forked tongue at the artist who produces a commonplace painting. ¶ Whatsoever you write, or paint, or play, or sing, or build, no one will strive to surpass or to slander you, unless your work be stamped with the seal of genius. ¶ Long, long after a great work or a good work has been done, those who are disappointed or envious continue to cry out that it cannot be done. ¶ Spiteful little voices in the domain of art were raised against our own Whistler as a mountebank, long after the big world had acclaimed him its greatest artistic genius. ¶ Multitudes flocked to Bayreuth to worship at the musical shrine of Wagner, while the little group of those whom he had dethroned and displaced argued angrily that he was no musician at all. ¶ The little world continued to protest that Fulton could never build a steamboat, while the big world flocked to the river banks to see his boat steam by. ¶ The leader is assailed because he is a leader, and the effort to equal him is merely added proof of that leadership. ¶ Failing to equal or to excel, the follower seeks to depreciate and to destroy—but only confirms once more the superiority of that which he strives to supplant. ¶ There is nothing new in this. ¶ It is as old as the world and as old as the human passions—envy, fear, greed, ambition, and the desire to surpass. ¶ And it all avails nothing. If the leader truly leads, he remains—the leader. ¶ Master-poet, master-painter, master-workman, each in his turn is assailed, and each holds his laurels through the ages. ¶ That which is good or great makes itself known, no matter how loud the clamor of denial. ¶ That which deserves to live—lives.

[This text appeared as an advertisement in The Saturday Evening Post, January 2nd, in the year 1915.]
Copyright, Cadillac Motor Car Company

THE WHITE HOUSE
WASHINGTON

2/21/80

Lloyd Cutler
Arnie Miller

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

Rick Hutcheson

*Received 2/22/80
- 15 Arnie Miller 2/21/80*

*NOTED
1/1/80*

THE WHITE HOUSE
WASHINGTON

February 20, 1980

*I don't see
why, but
ok
J*

MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD CUTLER

LNC

RE: Executive Order: President's Commission
on United States-Liberian Relations

You have previously signed an Executive Order establishing this Commission. At the request of the Presidential Personnel Office, the Order has been revised to permit the addition of four members of Congress as members of the Commission.

Frank Press
Stu Eizenstat

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

Rick Hutcheson

cc: Jim McIntyre

Original to Bob Linder for
handling and delivery.

THE WHITE HOUSE

WASHINGTON

February 20, 1980

MEMORANDUM TO THE PRESIDENT

FROM: Frank Press *FP*
Stu Eizenstat *SE*

SUBJECT: Radiation Protection Actions

Attached are an Executive Order creating a Radiation Policy Council and four Memoranda giving direction to the Council and to an Interagency Radiation Research Committee.

These memoranda and the E.O. implement the actions you announced in a White House Press Release October 23, 1979 (copy attached). These actions are intended to improve the Federal Government's efforts in radiation protection and to implement the major recommendations of an interagency task force on the health effects of ionizing radiation.

High officials of the thirteen agencies and departments with major interests and responsibilities in this area will serve on the Radiation Policy Council. The Council will be chaired by the Administrator of the Environmental Protection Agency, and EPA will provide its staff and administrative support. It has a four year termination provision. Three memoranda assign specific tasks to the Council:

- . coordinate a program to reduce exposure to radiation
- . review the radiation guidance function now held by EPA and other statutory authorities
- . develop a public information program

The fourth memorandum directs the Secretary of Health, Education and Welfare to set up an Interagency Radiation Research Committee. HEW will chair the Committee and provide staff and support. This Committee supersedes an ad hoc committee.

Recommendation: We recommend you sign the Executive Order and Memoranda. The Executive Order has been cleared by the Office of Management and Budget, Department of Justice, and the White House Counsel's Office.

Doug Costle, who will chair the Radiation Policy Council, plans to issue a statement on the Council after the Executive Order has been signed, and your actions will be presented to the Congress at a hearing scheduled for February 22, 1980.

Approve _____

Disapprove _____

MEMORANDUM FOR THE CHAIR OF THE RADIATION POLICY COUNCIL

SUBJECT: Public Information Program on the Health Effects of Radiation Exposure, Sources of Radiation, and Ways to Minimize Exposure

The Interagency Task Force on the Health Effects of Ionizing Radiation examined the need for programs to inform the public and specific target population about the health effects of radiation exposure, sources of radiation, and steps that can be taken to minimize exposure. In its report, the Task Force identified the information needs of different groups and made a number of recommendations to improve the information programs of Federal agencies. The Radiation Policy Council should:

- o assure that the Task Force recommendations for developing information programs are carried out by Federal agencies, and
- o provide central coordination for Federal information programs concerned with radiation.

The Council should report to me on the status of Federal information programs concerned with ionizing radiation no later than September 30, 1980.

Jimmy Carter

MEMORANDUM FOR THE CHAIR OF THE RADIATION POLICY COUNCIL

SUBJECT: Review of the Radiation Guidance Function
held by the Environmental Protection Agency

The Environmental Protection Agency currently has the authority to provide broad guidance for Federal radiation protection and control activities. The Interagency Task Force on the Health Effects of Ionizing Radiation noted the concern which has been expressed about the appropriate scope of the guidance function and the response of other Federal agencies to the efforts of the Environmental Protection Agency. Many believe that the guidance function is ambiguous, especially in relation to other statutory authorities.

In order to improve interagency coordination and cooperation and to define clear lines of authority, I am directing the Radiation Policy Council to undertake a comprehensive review of the guidance function and other statutory authorities bearing on radiation protection. The Council should:

- o determine the most effective procedures and the factors to be considered for developing guidance for Federal agencies;
- o define the appropriate scope of the guidance authority;
- o develop procedures to permit general oversight of guidance implementation by Federal agencies;
and
- o recommend executive action or legislation to clarify the guidance authority, if necessary.

In defining issues to be addressed during its review of the guidance function, the Council should consult the report of the Interagency Task Force on the Health Effects of Ionizing Radiation.

While the Council is conducting its review, the guidance authority should continue to be exercised as provided under Reorganization Plan No. 3 of 1970.

The Council should make recommendations to me no later than September 30, 1980.

Jimmy Carter

WASHINGTON

MEMORANDUM FOR THE CHAIR OF THE RADIATION POLICY COUNCIL

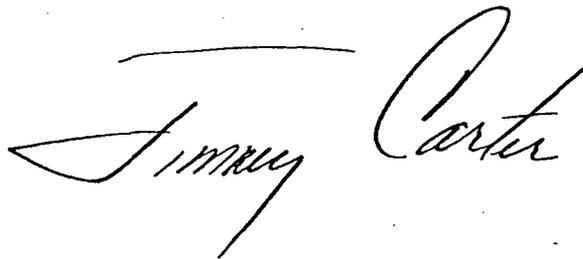
SUBJECT: Reducing Exposure to Ionizing Radiation

The Interagency Task Force on the Health Effects of Ionizing Radiation reviewed the major sources of ionizing radiation and identified a number of opportunities for radiation exposure reduction. Those opportunities have not received a detailed analysis of their risks, benefits, or cost effectiveness. The Task Force made a series of recommendations, including a concerted program to reduce exposure in the healing arts, the most significant source of man-made radiation.

I am directing the Radiation Policy Council to coordinate implementation of the Task Force recommendations for radiation exposure reduction. The Council should:

- o monitor the evaluation by Federal agencies of the feasibility, costs, risks, and benefits of each opportunity for exposure reduction;
- o monitor Federal agency implementation of the proposals for exposure reduction, when appropriate;
- o oversee a broad and effective program to reduce diagnostic radiation exposure from medical and dental sources;
- o coordinate a full and open review by responsible Federal agencies of exposure standards.

The Council should report to me on its implementation of the Task Force recommendations for radiation exposure reduction no later than September 30, 1980.

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

MEMORANDUM FOR THE SECRETARY OF DEFENSE
THE SECRETARY OF LABOR
THE SECRETARY OF HEALTH, EDUCATION,
AND WELFARE
THE SECRETARY OF ENERGY
THE ADMINISTRATOR OF THE ENVIRONMENTAL
PROTECTION AGENCY
THE ADMINISTRATOR OF VETERANS AFFAIRS
THE DIRECTOR OF THE NATIONAL SCIENCE FOUNDATION

SUBJECT: Interagency Radiation Research Committee

After reviewing the recommendations of the Interagency Task Force on the Health Effects of Ionizing Radiation, I have concluded that there is a need for a formal, interagency mechanism to coordinate the extensive and diffuse Federal program of research into the biological effects of ionizing radiation.

I am therefore instructing the Secretary of Health, Education, and Welfare to establish an Interagency Research Committee with membership drawn from the agencies and departments addressed by this memorandum. And by a copy of this memorandum, I am also inviting the Nuclear Regulatory Commission to name a member to the Committee. The staff and other support necessary for the Committee to carry out its functions shall be provided by HEW.

I am requesting that each of the participating organizations name a representative at a senior level to serve on the Committee. The Committee may request the participation of other agencies as members or observers.

The Committee shall coordinate the Federal government's conduct of a comprehensive research program on the biological effects of ionizing radiation in order to ensure that the program is comprehensive and carried out efficiently, objectively, openly, and in accord with the highest scientific standards. The Committee shall:

- o Coordinate the planning, implementation, and evaluation of Federal radiation research programs.

- Coordinate research priorities to ensure that research is conducted and funded by the appropriate agencies under guidelines developed by the Committee.
- Assure that the research needs of the regulatory agencies are addressed on a timely basis.
- Review agency radiation research budgets and report by September 15 each year to the Office of Management and Budget and the Office of Science and Technology Policy on the adequacy of support for such radiation research and the appropriateness of the allocation of research funds among the Federal agencies.
- Develop criteria for Federal radiation research management following a review of the current and past programs by the National Academy of Sciences.
- Provide a point of contact on radiation research issues for persons outside of the Federal government and seek their advice, consultation, and participation in the work of the Committee in accord with the Federal Advisory Committee Act, as amended, where appropriate.
- Provide, upon request, assistance to the Task Force on Compensation, chaired by the Department of Justice.
- Perform other activities related to radiation research consistent with the Charter of the Committee, as requested by the Congress, or as directed by the President.

In carrying out these responsibilities, the Chair of the Committee shall consult regularly with the Chair of the Radiation Policy Council, the Director of the Office of Management and Budget, and the Director of the Office of Science and Technology Policy.

A proposed Charter for the Committee should be presented to the Director of the Office of Science and Technology Policy and the Director of the Office of Management and Budget for their approval prior to March 1, 1980. A report on the activities of the Committee shall be sent to me no later than January 31 of each year.

