

3/8/80

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memo-	Lloyd Cutler to the President. Re: Conversation with Chancellor Schmidt. (2 pp.) <i>OPENED 8/27/93</i>	3/8/80	A

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THE WHITE HOUSE

WASHINGTON

March 8, 1980

~~SECRET/SENSITIVE~~

MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD CUTLER *lnc*

SUBJECT: Conversation with Chancellor Schmidt

I had an interesting private discussion with the Chancellor in New York last night at the Opera.

He reaffirmed once again that in the end he would be with us on the Olympics and that "unlike Margaret," he would be able to deliver. He said he would also be able to bring along his French friend, although he still has some work to do on that.

It is clear, however, that while he will follow our lead, he does not agree with it. He said several times that "pinching" or "squeezing" the Soviets through the grain embargo and the Olympics will not alter their course in Afghanistan and that, once we have used these two cards, "what do we do next?" He added that in his opinion, boycotting the Olympics would unify the Russians behind their President, just as the taking of the Iranian hostages unified the American people behind their President.

When I referred to the need to employ economic and political responses to Soviet military initiatives--in view of the very high risk of direct military confrontation between the forces of the two superpowers--he agreed with the point, but he said that in between these two alternatives there are a wide range of other economic and political responses which had to be worked out in concert with Western Europe.

He also expressed his known concern about the American habit of taking action first and then asking Western Europe to follow along. He attributed this habit to all recent American administrations, saying it was not a criticism of you but of our system, and that he fervently hoped that you would be reelected. He said the reason was not merely saving time,

~~SECRET/SENSITIVE~~

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PER *3/16/83 NSC* *HR* RE *100-46492-181*
BY *Jy* NARS. DATE *7/28/83*

because America itself always took a great deal of time debating internally about the best response to Soviet initiatives, citing the example of the multi-lateral force (MLF) concept developed under President Johnson, which he said was then sprung full-blown on the Europeans. He added that after extensive effort to persuade West Germany and at the point when West Germany was about ready to go along despite its misgivings, Johnson then dropped the idea.

He believes there is no substitute for frequent visits back and forth among the leaders, especially in a one-on-one context such as his meeting with you and his relationship with Giscard. He said it was also a mistake in winning the rest of Europe for the British always to be the first to follow the American lead.

Despite these comments, he left no doubt about his fundamental regard and affection for this country and for you personally, or about his appreciation of Western Europe's fundamental reliance on us.

cc: Cyrus Vance
Zbigniew Brzezinski

THE WHITE HOUSE

WASHINGTON

March 7, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: JODY POWELL

The reporters present will be:

Terry Smith
Ed Walsh
Harry Kelly
Jack Nelson
Jim McCartney
Andy Glass
Frank VanRiper
Pat Oster
Aldo Beckman
Askia Muhammed

New York Times
Washington Post
Washington Star
Los Angeles Times
Knight Ridder News Service
Cox News Service
New York Daily News
Chicago Sun Times
Chicago Tribune
National Scene Magazine
(black publication)

THE WHITE HOUSE
WASHINGTON

08 Mar 80

Frank Moore

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

Rick Hutcheson

NAME Senator Howard Baker

1108

TITLE Senate Minority Leader

CITY/STATE _____

Phone Number--Home () _____

Work () 224-3135

Other () 224-4944

Requested by Frank Moore *FM.M*

Date of Request March 7

INFORMATION (Continued on back if necessary)

You should call Senator Baker as soon as possible today to ask him to put together a small group of his colleagues to meet with your economic advisers on Monday.

See background material attached.

NOTES: (Date of Call 3-8)

*Frank Moore work out with Jim Cannon
mtg for Monday PM*

THE WHITE HOUSE
WASHINGTON

08 Mar 80

Zbig Brzezinski

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

Rick Hutcheson

1426

THE WHITE HOUSE
WASHINGTON

3-8-80

This -

This is very good.
Send a copy to
Fritz, Cy, Harold,
Rosalynn & others.

J.C.