3
The Committee shall terminate four years from today unless extended by Presidential Directive.

I am directing all Federal agencies to cooperate fully in the efforts of the Committee. In particular, all Federal agencies should consult with the Committee before making commitments to fund research into the biological effects of ionizing radiation.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink on a light-colored background. The first name "Jimmy" is written in a slightly larger, more prominent hand than the last name "Carter".

EXECUTIVE ORDER

RADIATION POLICY COUNCIL

By the authority vested in me as President by the Constitution and statutes of the United States of America, and in order to coordinate the development of Federal radiation protection policy, it is hereby ordered as follows:

1-1. Establishment.

1-101. There is established the Radiation Policy Council.

1-102. The Council shall be composed of the heads of the following agencies or their representatives and such others as the President may designate:

- (a) The Department of Defense.
- (b) The Department of Justice.
- (c) The Department of Commerce.
- (d) The Department of Labor.
- (e) The Department of Health, Education, and Welfare.
- (f) The Department of Housing and Urban Development.
- (g) The Department of Transportation.
- (h) The Department of Energy.
- (i) The Veterans Administration.
- (j) The Environmental Protection Agency.
- (k) The National Science Foundation.
- (l) The Federal Emergency Management Agency.
- (m) The Nuclear Regulatory Commission is invited to

participate.

1-103. The head of each agency represented on the Council may designate an official of the equivalent rank of Assistant Secretary or higher level to serve as the agency's representative.

1-104. The Administrator of the Environmental Protection Agency, or any agency representative designated by him, shall chair the Council.

1-2. Functions.

1-201. The Council shall coordinate the formulation and implementation of Federal policy relating to radiation protection. In carrying out this function, the Council shall:

(a) advise on the formulation of broad radiation protection policy;

(b) monitor implementation of Federal radiation protection policies by Federal agencies;

(c) assist in the resolution of conflicts in jurisdiction among Federal agencies and recommend corrective legislation if needed;

(d) ensure effective liaison with the States and the Congress;

(e) serve as a forum for public participation and comment; and

(f) perform such other functions as the President may direct.

1-202. The Council shall keep the Director of the Office of Science and Technology Policy, the Director of the Office of Management and Budget, and the Council on Environmental Quality informed of the activities of the Council.

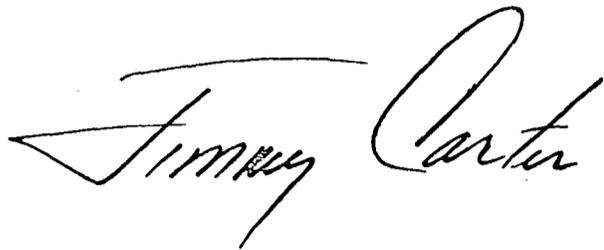
1-203. The Council shall prepare an annual report of its activities and transmit the report to the President and the heads of the agencies represented on the Council on or before September 30 of each year.

1-3. General Provisions.

1-301. The Environmental Protection Agency, to the extent permitted by law, shall furnish administrative support, funds, staff, and other assistance to the Council as necessary to carry out its functions.

1-302. Federal agencies, to the extent permitted by law, shall provide to the Council that information and assistance which it requests in order to carry out its functions.

1-303. The Council shall transmit its final annual report and terminate four years after the date of this Order.

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 typed text.

THE WHITE HOUSE,

THE WHITE HOUSE
WASHINGTON

out 2/21

February 20, 1980

MEMORANDUM FOR THE PRESIDENT

From: Al McDonald
Rick Hertzberg *Rick*

Subject: Presidential Talking
Points: Community
Leaders Energy
Briefing

Scheduled delivery:
Thur, Feb 21, 1980
3:15 P.M.

The Presidential talking points for
this occasion are attached.

Clearances

Mike Chanin
Ray Jenkins
NSC Staff
David Rubenstein

Hertzberg
Draft A-1, 2/20/80
Scheduled delivery:
Thurs. 2/21/80

*Read
own notes*

Talking Points:

Briefing on Foreign Policy and Energy Security

1. THE MOST IMPORTANT POINT I WANT TO MAKE TO YOU TODAY IS THIS: OUR NATIONAL SECURITY IS INTIMATELY TIED TO OUR ENERGY SECURITY. IF ANYONE HAD ANY DOUBTS ABOUT THIS, THE EVENTS OF RECENT MONTHS SHOULD HAVE LAID THEM TO REST.

2. THE SOVIET AGGRESSION IN AFGHANISTAN WOULD BE A MATTER OF GREAT CONCERN TO US EVEN IF THERE WERE NOT A SINGLE DROP OF OIL IN THE PERSIAN GULF. THE SAME IS OBVIOUSLY TRUE OF THE SEIZURE OF OUR CITIZENS IN IRAN.

3. NEVERTHELESS, IT IS THE WORLD'S DANGEROUS OVERDEPENDENCE ON PERSIAN GULF OIL THAT HAS MADE BOTH THESE SITUATIONS SO DANGEROUS FROM THE STANDPOINT OF NATIONAL SECURITY. WE ARE DEPENDENT ON OIL FROM THAT PART OF THE WORLD. OUR ALLIES AND THIRD WORLD COUNTRIES ARE IN MANY CASES EVEN MORE DEPENDENT -- AND THEY TEND TO HAVE FEWER RESOURCES TO CALL ON IN LESSENING THAT DEPENDENCE.

4. SOME FACTS:

¶ AS LATE AS 1968 THE UNITED STATES WAS STILL A NET ENERGY-EXPORTING NATION. FOREIGN OIL WAS SO INEXPENSIVE THAT WE IMPOSED TARIFFS ON IT TO PROTECT DOMESTIC PRODUCTION FROM BEING UNDERCUT BY CHEAP OIL FROM ABROAD.

- ¶ BY 1971 WE WERE IMPORTING 3.9 MILLION BARRELS OF OIL PER DAY -- AND PAYING \$4 BILLION A YEAR FOR IT.
- ¶ BY 1977 OUR OIL IMPORTS WERE RUNNING AT 8.8 MILLION BARRELS PER DAY -- AND THE ANNUAL BILL WAS \$45 BILLION.
- ¶ IN 1979 ALMOST HALF THE OIL WE USED WAS FROM OVERSEAS, AND THE BILL WAS MORE THAN \$56 BILLION.
- ¶ THOUGH IMPORTS HAVE BEGUN TO DROP, THE PRICE IS STILL CLIMBING STEEPLY, WITH NO END IN SIGHT. THE RESULT IS THAT IN 1980 THE BILL COULD REACH \$70 BILLION -- MORE THAN \$300 FOR EVERY MAN, WOMAN AND CHILD IN THE COUNTRY.

5. THIS TREMENDOUS DRAIN OF WEALTH OUT OF OUR COUNTRY HAS A DEVASTATING IMPACT ON INFLATION -- ON TRADE DEFICITS -- ON OUR ENTIRE ECONOMY. SO EVEN IF THE SOURCES OF FOREIGN OIL WERE TOTALLY DEPENDABLE, LESSENING OUR DEPENDENCE WOULD BE AN URGENT TASK. BUT AS RECENT EVENTS REMIND US, MOST OF THE FREE WORLD'S OIL COMES FROM A REGION WHICH IS HIGHLY SUSCEPTIBLE TO CONFLICT. MOREOVER, COMPETITION FOR SCARCE SUPPLIES COULD EVENTUALLY STRAIN OUR ALLIANCES WITH NATIONS WHICH ARE EVEN MORE DEPENDENT THAN WE ARE.

6. THAT IS WHY I HAVE SPENT THREE YEARS FIGHTING FOR A NATIONAL ENERGY POLICY -- A POLICY THAT WILL REDUCE THE THREAT TO NATIONAL SECURITY CAUSED BY OUR DEPENDENCE ON IMPORTED OIL. IT HAS BEEN A TOUGH BATTLE -- AND IT IS NOT OVER YET. BUT UNDER THE PROGRAMS WE HAVE PUT IN PLACE AND

THOSE WE HAVE PROPOSED, THE UNITED STATES WILL REDUCE OIL IMPORTS TO ABOUT 4-5 MILLION BARRELS PER DAY IN 1990. THIS WILL BE 9-10 MILLION BARRELS PER DAY LESS THAN WITHOUT THESE PROGRAMS.

7. CONFERENCE COMMITTEES IN THE CONGRESS NOW HAVE BEFORE THEM THREE CRUCIAL PARTS OF THIS NATIONAL ENERGY POLICY:

¶ THE ENERGY SECURITY CORPORATION, WHICH WILL ENABLE US TO MOUNT AN UNPRECEDENTED EFFORT BOTH FOR THE DEVELOPMENT OF ALTERNATIVE ENERGY SOURCES AND FOR CONSERVATION.

¶ THE ENERGY MOBILIZATION BOARD, WHICH WILL HELP US MOVE FORWARD WITH CRITICAL ENERGY PROJECTS.

¶ PERHAPS MOST IMPORTANT, THE WINDFALL PROFITS TAX -- WHICH WE NEED NOT ONLY FOR REASONS OF FAIRNESS AND EQUITY, BUT ALSO TO GIVE OUR NATION THE FINANCIAL MUSCLE TO ACHIEVE ENERGY SECURITY.

8. DESPITE THE OBVIOUS NEED, AND DESPITE THE RESPONSIBLE ACTION OF BOTH HOUSES OF CONGRESS IN PASSING THESE PROPOSALS, THE CONFERENCE COMMITTEES ARE BOGGED DOWN -- ESPECIALLY THE E.M.B. AND E.S.C. CONFERENCES. I NEED YOU TO HELP ME MAKE THE CONFEREES UNDERSTAND THAT OUR NATIONAL SECURITY IS INVOLVED. I NEED YOUR PARTICIPATION AS COMMUNITY LEADERS IN THE FIGHT FOR OUR ENERGY SECURITY -- AND OUR NATIONAL SECURITY.

#

THE WHITE HOUSE
WASHINGTON
February 21, 1980

MEMORANDUM FOR THE PRESIDENT

FROM STU EIZENSTAT *Stu*
SUBJECT EMB/ESC TALKING POINTS

Attached, as you requested, are talking points on the Energy Security Corporation and the Energy Mobilization Board Conferences. They have been cleared by DoE, Frank Moore's staff and OMB.

We all recommend that you follow these talking points closely. A delicate balance is required if this statement is to be useful in prompting speedy action rather than delaying further progress because of Congressional pique.

We are notifying key Conference Chairmen that the statement is coming so they will not be caught off guard.

Also attached, for your information, is a proposed statement on the windfall profits tax. Since it now looks uncertain that the tax will pass today, we -- and Treasury -- recommend that you say as little as possible on it this afternoon. If you must make a comment, we recommend that it follow the lines of the attached statement.

TALKING POINTS -- EMB and ESC

1. Cutting our dependence on foreign oil by developing domestic energy supplies is central to our nation's security and economic well-being.
2. Last July, I sent to Congress far-reaching legislation which charts a steady course toward energy security. The House and Senate, and their leadership, responded firmly and quickly. By the end of the fall, both Houses had passed the critical elements of my program.

I commend the leaders in both Houses for their prompt action on legislation addressing this urgent national needs.

3. But for the last 2½ months, the Energy Mobilization Board and the legislation containing the Energy Security Corporation have been stuck in Conference Committees. These bills are critical to our national security; we cannot and will not tolerate a business-as-usual approach to finishing work on the remaining issues.

This is especially important since the differences remaining are far fewer than the agreements which have already been reached.

4. I call upon the Conference Committee of the Energy Mobilization Board to set a regular schedule of meetings to resolve the last differences between the House and Senate bills.
5. Similarly, I call upon the Conference Committee on the Energy Security Corporation to set and stick to a firm schedule to pin down the specifics of the agreement in principle which was reached 2½ months ago.

The ESC Conference will also have to deal with other critical provisions such as conservation, solar energy and gasohol. Rather than prolonging the Conference by dealing with each issue serially, I urge the Conference and its staff to start work now on these issues so that further delays in enactment of this bill are avoided.

6. We must not repeat the delays which bogged down energy legislation in the past. For example, agreement was reached in principle on natural gas pricing legislation in December 1977, yet it took ten more months for that bill to reach my desk. It is time to get specific and pin down the details of these agreements.

The Conference Committees have a great responsibility for the future security of our nation. They must get on with the job.

Windfall Profits Tax

For the last two decades my predecessors struggled to develop and then gain Congressional approval for an energy policy for our Nation. Last year when I proposed the windfall profits tax as the key element of my energy plan for America, we encountered skepticism about its future and cynicism about our strategy. The House and Senate leadership, however, worked very hard and the bill was passed by both Houses last year. Now we appear to be on the eve of obtaining Conference Committee approval of a Windfall Profits Tax bill that substantially fulfills the requests I made of the Congress. The decisions made thus far by the Conference Committee would result in a bill which eliminates unjust enrichment of domestic oil producers caused by increasing foreign oil prices and raises sufficient revenue to finance conservation efforts, energy development, mass transit, and relief to those most hurt by rising oil prices. The measure would also vest in us sufficient flexibility to meet both anticipated and unforeseen needs in these areas.

It is now time to build on this solid foundation by enacting the Energy Security Corporation and Energy Mobilization Board bills which are in conference.

THE WHITE HOUSE
WASHINGTON

2/21/80

Jack Watson
Arnie Miller

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

February 20, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON
ARNIE MILLER

SUBJECT: Ambassadorial Appointments

Secretary Vance has made the following recommendations for Ambassadorial assignments:

William Bodde, Jr.	Fiji
Henry Precht	Mauritania
Robert V. Keeley	Rhodesia (Zimbabwe)
C. William Kontos	Sudan
Gordon R. Beyer	Uganda

All of the candidates are Foreign Service Officers.

Mr. Bodde is forty-eight years old and presently Director of Pacific Island Affairs.

Mr. Precht is forty-seven years old and presently Director of Iranian Affairs.

Mr. Keeley is fifty years old and presently Deputy Assistant Secretary of African Affairs. This recommendation is made on a contingency basis, pending a final decision to send an Ambassador to Rhodesia.

Mr. Kontos is fifty-seven years old and presently Director of the Sinai Support Mission.

Mr. Beyer is forty-nine years old and presently Director of East African Affairs.

Zbig Brzezinski concurs.

RECOMMENDATION:

That you nominate William Bodde for Fiji; Henry Precht for Mauritania; Robert Keeley for Rhodesia; C. William Kontos for Sudan; and Gordon Beyer for Uganda.

✓

APPROVE

DISAPPROVE

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ONLY**

UNDER SECRETARY OF STATE
FOR MANAGEMENT
WASHINGTON

AM 9 38

February 4, 1980

1/6/80
to AM
for ack.
& f/u -
JW

MEMORANDUM FOR: The Honorable
Jack Watson
The White House

FROM: Ben H. Read *BHR*

Jack:

Secretary Vance has decided to recommend that the following career officers be nominated for the posts indicated:

FIJI*	William Bodde
MAURITANIA	Henry Precht
RHODESIA (ZIMBABWE) #	Robert Keeley
✓ SUDAN	C. William Kontos
UGANDA+	Gordon Beyer

We will begin the requisite processing upon receiving the President's approval.

cc: The Honorable Hamilton Jordan
Mt. Tom Beard

*To serve concurrently to Tuvalu, Tonga and Kiribati where the US does not maintain resident embassies.

#On a contingency basis, to allow the necessary clearances to be in hand, should the US decide to send an Ambassador to Rhodesia after independence.

+Nelson Ledsky (a career officer) had previously been approved some time ago for this post. However, because of subsequent events in Uganda it was decided not to send an ambassador at that time. Events have now stabilized in Uganda and the US will now be sending an ambassador; however, the passage of time means that a new selection must be made.

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CANDIDATE FOR FIJI

NAME: William Bodde, Jr.
AGE: 48
AREAS OF EXPERIENCE: Europe, Pacific Ocean Area
COUNTRIES OF EXPERIENCE: Austria, Sweden, Federal Republic of
German, Australia, New Zealand,
Pacific Islands
RANK: Foreign Service Officer of Class III
FOREIGN LANGUAGES: German
EDUCATION: AB, Hofstra University, 1961

PROFESSIONAL EXPERIENCE:

1978-present	Director of Pacific Island Affairs, Department of State
1977 to 1978	Deputy Director of Australia, New Zealand and Pacific Island Affairs, Department of State
1974 to 1977	Political Officer Bonn
1973 to 1974	Political Officer Berlin
1971 to 1973	Personnel Placement Officer, Department of State
1970 to 1971	Scandinavian Affairs, Department of State
1967 to 1970	Political Officer Stockholm
1966 to 1967	Atlantic Affairs Studies, Johns Hopkins University
1965 to 1966	Public information specialist, Department of State
1962 to 1964	Special assistant to the Ambassador, Vienna

While much of his career has been devoted to European affairs, Bodde has concentrated on Pacific Island matters in recent years and is intimately familiar with the complex of issues in this area. An officer of warmth and enthusiasm, he has great strength in interpersonal relations and contact work. Analytical and with unusually good judgement and perspective, he has fine political sense, is a sensitive reporter and negotiator as well as a competent manager.

CANDIDATE FOR MAURITANIA

NAME: Henry Precht
AGE: 47
AREAS OF EXPERIENCE: Middle East, Africa, Western Europe
COUNTRIES OF EXPERIENCE: Iran, Egypt, Mauritius, Italy
RANK: Foreign Service Officer of Class II
FOREIGN LANGUAGE: Italian, French
EDUCATION: AB, Emory University, 1953
MA, Fletcher School of Law and
Diplomacy, 1960

PROFESSIONAL EXPERIENCE:

1978-present	Director of Iranian Affairs, Department of State
1977 to 1978	Deputy Director of Regional Affairs, Bureau of Near Eastern and South Asian Affairs, Department of State
1976 to 1977	Deputy Director for Security Assistance and Sales, Bureau of Politico-Military Affairs, Department of State
1972 to 1976	Political and political-military officer Tehran
1970 to 1972	DCM Port Louis
1969 to 1970	Advanced studies, Fletcher School of Law and Diplomacy
1967 to 1969	Bureau of Near Eastern and South Asian Affairs, Department of State
1966 to 1967	On detail to the National Aeronautics and Space Administration
1964 to 1966	Administrative officer Alexandria
1962 to 1964	Junior officer Rome

Precht's experience has been concentrated in developing countries of the Middle East and East Africa, a background which would serve him well in Mauritania. Throughout his career he has been known as an individual of imagination and perspective who quickly masters new and complex subject matter. A personable officer of great energy and dedication, he has been cited for his superior courage, judgement, managerial leadership and communications skills. Over the last two years he has given unsparingly of himself in connection with the continuing crises in Iran.

CANDIDATE FOR RHODESIA (ZIMBABWE)

(NOTE: This submission is made on a contingency basis, pending a final U.S. Government decision to send an Ambassador to Rhodesia.)

NAME: Robert V. Keeley

AGE: 50

AREAS OF EXPERIENCE: Africa, Middle East, East Asia, Europe

COUNTRIES OF EXPERIENCE: Mali, Uganda, Mauritius, Jordan, Cambodia, Greece

RANK: Foreign Service Officer of Class I

FOREIGN LANGUAGES: French, Greek

EDUCATION: AB, Princeton University, 1951

PROFESSIONAL EXPERIENCE:

1978-present	Deputy Assistant Secretary for African Affairs, Department of State
1976 to 1978	Ambassador to Mauritius
1975 to 1976	Deputy Director, Interagency Task Force for Indochina Refugees
1974 to 1975	Deputy Chief of Mission Phnom Penh
1971 to 1974	Deputy Chief of Mission Kampala
1970 to 1971	Woodrow Wilson Fellow, Princeton University
1966 to 1970	Political officer Athens
1964 to 1965	National Institute of Public Affairs Fellow, Stanford University
1963 to 1964	Office of Central African Affairs, Department of State
1961 to 1963	Political Officer Bamako
1958 to 1963	Political Officer Amman
1956 to 1957	U.S. Agency for International Development

Keeley is a leading African specialist who has been closely concerned with developments in southern Africa in recent years. He is a strong political analyst with a fine policy sense and excellent drafting skills. An accomplished executive, he has displayed a facility for crisis management in Uganda and Cambodia. Also cited are his great effectiveness in dealing with the Congress, his intellectual breadth, and his professional and personal maturity.