NATIONAL TOWN MEETING
REMARKS BY AND QUESTION AND ANSWER PERIOD
WITH DR. ZBIGNIEW BRZEZINSKI

MODERATOR: WINSTON LORD, COUNCIL ON FOREIGN RELATIONS

Eisenhower Theater, Kennedy Center

March 6, 1980

MR. LORD: Welcome to the National Town Meeting here at the Kennedy Center in Washington, D.C. Today's topic is "The World in 1980, America's Basic Options". This nation is passing through a transition era in foreign policy that began roughly a decade ago. For most of our history, we were essentially isolationists, our national security assured by two oceans, the British Navy and friendly neighbors.

For two decades after World War II, we enjoyed a fleeting predominance. Now, we can neither escape from the world nor dominate it. We remain the strongest nation and we continue to carry global responsibilities, but we have to deal with many other centers of power and new definitions of power. In facing this challenge, Americans are still sorting out the experiences of Munich and Vietnam. But it would seem in the past year we have seen the growth of a more assertive mood in the nation at large.

Recent events in Asia, and the fact that 1980 is an election year, combine to make this an especially opportune time to debate this country's choices abroad. And the one steady, clear message from the early Presidential primaries is that Americans are turning out in huge numbers to register their deep concern about the international role of the United States as well as about its economic strength, which is essential to that role.

Few people are better qualified by virtues of experience and position to address today's topic than our honored guest, Dr. Zbigniew Brzezinski, Assistant to the President for National Security Affairs. For three years he has briefed the President daily on global developments, directed the National Security Council staff and systems which insured that the President gets views of all agencies concerned with our foreign policy, made his own policy recommendations and carried out important missions overseas.

Dr. Brzezinski came to his present responsibilities from a rich background, a scholar and observer of this country's foreign policy for over two decades and service on the State Department's Policy Planning Council in the late 1960s. He was born in Warsaw, Poland, in 1928, and came to North America at the age of 10, educated at McGill University in Canada and Harvard University.

He taught at Harvard in Columbia, spoke prolifically on foreign affairs and was a member and director of many organizations including one I am impelled to mention, the Council on Foreign Relations. The international issues facing America in 1980, can be grouped broadly under three headings, Allied cooperation, East-West competition, and North-South accommodation. The crises in Iran and Afghanistan have profound ramifications in all three areas, the nature of our reaction to Soviet aggression, the cohesion or cracks in the western approach and our capacity to deal with political turmoil and economic resources of the third world.

MORE

Dr. Brzezinski thought and wrote extensively in all three of these broad areas of policy before coming to Washington in 1977 to grapple with them. For much of his career he concentrated on relations with Russia and Eastern Europe. In the early 1970s he was one of the prime architects and coordinator of the Trilateral Commission, which was formed to address the common problems of the industrial democracies of North America, Europe and Japan. And throughout the past decade, he has paid increasing attention to the newer global issues as reflected in the growing turbulence, power and importance of the developing nation.

In sum, we are very fortunate indeed, to have here today for the first Town Meeting of this decade, a man who played a key role in the formulation of American foreign policy in the 1970s and one who helped to shape America's basic option in the 1980s. Dr. Brzezinski.

(Applause.)

DR. BRZEZINSKI: Thank you very much, Win, ladies and gentlemen. I have been told that perhaps the best way for us to begin our discussion today would be for me to make a brief opening statement. Because I will be brief, I will also be somewhat general, but it does seem to me it would be useful for me to lay out clearly what our general approach is.

(Member of audience begins talking loudly, mostly inaudible.)

MR. LORD: Please. Excuse me. Ushers, please. Please take this man out. Excuse me for a second. Please escort this man. Quiet please. Get them out. (Applause.) My apologies to the speaker and to the audience. We have been disrupted and now we can proceed with our program. (Applause.)

DR. BRZEZINSKI: I was given five minutes for my opening statement. I hope this doesn't count against my time.

MR. LORD: We give you an extra minute, Dr. Brzezinski.