CANDIDATE FOR SUDAN

NAME: C. William Kontos
AGE: 57
AREAS OF EXPERIENCE: South Asia, Africa, Europe
COUNTRIES OF EXPERIENCE: Sri Lanka, Pakistan, Nigeria,
Greece
RANK: Foreign Service Reserve Officer of
Class I
FOREIGN LANGUAGES: Greek
EDUCATION: BA, University of Chicago, 1947
MA, University of Chicago, 1948

PROFESSIONAL EXPERIENCE:

1976 - present Director, Sinai Support Mission
1974 to 1976 Member of the Policy Planning Staff,
Department of State
1972 to 1974 Deputy Commissioner General of UNRWA,
United Nations
1969 to 1972 Director of Program Evaluation, Agency
for International Development (USAID)
1970 Director, Joint State/Aid Office for
Nigerian Affairs
1967 to 1969 Director, USAID mission to Pakistan
1965 to 1967 Director of Personnel, USAID
1964 to 1965 Student, National War College
1961 to 1964 Deputy Director, USAID mission to Nigeria
1959 to 1961 Deputy Director, USAID mission to Sri
Lanka
1956 to 1959 Regional Executive Officer, Africa-Europe
Bureau, USAID
1955 to 1956 Chief Management Analyst, USAID

CANDIDATE FOR UGANDA

NAME: Gordon R. Beyer
AGE: 49
AREAS OF EXPERIENCE: Africa, East Asia
COUNTRIES OF EXPERIENCE: Somalia, Tanzania, Thailand, Japan
RANK: Foreign Service Officer of Class II
FOREIGN LANGUAGES: ---
EDUCATION: AB, Harvard University, 1952
MA, Northwestern University, 1953

PROFESSIONAL EXPERIENCE:

1978-present	Director of East African Affairs, Department of State
1977 to 1978	Bureau of Near Eastern and South Asian Affairs, Department of State
1975 to 1977	Deputy Director of Egyptian Affairs, Department of State
1972 to 1975	Deputy Chief of Mission Dar-es-Salaam
1971 to 1972	Student, National War College
1967 to 1971	Office of Northeast African Affairs, Department of State
1964 to 1967	Political officer Mogadiscio
1961 to 1964	Consular-political officer, Yokohama
1959 to 1961	Personnel placement officer, Department of State
1957 to 1959	Consular-economic-political officer Bangkok

Beyer is one of the Department's leading specialists in East African Affairs, with a dozen years' overseas and domestic service relating to that area. He is currently Director of East African Affairs, which office embraces Uganda. A versatile performer with experience in a wide range of Foreign service functions, he is an excellent supervisor who has demonstrated needed concern for staff welfare in isolated posts. He is also a mature and responsible manager with a strong grasp of complex substantive issues.

THE WHITE HOUSE
WASHINGTON

2/21/80

Fred Kahn
Stu Eizenstat
Al McDonald

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

Rick Hutcheson

Phil Wise
Fran Voorde
Charlie Schultze

THE WHITE HOUSE
WASHINGTON

ok
J

February 19, 1980

MEMORANDUM FOR THE PRESIDENT

FROM : FRED KAHN
STU EIZENSTAT *Stu*
AL MCDONALD *AM*

SUBJECT: Inflation Actions

It is essential that we move again onto the offensive on the inflation front. The economic situation is critical and the public recognizes this. Working against us are the continuing bad reports, the growing support for controls, widening business assumptions that high inflation is with us indefinitely and public expectations that increased defense spending will fuel it more.

To date the public has been reasonably understanding of your position. They recognize that you are not to blame for the high inflation rate, but they correctly demand to know what you plan to do about it. As soon as the international crisis recedes, this will be the nation's number one preoccupation.

We have no time to lose. We must move out forcefully and visibly to reinforce the importance of the voluntary effort and to reemphasize your priority to bring this aspect of the economy under control.

In addition to the regular events already scheduled (e.g., the decision on the Pay Advisory Committee's recommendations, the release of the COWPS petroleum report and regular testimony and speeches), we plan to begin scheduling a regular series of industry consultations with one at least every two weeks. Recognizing the difficulty of having firm evidence to deal only with violators, we will shift the focus of these sessions to active consultations with industry sectors rather than strictly accusations of misconduct.

Our focus will be to exchange ideas on the inflationary situation as it affects their industry and to understand better what we in government can do to assist them in controlling inflation. We will look on these as continuing, cooperative dialogues with decisionmakers on prices and wages.

These regular sessions, which we will want you to participate in as your time permits, will act as a constant reminder of the guidelines and the importance of the continuing fight against inflation, serve as a practical exchange with the private sector to understand what steps are needed to make the voluntary program more effective, and provide visibility for our ongoing efforts.

With your approval, we will schedule the first of these sessions during early March and then will develop a regular pattern and agenda for two to three-hour meetings on a regular basis with key industry leaders. We are also hopeful that from these discussions suggestions can come forward that will allow us to reinforce with a continuing stream of announcements our voluntary program and permit us to make better progress in slowing down the inflationary spiral.

We will place this topic on our agenda for discussion at our Thursday morning breakfast.

THE WHITE HOUSE
WASHINGTON

2/21/80

Frank Moore/Jim Copeland

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

Rick Hutcheson

RH
NAME LONG, Clarence D.

1041

TITLE Congressman (D/Maryland)

Requested by Frank Moore *F.M.M.*

CITY/STATE Washington, D.C.

Date of Request 2-21-80

Phone Number--Home () _____

Work (202) 225-3601

Other () _____

INFORMATION (Continued on back if necessary)

Congressmen Long and Inouye are going to meet today at 11:30 to go over outstanding issues in the Foreign Aid Conference -- now scheduled to convene on Monday. In a meeting with State and Owen yesterday, Long was fairly positive about the resolution of outstanding issues. However he did not accept the fact that our Central American supplemental request is urgent. He insists on holding hearings and is not at all anxious to include funding in the '80 Foreign Aid Conference. We must get the

NOTES: (Date of Call 2-21)

Believes have agreement on ~~ESTC~~ -

Long says hearings are necessary.

I told Christopher to call him - he will

appropriations in this bill because we will have no other vehicle until late in the summer. This means we will miss the growing season in Nicaragua, possibly middle-class flight will be exacerbated, and the risks of the government adopting radical solutions is greater.

You should urge him to include the \$80 million in the Conference and assure him that hearings could be scheduled very quickly to respond to his questions. Such hearings could be held tomorrow.

It would not hurt if you once again mention to him your interest in having the ISTC issue resolved satisfactorily, preserving the integrity of that institution.

Long was very touched by your note to him and confirmed the fact that his tests were negative. You might want to mention again how pleased you are that he is well.

THE WHITE HOUSE
WASHINGTON

2/21/80

ANNE WEXLER

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

Rick Hutcheson

PHIL WISE
FRAN VOORDE

THE WHITE HOUSE
WASHINGTON

cc Anne
C

February 16, 1980

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER *Anne*
SUBJECT: ACTIVITIES REPORT --- WEEK ENDING FEBRUARY 15, 1980

1. Registration

The most common argument against registration is that students will not fight to protect oil company profits --- they would rather do without. We are trying, therefore, to emphasize the other reasons why the Persian Gulf and the Soviet invasion are important. We will need to educate a middle group of students who are now generally supportive, but could change to opposition as anti-registration activities intensify over the next several weeks. We have been sending speakers to campuses to fill requests.

2. Windfall Profits Tax

Stu and I met with representatives of State and local governments and transit groups to discuss final strategy for the Windfall Profits Tax conference. We asked them to let the Administration take the lead on negotiations and requested that they not single-shot members for their specific constituency interests. We pointed out that any allocation of windfall profits tax revenues made by the conference would be advisory and that we should all claim a significant victory on the passage of a tax which would provide sufficient funds to meet all of their needs. They are skeptical because of the tax cut percentages and a reduction in percent allocation for mass transit and energy development, but reluctantly will go along. It is important that the entire White House and departments also take this position and not get involved in the details of revenue use recommendations by the conference committee. If we do that we run the risk of people thinking we lost rather than won the battle.

3. Nuclear Waste

We briefed environmentalists, representatives of State and local governments and business groups on your nuclear waste decisions. Most approved the policy with some reservations in each case. The environmentalists were skeptical about the Department of Energy's determination to follow through on the Hill and get the legislation passed. This skepticism resulted in some negative impressions in the press accounts. We will get environmental support if we have a White House lobbying effort as they have requested. I will work with Frank on this.

4. Miscellaneous

Associate with this move
o The Alaska coalition appreciated Secretary Andrus' Tuesday action, but continues to press for permanent designation of monuments in Southeast Alaska.

Don't get too heavy re states
o We are beginning organizational efforts with the public interest groups for a major push on revenue sharing. We will need to show a heavy White House involvement in this effort.

o The Department of Energy has made 71 FY '80 grants (\$1.2 million) to universities for teachers' workshops on the energy situation and for materials for use in the classroom.

5. Reaction to Student Briefing

The students loved the briefing --- their main complaint (although it lasted all day) was that it was too short. Even those who oppose registration enjoyed the experience.

The list was carefully constructed to have a mix of large, small, and minority schools. We left out as many as we included and could easily do another one in a month or so if you are willing.

Yes

No

but assess aftermath first

THE WHITE HOUSE
WASHINGTON

2/21/80

The First Lady

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

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

February 19, 1980

MEMORANDUM FOR THE PRESIDENT AND FIRST LADY

FROM: HUGH CARTER *HC*
SUBJECT: Annual Mail Report

Attached are a series of appendices which provide a summary of White House correspondence for 1979 with comparisons to previous years. The following is a synopsis of those seven reports.

Incoming

APPENDIX A: Incoming Mail Volume (1977 - 1979)

The volume of Presidential mail has remained high at 30,000/week. First Lady mail volume is roughly 10% of Presidential mail.

Incoming telegram volume in 1979 increased 40% from 1978.

APPENDIX B: Issues in Presidential Mail (1979)

The events which triggered the greatest volume of mail were:

- President's address of July 15th.
- Iranian crisis.
- Three Mile Island.

Total energy-related mail was over 60,000 for the year. Total Iranian-related mail was over 50,000 for just the last eight weeks of 1979. By comparison, the volume for the single largest issue of 1978 -- the removal of David Marston -- was 29,000 letters.

APPENDIX C: Issues in First Lady Mail (1979)

The main issues in First Lady's mail continue to be related to mental health and the elderly.

APPENDIX D: Issues in Comments Office (1979)

Incoming phone calls from the public mirrored the issues in the mail: Iran, Three Mile Island and energy.

For info
Q

Outgoing

APPENDIX E: Outgoing Presidential Signature Mail and Telegrams (1974 - 1979)

Outgoing Presidential signature mail has declined in the past year and remains at a level well below that of the Ford Administration.

APPENDIX F: Distribution of Presidential and First Lady Mail (1977 - 1979)

Over 80% of Presidential mail is handled routinely by the White House Correspondence Office. The remainder is referred to staff and agencies for response.

A fifth of incoming mail is requests for birthday and anniversary greetings.

APPENDIX G: Agency Referrals of Presidential Mail (1977 - 1979)

Agencies are requested to respond to White House referrals within 9 working days. In 1979, 74% of agencies had responded within the allotted time -- up from 67% in 1978 and 33% in 1977.

APPENDIX A: Incoming Mail Volume (1977 - 1979)

	<u>1977</u>	<u>1978</u>	<u>1979</u>
Presidential:			
- Letters	2,458,638	1,441,105	1,520,505
- Telegrams	69,771	51,777	70,828
First Lady	128,928	104,806	103,602
Amy	45,692	20,156	12,537
Other First Family	5,520	3,532	3,509
<u>White House Staff</u>	<u>975,514</u>	<u>1,030,955</u>	<u>829,254</u>
TOTAL	3,684,063	2,652,331	2,540,235
Post Cards and Form Letters	840,938	795,522	1,380,304 *
GRAND TOTAL	<u>4,525,001</u>	<u>3,447,853</u>	<u>3,920,539</u>

* Includes U.A.W. write-in campaign to solve energy crisis -
1,000,000 post cards.

APPENDIX B: Issues in Presidential Mail (1979)

ISSUES	PRO	CON	COMMENT ONLY	WEEKS ACTIVE	TOTAL VOLUME
Support for President's Addresses to the Nation: 7/15/79 and 7/16/79	73%	14%	13%	8	27,226
Release of Personnel at U.S. Embassy in Iran	92%	0%	8%	8	26,314
Comments re: Energy Situation	0%	0%	100%	17	21,822
Support for Closing of Nuclear Power Plants (after Three Mile Island)	85%	8%	7%	20	16,969
General Support for President's Actions re: Iran	94%	6%	0%	6	11,191
Support for Budget Cutbacks for FY 1980	2%	97%	1%	17	9,397
Support for Deregulation of Trucking Industry	2%	98%	0%	14	8,947
Support for Recognition of People's Republic of China	12%	85%	3%	4	8,084
Support for President's Address to the Nation re: Energy (4/5/79)	33%	30%	37%	4	7,949
Support for IRS Guidelines for Tax-exempt Private Schools	1%	99%	0%	15	7,273
Support for Dismissal of Bella Abzug	44%	54%	2%	5	7,172
Support for Deporting Iranians from U.S.	92%	4%	4%	8	6,660
Support for Military Intervention in Iran	77%	22%	1%	6	5,878

APPENDIX C: Issues in First Lady Mail (1979)

ISSUES	PRO	CON	COMMENT	TOTAL
Christmas Greetings	100%	0%	0%	17,000
Support for First Lady's Mental Health Concerns	0%	0%	100%	6,000
Support for First Lady's Work for Elderly	0%	0%	100%	2,210
Support for First Lady's Appearance on the "Phil Donahue Show"	77%	0%	23%	1,395
Support for Cambodian Relief Efforts	85%	15%	0%	665
Support for Size and Salaries of First Lady's Staff	0%	100%	0%	605
Support for President's Actions re: Iran	100%	0%	0%	580
Support for Equal Rights Amendment	15%	85%	0%	555
Birthday and Anniversary Greetings	100%	0%	0%	410
Support for First Lady's Greeting His Holiness Pope John Paul II	100%	0%	0%	350

CONTINUING ISSUES IN FIRST LADY'S MAIL (1977 - 1979)

<u>ISSUES</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>TOTAL</u>
Mental Health	7,500	8,000	6,000	21,500
Elderly	5,800	5,000	2,210	13,010
ERA-PRO	250	360	85	695
ERA-CON	1,500	1,810	470	3,780

APPENDIX D: Issues in Comments Office (1979)

<u>ISSUES</u>	PRO	CON	COMMENT	TOTAL CALLS
Concern over the Iranian Crisis	0%	0%	100%	15,031
Support for President's Handling of Iranian Crisis	83%	17%	0%	10,696
Support for Closing All Nuclear Power Plants	90%	10%	0%	3,758
Support for President's Energy Speech (7/15)	80%	20%	0%	2,841
Support for Paid Parking for Government Employees	0%	100%	0%	1,624
Support for Administration's Consideration to Deregulate Trucking Industry	0%	100%	0%	1,178
<u>Other</u>				<u>87,661</u>
TOTAL				122,789

APPENDIX E: Outgoing Presidential Signature Mail and Telegrams

	<u>YEAR</u>	<u>LETTERS</u>	<u>TELEGRAMS</u>	<u>TOTAL</u>
<u>Ford Administration</u>				
(8/9/74 - 12/31/74)	1974	36,240	1,309	37,549
	1975	60,972	1,240	62,212
	1976	83,934	1,935	85,869
(1/1/77 - 1/20/77)	1977	3,513	56	3,569
<u>Carter Administration</u>				
(1/20/77 - 12/31/77)	1977	16,451	952	17,403
	1978	29,347	1,414	30,761
	1979	22,841 *	1,958	35,827

* Does not include 11,028 special Presidential letters for birthday and anniversary greetings. This program was initiated in 1979.

APPENDIX F: Distribution of Presidential and First Lady Mail
(1977 - 1979)

PRESIDENTIAL MAIL ANALYSIS BY DISTRIBUTION:

	<u>1977</u>	<u>1978</u>	<u>1979</u>
Agency Referral	47%	12%	12%
WH Correspondence	25%	48%	47%
Unanswerable	14%	18%	15%
Greetings Requests	n/a*	15%	21%
White House Staff	8%	5%	4%
Other	<u>6%</u>	<u>2%</u>	<u>1%</u>
TOTAL	100%	100%	100%

FIRST LADY MAIL ANALYSIS BY TYPE:

Support	18%	7%	7%
Problems/Questions	21%	30%	20%
Invitations	6%	3%	3%
Requests	22%	17%	27%
Views	14%	19%	17%
Non-answerable	<u>19%</u>	<u>24%</u>	<u>26%</u>
TOTAL	100%	100%	100%

* Greetings Requests were included in "Other" category during 1977. "Other" also includes mail sent to Secret Service.

APPENDIX G: Agency Referrals of Presidential Mail
(1977 - 1979)

Average agency response rate within 15 business days, as measured by follow-up calls to the correspondents: (NOTE: 15 working days are used to allow the agency 9 days to respond, plus time for initial delivery to the agency and final dispatch)

	<u>1977</u>	<u>1978</u>	<u>1979</u>
Department of Agriculture	60%	*	83%
Department of Commerce	22%	*	80%
Council on Wage and Price Stability	*	*	64%
Department of Defense	46%	*	84%
Department of Energy	23%	*	46%
Department of Health, Education and Welfare	26%	69%	71%
Department of Housing and Urban Development	*	60%	74%
Department of the Interior	32%	*	56%
Department of Justice	32%	58%	55%
Department of Labor	15%	43%	70%
Office of Personnel Management	*	69%	71%
Department of State	33%	77%	100%
Department of Transportation	*	*	63%
Department of Treasury	*	72%	80%
Veterans Administration	*	81%	100%
<u>Other agencies</u>	<u>33%</u>	<u>64%</u>	<u>71%</u>
TOTAL AGENCY RESPONSE RATE	33%	67%	74%
TOTAL AGENCY VOLUME	1,497,498	242,970	246,789

* No comparable figures available.

3:15 PM

THE WHITE HOUSE

WASHINGTON

BRIEFING FOR COMMUNITY LEADERS ON
NATIONAL SECURITY & ENERGY POLICY

Thursday, February 21, 1980
3:15 p.m. - 3:30 p.m.
The East Room

From: ANNE WEXLER *AW*

C
—

I. PURPOSE

To brief a cross-section of community leaders on recent events in Southwest Asia and on your energy policy, making the linkage between national security and energy issues.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: We have structured this first in a series of issues briefings to reflect the linkage between national security and energy issues. It combines a restatement of your foreign policy goals with consciousness-raising on energy policy.

Zbig will give an overview of the international situation, concluding with the importance of reducing our dependence on foreign oil. At the conclusion of his remarks, Stu will make the linkage to your energy policy, emphasizing the need for swift conclusion of the conferences and additional legislation we will be sending up this year. It is an opportunity to restate our goals, our targets, our policy, our commitment to conservation, and the need for increased public pressure on the Congress to finish the job.

B. Participants: About 250 leaders from around the nation are expected. The state of Ohio and Florida will be particularly well-represented.

- C. Press Plan: White House Photo and Press Pool for your remarks. In addition, a few publishers have been invited as guests and will be in the audience for the entire briefing, including all of your remarks.

III. AGENDA

I will open the briefing at 1:45 p.m. Zbig and Stu will then follow with their presentations. Stu will be answering questions when you arrive. You might want to answer a few questions after you finish your remarks. A reception in the State Dining Room will follow.

IV. TALKING POINTS

Talking points prepared by the speechwriters, working with my office, have been submitted separately.

THE WHITE HOUSE

WASHINGTON

BRIEFING FOR COMMUNITY LEADERS ON NATIONAL SECURITY
AND ENERGY POLICY

February 21, 1980
The East Room

Agenda

1:45 p.m.	Opening Remarks	Anne Wexler
1:47 p.m.	Recent International Events & The President's Response to Them	Zbigniew Brzezinski
2:00 p.m.	Questions and Answers	Zbigniew Brzezinski
2:30 p.m.	The Energy Situation & The President's Energy Policy	Stuart Eizenstat
2:45 p.m.	Questions and Answers	Stuart Eizenstat
3:15 p.m.	Remarks	The President
3:30 p.m.	Reception -- The State Dining Room	

THE WHITE HOUSE
WASHINGTON

February 15, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED E. KAHN *Fred*

SUBJECT: Weekly Activities Summary

Pay Standard

We are working to draft written regulations that correctly embody our decision on the pay standard. The actual language has proved to be a touchy subject. We hope to complete all materials so that it is possible for you to announce your decision next week. We are also planning a series of briefings, mailings and telephone calls similar to those we did last fall when we announced the Accord.

Council of State Governments

As a result of our State and Local Regulatory Conference, I met with the Council of State Governments in Lexington, Kentucky, this week. They are developing a proposal for a regulatory reform clearinghouse. I am encouraged that this project came about and think it will be useful to state and local officials in their reform efforts.

COWPS Filings

The Council staff has filed comments on a number of regulations in the past few weeks with the:

- ° ICC, urging them to rely more on market incentives in setting their rules on payments for use of railroad cars;
- ° FAA, asking them to consider more cost-effective ways to prevent hijacking of commuter flights than simply applying the program they already use for trunk carriers;
- ° FCC, supporting their proposals to reform regulation of non-dominant carriers and to redefine dominance;
- ° DOE, suggesting that they had inadequately analyzed a proposal to increase prices permitted to gasoline jobbers (DOE now agrees and has withdrawn it for further study); and

- EPA, describing the issues we think should be considered in deciding whether to set more stringent effluent discharge standards under the Clean Water Act for the timber and textile industries.

2/21/80

Mr. President:

The attached proclamation,
"Application of Certain Laws
of the U.S. to the Northern
Mariana Islands," was requested
by Interior and cleared by
OMB, DoJ, DPS, NSC, Cutler
and the speechwriters.

Rick/Bill

*Signed 2-21-80
To Linder*



United States Department of Justice
Washington, D.C. 20530

ASSISTANT ATTORNEY GENERAL
OFFICE OF LEGAL COUNSEL

19 FEB 1980

The President
The White House

Dear Mr. President:

I am transmitting herewith, in accordance with the provisions of Executive Order No. 11030, as amended, a proposed proclamation entitled "Application of Certain Laws of the United States to the Northern Mariana Islands."

The proclamation was submitted by the Department of the Interior to the Office of Management and Budget (OMB) where it was slightly modified to reflect the statutory language more accurately. The proclamation was transmitted by OMB, with the approval of its Director, to the Department of Justice for consideration as to form and legality.

The proposed proclamation is approved as to form and legality.

Respectfully,

A handwritten signature in cursive script, appearing to read "John M. Harmon".

John M. Harmon
Assistant Attorney General
Office of Legal Counsel

THE WHITE HOUSE
WASHINGTON

2/21/80

Fred Kahn
Charlie Schultze

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

Rick Hutcheson

Stu Eizenstat

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

good
J

February 20, 1980

MEMORANDUM FOR THE PRESIDENT

From: Fred Kahn *Fred*
Charlie Schultze *CLS*

Subject: Upcoming EPA Announcement on Diesel Particulates

On Thursday morning, Doug Costle is scheduled to announce EPA's decision concerning the stringency, timing, and method of regulating diesel particulate emissions from passenger cars. This decision is important because it affects the auto industry (especially GM) and because it will help determine how important a role diesel-powered automobiles may play in the future auto fleet.

The regulations that Doug will announce Thursday will not address the possible carcinogenicity of diesel particulates. Both industry and EPA agree that if ongoing tests indicate serious carcinogenicity, the stringency of diesel particulate emissions regulations -- indeed, the future of the diesel engine itself -- will have to be reexamined. Instead, these current regulations are designed to reduce the diesel's contribution to ambient concentrations of total particulates, which are associated with general health and welfare burdens.

The statutory mandate under which EPA is issuing these regulations is clearly designed to be "technology forcing." Given this, we believe that EPA has utilized its available discretion to fashion a solution which is sensitive to our concerns that an unreasonable regulatory burden not be imposed on the diesel. Specifically, EPA will announce:

1. An interim level of control of 0.6 grams per mile (g/mi) that would become effective with the 1982 model year. (This compares with a current emissions level of about 1 g/mi, roughly one hundred times the level of emissions from unleaded gasoline powered vehicles.) Coupled with the temporary waiver on nitrogen oxide (NOx) emissions that EPA has already announced, this should lead to a reduction in emissions at very little cost (EPA estimates \$10-\$12 per car).

2. A final standard of 0.2 g/mi beginning with the 1985 model year. This probably will require the use of a new technology -- the trap oxidizer, a device which captures and incinerates particulate emissions. This technology has met the standard in some tests, but has not yet proved itself in realistic conditions. Furthermore, it will be expensive (EPA estimates around \$200 per car; GM, \$600 per car). Nevertheless, given the statute and the fact that the technology appears feasible, EPA has little choice but to establish the final level it did.

EPA had originally (January 1979) proposed a 1983 date for the final (0.2 g/mi) standard. Given production lead times, this would have resulted in an immediate petition from industry for an extension. The 1985 date gives industry time to perfect the oxidizer technology or demonstrate that it will not live up to EPA's hopes. Given the companies' public suggestions that 1985 may be a reasonable date for trap oxidizers, EPA can hardly be asked to grant them more time right now.

The final issue that Doug will address will be the manner in which the regulation is to set the emissions standard. Currently, EPA regulations require that the "worst car" meet the standard given available technology; the average car may therefore do better. Both GM and Volkswagen proposed an averaging scheme that would permit some cars to exceed the standard as long as the standard was met for the fleet (the diesel fleet in Volkswagen's proposal; the gasoline and diesel fleet in GM's proposal) as a whole. This kind of "fleet averaging" is used for the fuel economy standards. Both we and EPA agree that the record is still inadequate to support adoption of a diesel averaging scheme. Nevertheless, we both consider the concept of averaging sufficiently attractive that we want to explore it further. Therefore, at the same time he issues the diesel rule, Doug will announce the formation of an EPA task force to develop, if feasible, an averaging proposal for inclusion in EPA's next major regulatory package dealing with mobile sources -- NOx emissions from heavy duty trucks. The task force will explore the generic issues involved in averaging as well as its specific application to this upcoming rulemaking. Industry should consider this a promising sign -- analogous to the "bubble" concept that EPA recently instituted for stationary source emissions.

All things considered, Doug deserves credit for a good job in this rulemaking. While GM will not be satisfied, the decision meets the statutory mandate while still allowing the auto companies at least another year to present new technological or economic evidence, if it should arise.

11:00 AM

THE WHITE HOUSE

WASHINGTON

February 20, 1980

MEETING WITH SENATOR LLOYD BENTSEN (D-Texas)

Thursday, February 21, 1980
11:00 a.m. (15 minutes)
The Oval Office

F.M./BR

I. PURPOSE

Senator Bentsen would like to report to you on the trip of the Joint Economic Commission Study Mission to East Asia.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Lloyd & SA

Background

During the period January 3 - January 16, Senator Bentsen visited Manila, Hongkong, Taiwan and Korea. The Study Mission is now in the process of preparing its report which we understand will make the following recommendations on how the United States can compete more effectively in world trade:

- Further modify U.S. tax law to reduce or eliminate disincentives in the conduct of American business abroad; *Reduce business taxes*
- Reduce the paperwork requirements of the Foreign Corrupt Practices Act which apparently have an adverse effect on U.S. exports; *Permit bribery*
- Modify or repeal the Webb-Pomerene Act which serves poorly its intended function of limiting the application of U.S. anti-trust laws to transactions in foreign markets; *Reduce Competition*
- Remove legal and regulatory obstacles to the development of trading companies; and
- Strengthening the Export-Import Bank and provide additional funds to supplement the existing small program under which AID finances feasibility studies and project designs.

Participants

The President
Senator Lloyd Bentsen
Ambassador Henry Owen
Frank Moore
Donald Gregg (NSC Staff)

**Electrostatic Copy Made
for Preservation Purposes**

Press Plan

White House Photographer

III. TALKING POINTS

While we understand that Senator Bentsen's purpose is to brief you rather than to elicit a response to his proposals, you may wish to say that:

- You were delighted that the Joint Economic Commission undertook this important mission to talk to American businessmen overseas first-hand about how we might compete more effectively;
- You agree fully on the need to substitute a mutually supportive attitude for the adversary relationship which has too often existed among government, labor and business; and
- While you will want to examine his specific proposals before committing your Administration, you want Senator Bentsen to know that you support his general approach which is to remove obstacles and disincentives to competition and better performance by U.S. business abroad.
- Thank the Senator for his early support when you were lowest in the polls. Ask about his wife, B.A., and thank him for their great help on the Texas fundraiser.
- Tell him that we are depending on him for future help in his state.

11:50 AM

THE WHITE HOUSE

WASHINGTON

MEETING WITH LAWRENCE R. O'GRADY

Thursday, February 21, 1980

11:50 a.m. (5 minutes)

The Oval Office

From: Anne Wexler 

I. PURPOSE

Courtesy call and photo session with Col. Lawrence O'Grady, National President of the Reserve Officers Association and J. Milnor Roberts, Executive Director of the Reserve Officers Association.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Col. Lawrence O'Grady (USMCR) was elected President of the 115,000 member Reserve Officers Association at their National Convention in June of 1979. Col. O'Grady enlisted in the United States Marine Corp during the Korean Conflict, was commissioned as a Second Lieutenant in the Marine Corps Reserve, December 1952, and served with the Fleet Marine Force overseas. Col. O'Grady, a native of Detroit, Michigan, is married and has three children. O'Grady has considerable experience speaking before civic and military groups and at one point hosted his own television show. His many awards include the Distinguished Citizen Award from the Detroit Police Department for his work with youth and the community. Col. O'Grady serves as an Administrator for the City of Detroit. He recently finished training West Coast banking officers in the management of executive time.

Major General J. Milnor Roberts (USAR-Ret.) became Executive Director of the Reserve Officers Association on October 1, 1975. He had served as Chief of the U.S. Army Reserve from June 1, 1971 until June 2, 1975. A member of the Reserve Officers Association since 1946, he has served on several ROA national committees.

The ROA opposed SALT II to the extent of delivering anti-SALT speeches throughout the country.

The ROA strongly supports the revitalization of the Selective Service and generally supports your registration initiatives. ROA feels that with the reinstatement of "registration", additional equipment is vital for our conventional forces.

Several members of the ROA are presently attending the Air Force Reserve Commanders Conference here in Washington.

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The ROA is concerned that you might veto H.R. 5235. This bill includes broader special pay provisions for uniform services health professionals than the Administration has proposed. If this issue is raised, OMB recommends that you reply that you are hopeful that a bill more consistent with Administration proposals will be passed and that you will make a decision on H.R. 5235 based on the bill as passed and the advice of the cabinet agencies, OMB and others.

- B. Participants: Col. Lawrence O'Grady (USMCR), National President, Reserve Officers Association
 Major General J. Milnor Roberts (USAR-Ret.), Executive Director, Reserve Officers Association
- William E. Lawson, Executive Director, White House
 Veterans Federal Coordinating Committee
- C. Press Plan: White House photographer only.

TALKING POINTS

- Unfortunately Max Cleland, the Administrator of Veterans Affairs, could not be here today. (Max is appearing before the Senate Committee on Veterans Affairs.)
- I have a great deal of respect and admiration for the Reserve Officers Association's leadership and I look forward to working with you on behalf of your membership.
- I am most appreciative of your general support for my "Registration Initiatives" and look forward to your help as we move forward.
- As you gentlemen are aware, we look to the reserves as our first line of defense. Our reserve units are a vital link in maintaining a strong national defense.
- I understand that several of your members are in Washington attending the Air Force Reserve Commanders Conference, I wish them much success in their deliberations.
- Col. O'Grady, please extend my warmest regards to my good friend Coleman Young (Mayor of Detroit).

8:00 AM

THE WHITE HOUSE
WASHINGTON

February 20, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED E. KAHN *Fred*

SUBJECT: Agenda for our Breakfast Meeting

I suggest that we discuss the following:

- 1) Status of our acceptance of the pay standard.
- 2) Next steps in the study of oil company pricing and compliance with the price standard. (See my attached memo listing possibilities.)
- 3) Schedule of anti-inflation actions and announcements in the next several weeks.
 - a) A proposed series of meetings with problem industries. (See attached memo from Eizenstat, McDonald and me.)
 - b) At Al McDonald's request, my Deputy, Al From, has prepared a comprehensive proposed schedule of events whose objective would be to get us back on the offensive against inflation. It is premature to bother you with its details before your senior staff people have reviewed them; but Al McDonald may want to report on its main components, and particularly on the ways in which we should be announcing the other actions on our agenda today -- the new pay standard, the CWPS report, and such follow up of that report as we decide upon.

Attachment

THE WHITE HOUSE

WASHINGTON

February 20, 1980

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: ALFRED E. KAHN *Fred*

SUBJECT: Next Steps on Petroleum Prices

Despite the go-ahead you gave me to release the CWPS staff report on petroleum pricing and compliance with the standard, all your political advisors evidently feel strongly we should defer the release until we are in a position simultaneously to announce what we are going to do next, to get answers to the questions the report leaves incompletely answered. (I have attached a summary of the report.)

As I pointed out in my preceding memo to you, dated February 18, CWPS has neither the staff nor the information necessary to answer all the questions the report raises. While we could, in time, provide a fuller explanation of all the components of the 4.5¢ increase in refinery margins between third quarter 1978 and third quarter 1979, we simply lack the resources to discern the extent to which the companies may have been able to keep sharply expanded profits out of the refinery margin. This latter concern seems the most important matter still unsettled. In its report, the CWPS staff merely raises, but is unable to answer, the question of whether the major U.S. refiners denied American consumers the full benefit of their relatively low-cost purchases of foreign crude oil, by transferring that oil to their U.S. refineries at prices well above acquisition costs, by selling that oil abroad, or putting it through their foreign refineries and selling the products at market-clearing prices -- in all of which cases those benefits would show up in expanded profits on their foreign operations rather than in domestic refinery margins.

Charlie Schultze and I continue to be deeply concerned about the real danger that any further delays in publication will be interpreted -- as the delay so far is already being interpreted -- as an attempt to stifle or censor a potentially embarrassing report; and there is apparently a strong difference of opinion between us and your political advisors over this issue. But

we concede it would be desirable if we could simultaneously announce the Administration's next steps; and I have therefore held up the report until we have had an opportunity to discuss possible next steps with you at breakfast tomorrow, to see whether we can reach a decision promptly. For this reason, I have invited Secretary Duncan to the breakfast, and will of course see to it he has an opportunity to think about alternative possible next steps.

It seems to me there are the following possibilities, not all of them mutually exclusive.

(UN)ANNOUNCE
7
Continued or expanded monitoring by CWPS. The Council has already sent Notices of Probable Noncompliance to eight refiners; others will follow. At a minimum we will continue to meet with these companies, determine which are actually not in compliance and threaten them with sanctions if they do not comply. This process will take at least several weeks; with some companies, months. We are also conducting a more thorough monitoring of smaller refiners. Ultimately, we will probably find sanctions or the threat of sanctions necessary to achieve compliance, although the sanctions available to us -- other than simple disclosure of the companies' names -- are all quite drastic, and our attempted use of them could open us to charges that we were endangering supply.

The credibility of this approach might initially be enhanced if we were to abandon our present practice and publicly name the suspected noncompliers. In so doing, however, we would be setting ourselves up for later embarrassment, as well as violent criticisms from the companies themselves and the good name of some highly exposed and sensitive companies, many of whom, if past experience is any guide, would ultimately be able to demonstrate they were in compliance.

Further investigation by others. While CWPS does not have the resources with which to seek answers to the major outstanding questions, the Department of Energy has a sizeable staff already engaged in auditing companies for noncompliance with its own price regulations. It might be most sensible, therefore, for the Department to undertake a thorough study, either relying upon existing offices or establishing a separate, specially-charged staff.

If an independent investigation would seem more credible, you or I could appoint a special investigator to run an investigation under CWPS' aegis. A seasoned auditor and a staff of perhaps forty could, over an eight-month period, perform a credible review of oil industry pricing practices.

Public hearings. Since so much of the relevant information is in the hands of the companies themselves, one possible approach would be for the Administration, either through CWPS or DOE, to hold public hearings and ask companies themselves to explain the ambiguities.

I am not yet able to form an opinion about whether such an attempt to shift the burden of explanation to the industry itself would in fact be fruitful. The companies would almost certainly resist strenuously any attempts to get them to discuss their individual pricing practices in public; they might appeal to the spirit of the antitrust laws as counselling against such disclosures. Furthermore, such hearings could well be difficult to confine to a genuinely objective search for facts. Consumer and anti-industry groups might demand the opportunity to testify, seizing that opportunity to attack the industry and the government; and we would be treated to another round of conspiracy theories and attacks on our energy policies.

On reviewing this memorandum, I am not at all satisfied with the array of choices it offers. That may well be because no more intensive inquiry is really warranted or is likely to produce useful results: we should of course not exclude this possibility. We obviously should not make a lot of promises that will prove embarrassing to us a few months down the road.

I know of no informed observer who denies that the sharp increases in petroleum product prices we have experienced in the last fifteen months has been the result of (a) OPEC and (b) a sharp imbalance that developed between supply and demand (including the demand for inventory accumulation). And it is questionable that a government can do much to prevent prices rising to market-clearing levels in these circumstances, in one way or another.

On the other hand, I suspect such a conclusion is not acceptable either politically or within the philosophy of the voluntary wage and price standards, which do try to induce at least big companies to exercise restraint, even when this means charging less than a fully competitive market would sometimes allow.

*Pay board - keep it
a) DoD budget stable
b) Fed - Bus loans - Reg Q - Reserves
c) Limit budget, indexing limit
d) Gasoline tax - Proceeds → anti-infl.
e) Credit controls - not housing/autos*

3 mos had CPI

*Shrager vs Schmidt
Friedman - 11/77
Panel - Hedley*

I. INTRODUCTION AND SUMMARY

This report is concerned primarily with price increases by U.S. petroleum refiners during the first year of the anti-inflation program (1978:III to 1979:III) and the relationship between those price increases and the Council's price standards. It is not intended to be a comprehensive analysis of the world energy market or of the structure of the petroleum industry, although limited discussion of market conditions is desirable in order to put the main issues in context.

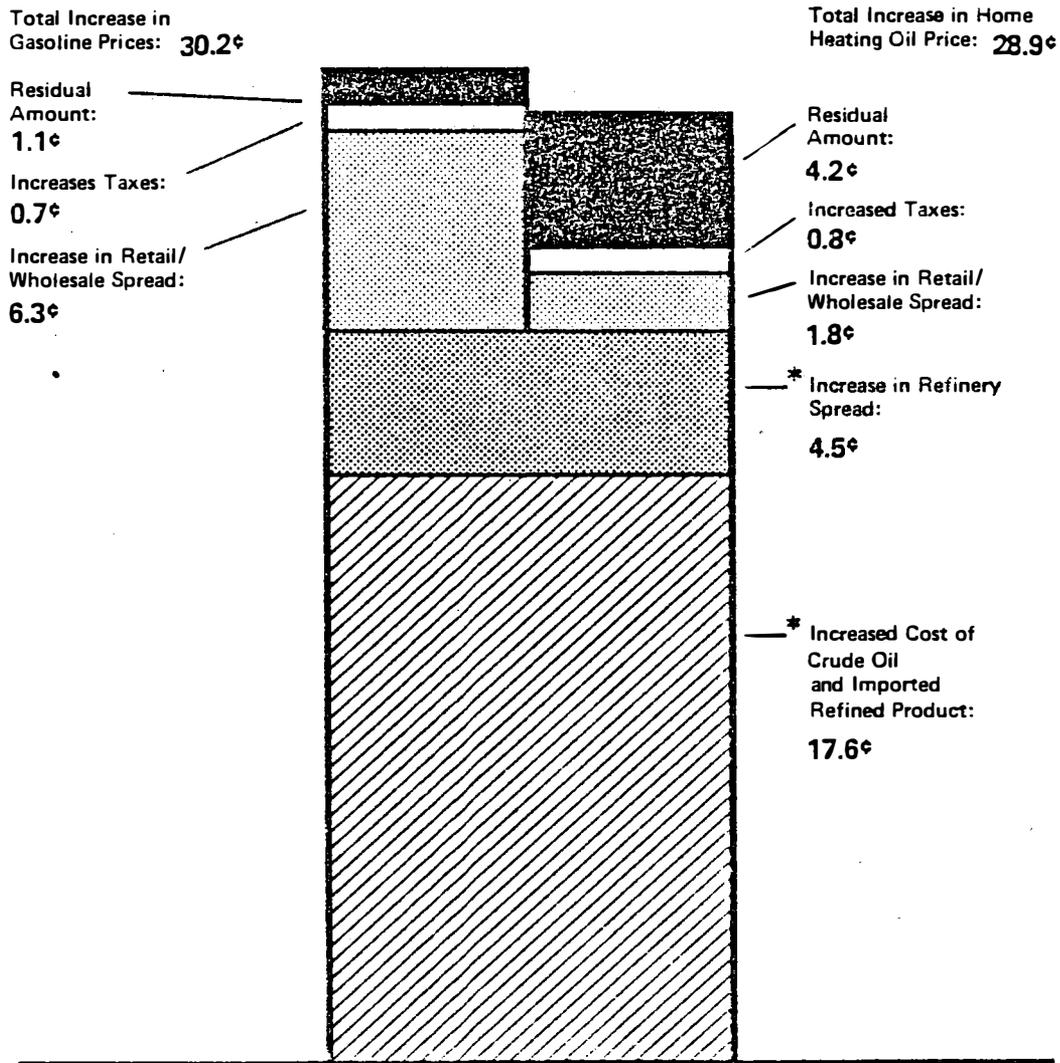
The report is divided into six sections: Section II presents background information on world oil markets, while Section III considers price and quantity developments in the U.S., focusing on retail prices, refinery prices, the spread between refinery prices and crude-oil and imported-product costs, and the spread between wholesale and retail prices. Section IV discusses the operation of the CWPS standards and the compliance status of the larger oil companies. Section V analyzes the relationship between the apparent aggregate refinery margins derived in Section III, the allowable margins for individual companies under the standards, and the tentative findings of noncompliance. Finally, Section VI discusses oil company profits and their distribution between domestic and foreign operations.

The principal findings of the study are as follows:

- o Retail prices of refined-petroleum products increased more than 50 percent during fiscal year 1979 (the first year of the anti-inflation program).
 - The average retail price of gasoline increased approximately 46 percent, from 66.2 cents/gallon to 96.4 cents/gallon. + 30
 - The average retail price of home heating oil increased approximately 57 percent, from 51.1 cents/gallon to 80.0 cents/gallon. + 29
- o Increases in the prices of crude oil and imported product are the most important components of these retail price increases, accounting for about 60 percent of the total increase (see Figure 1). (Prices of crude oil and imported products are not covered by the Council's standards.)

FIGURE 1

COMPONENTS OF INCREASES IN PRICES OF
GASOLINE AND HOME HEATING OIL:
1978 III - 1979 III

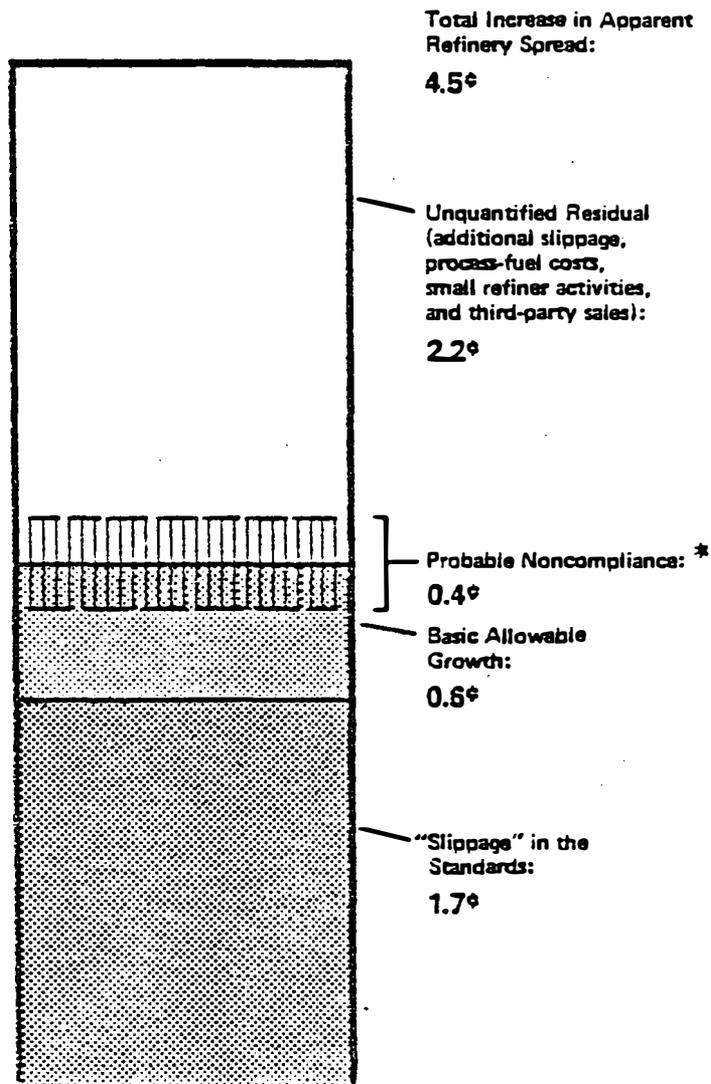


* Average for all refined products (allocation to individual products is not possible).

- o The non-tax spread between wholesale and retail prices for gasoline increased by 6.3 cents/gallon (or 80 percent), while that for home heating oil rose by 1.8 cents/gallon (or 14 percent). Taxes on gasoline and home heating oil rose by 0.7 cents/gallon and 0.8 cents/gallon, respectively. (Spreads between retail and wholesale prices are largely beyond the reach of the Council's monitoring efforts because of the large number of small firms engaged in the marketing of petroleum products.)
- o Over the first program year, the apparent aggregate gross margin for U.S. refiners increased from 9.2 cents/gallon to 13.7 cents/gallon, or by 4.5 cents/gallon (49 percent).
- o Part of this growth in apparent aggregate margins is attributable to noncompliance with CWPS standards. The Council has issued 8 Notices of Probable Noncompliance with CWPS standards; additional notices will be issued shortly. Based on data for these companies, it is estimated that noncompliance may have accounted for 0.4 cents/gallon of the 4.5 cents/gallon increase in apparent aggregate gross margins.
- o The basic standard for petroleum refiners would have restricted the increase in refinery margins to 6.5 percent. Most of the additional allowable increases can be attributed to the following factors: asymmetric volume adjustments, inventory-valuation accounting practices, small-refiner activities, third-party sales, profit-margin slippage, and differential treatment of process-fuel costs. To the extent that these are quantifiable, they account for 2.3 cents/gallon of the 4.5 cents/gallon increase in apparent aggregate gross margins (see Figure 2). Changes in the standards for the second program year will eliminate some of these sources of increases in refiner margins.

FIGURE 2

ACCOUNTING FOR THE GROWTH OF
REFINERY SPREADS:
1978 III - 1979 III



* The amount attributable to probable noncompliance may be offset, in part, by the fact that some companies did not use their full allowable margin increases; the remainder of this component would reduce the unquantified residual.

- o Oil company profits increased sharply during the program year, but most of the increase came from exploration and production and foreign refinery operations -- not from domestic refinery operations.
- o Some of the growth in petroleum-product prices and oil company profits may have arisen from failure to pass low crude-oil costs on to American consumers. This could have occurred in two ways:
 - the importation of relatively low-cost crude oil by U.S. companies from their foreign subsidiaries at higher (perhaps artificially high) transfer prices, or
 - sales of relatively low-cost crude oil by these foreign subsidiaries of U.S. companies outside the U.S. and importation of relatively high-cost crude oil.

Available data are not sufficient to determine the extent to which this has in fact occurred. A thorough assessment would require an audit capability that the Council does not have.

- o These issues, however, are so central to an understanding of recent increases in petroleum-product prices and oil company profits that an in-depth investigation is warranted. The investigation might also consider possible policy solutions, including alternative crude-oil purchasing arrangements.

THE WHITE HOUSE
WASHINGTON
February 21, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore *F.M.*

RE: Central American Supplemental

The Rules Committee forgot to file the rule^{text} and we do not have the two-thirds vote required to get a vote on the Central American Supplemental today. Congressman Bauman has promised if we put the vote off until next week he won't demand a secret session. Therefore, it appears the Central American Supplemental vote will not occur until next week.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

February 15, 1980

C
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REPORT TO THE PRESIDENT

THE ADMINISTRATOR

FROM: Douglas M. Costle

The following information may help you prepare for the New Hampshire primary. If you find it useful, I will send similar reports on other major primary states.

New Hampshire has one of the nation's best water pollution control programs. All major industrial dischargers are on compliance schedules and more than \$200 million in federal grants and \$60 million in state money have been invested in municipal treatment plants. Currently 55 percent of the state's rivers are swimmable, up from 43 percent in 1976. By 1983, 96 percent should be swimmable.

State officials believe we are not doing enough to combat acid rain. We are constrained by the Clean Air Act, which fails to adequately confront the effects of pollution across state borders. I am inviting leaders of midwestern and northeastern states to a conference this spring to foster understanding of the problem and develop a cooperative strategy to remedy it.

The nuclear power plant at Seabrook, now under construction, is scheduled to go on line in 1983. The last roadblock was removed over a year ago when a lawsuit challenging EPA's decision to issue the project a water permit was dismissed. Senator Kennedy advocates converting the plant to coal, but conversion would require scrapping most current construction, worth about \$500 million, and worsen local air pollution.

New England does not have a properly operated hazardous waste dump. As a result, illegal dumping is a major problem, particularly in southern New Hampshire. Moreover, dumps in Nashua, Epping and Kingston are potential health threats. We are providing technical assistance to the state.

The Brown Company, in Berlin, is the state's major air pollution problem. EPA has authorized the company to replace two oil fired boilers with one that will burn bark, save oil, and reduce pollution.

A handwritten signature in black ink, appearing to read "Yang".

**Electrostatic Copy Made
for Preservation Purposes**

Briefing/Community Leaders
National Security & Energy Policy
2/21/80

WPT GOOD PROGRESS
ESC - EMB CONG+ COM --

NAT SEC ↔ ENERGY SEC

54 AGGRESSION OF CONCERN
OIL, DANGEROUS, NAT SEC

'68 ENERGY EXPORTER

'77 85 MBD, THEN ↘

IN \$ → '80 300/person

3 YEARS

1990
4-5 mbd vs ~14 mbd

CONSERVATION \$

THE WHITE HOUSE
WASHINGTON

ACTION

February 20, 1980

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI *ZB.*
SUBJECT: Letter to Prime Minister Demirel

We are nearing completion of negotiation of our new Defense Cooperation Agreement (DCA) with Turkey. It is expected to be ready for signature by our new Ambassador, James Spain, on Friday, February 22, 1980, as his first major act after arrival in Ankara, symbolizing the opening of a new period in Turkish-American relations. He departs from Washington this evening.

The Turks originally wanted a multi-year aid commitment as part of the DCA. Such a commitment was part of the previous, unratified, DCA signed by the previous Administration in 1976. We persuaded them that it would be more realistic, and more acceptable to the Congress, simply to have a Presidential "best efforts" letter accompanying the agreement.

The attached text of a letter from you to Prime Minister Demirel has been carefully worked out by the State Department, and our embassy in Ankara has assured itself that it will be acceptable to the Turkish Government.

RECOMMENDATION

That you sign the attached letter to Prime Minister Demirel. It has been cleared with the speechwriters.

AGREE DISAGREE Attachment
TAB A

THE WHITE HOUSE

WASHINGTON

Dear Mr. Prime Minister:

Today's signing of the Agreement on Security and Economic Cooperation marks an important milestone in the relations between the Republic of Turkey and the United States of America.

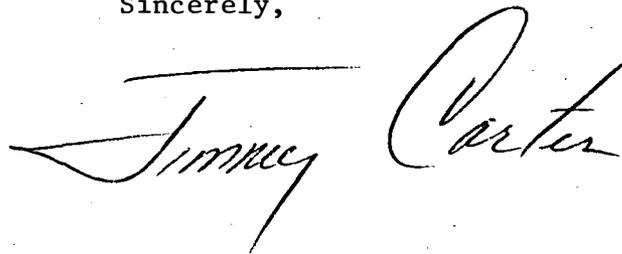
For more than a generation the Turkish and American peoples have had a flourishing relationship as allies and as fellow members of the Atlantic community. Indeed, our friendship is older than NATO itself. That friendship is based on common democratic values, peaceful ideals, and strong cultural and humanitarian ties.

The new agreement is a solemn commitment on the part of the United States to assist in strengthening the armed forces as well as the economy of the Turkish Republic. It recognizes Turkey's crucial contribution to the Alliance, and addresses critical questions of defense and economic cooperation. It is my firm conviction that Turkey should be assisted in every feasible way, and I regard this effort as a high personal priority of my own.

In signing this agreement, we enable both our countries to face the future with confidence and to look forward to a new era of mutual endeavor, based on the trust that underlies the cooperation between sovereign states that are not only allies but friends.

It is my pleasure to send you this letter by the hand of James W. Spain, our new ambassador to your country. I am confident that he will represent us well and faithfully.

Sincerely,



His Excellency
Suleyman Demirel
Prime Minister of Turkey
Ankara

DECLASSIFIED
E.O. 12958, SEC. 3.5 (b)
WHITE HOUSE GUIDELINES, AUGUST 26, 1997
BY CS NARA, DATE 11/6/08