DR. BRZEZINSKI: It seems to me that as we look at the problems of the eighties there are almost endless ways in which they can be defined and categorized. For the purposes of this morning's discussion, let me suggest that perhaps a good way of look at them is to focus on two central issues under which a great many specific policy dilemmas arise. The first pertains to perhaps the fundamental historical question of our time; how to make America relevant to a world that is undergoing the most profound political transformation in its entire history?

And the second question, very clearly related to the first, is how do we maintain in that context a strategic equilibrium which protects our vital interests and the vital interests of our friends? Let me speak to both of these two central issues. How do we make America relevant to a world of truly significant historical change? That is not a cliché. That is a fundamental issue. The world today is undergoing a profound transformation in its political organization and in its political consciousness.

Never before has there been as much political awareness as there is in the world today, and never before has the world been organized to the extent that it is today on the basis of nation states that express the aspirations of the newly awakened population of the world. Perhaps a shorthand way of suggesting the scale of the

problem that confronts us is to remind ourselves of the travails and the difficulties and then eventually the triumph of the racial revolution that we experienced in this society in the last 20 years.

It involved the opening of the doors to genuine political and economic participation to a minority of 10 percent which hitherto had been unfairly excluded. Yet recall how difficult that process was, how difficult it was for certain sectors of our society to adjust and how unfinished that process still is. The same thing is happening on a world scale except that it is not 10 percent but 85 percent that are asking for a significant redistribution of political and economic power.

The world for the last several hundred years has been organized essentially on the basis of a system that has been Eurocentric in its base and in terms of its power. And we have been an extension of that system. That world has been shattered by two world wars. Now we are in the midst of a genuinely significant historical process of shaping a new international arrangement.

The question that we confront is whether we will succeed in shaping it or whether the difficulties of the process will plunge the world into greater and greater fragmentation and anarchy. That is the central question which we confront as a society. And this is why on the one hand we have to be responsive in a positive fashion to the changes, to recognize not only their inevitability, but just as important and maybe even more important, their moral legitimacy. They are very much in keeping with the fundamental assumptions of our own society, about diversity and pluralism and equity. But at the same time, we have to strive to make this process relatively stable. And this is where the element of power comes in, the maintenance of strategic equilibrium.

If American power is inadequate, if American power is not credible, if American power is overshadowed, then there are the real dangers that this process of global readjustment which is so far-reaching and which is of such unprecedented magnitude, we'll gradually degenerate into anarchy and violence and can be exploited by our adversaries for shortsighted ideological ends.

I do not fear that this brief historical span of the fifties, which sometimes has been called the pax Americana, would in the eighties and nineties give way to pax Sovietica, because the Soviet Union doesn't have the ideological appeal nor the economic appeal nor the social creativity to assume the paramountcy on the world scale that we once held. But the Soviet Union does have the military power to derail the processes of the adjustment, to exacerbate the conflicts that are associated with them, and thus to make the future much more uncertain for all of us.

This is why American power has to be present and has to be credible. We have tried to move on both fronts. We have tried to improve our relations with Latin America and Asia and Africa, and in our discussions, I can't be much more specific about it. All I need to do right now is to mention the work carried on by Secretary Vance, by Andy Young, particularly in that realm. And we have tried to improve American power on our own -- in the MX decision, the rapid deployment forces -- and also with our allies. Both tasks have been given added urgency by the Soviet invasion of Afghanistan.

MORE

On the one hand, it causes a strategic challenge because of the proximity to a vital region of the world. On the other hand, it contributes to global instability because it exacerbates regional uncertainties and tensions. In a way it reflects both dimensions of the challenge that I have emphasized.

Let me conclude. A realistic and moral American foreign policy has to be responsive to both issues that I have raised. The need is to make us historically relevant to a world of change in a creative and sympathetic fashion, and at the same time to maintain, on a credible basis, the presence of American power in the world including the willingness to use it.

There is a tendency in our society to move from one extreme to the other, occasionally to emphasize only moralism and morality, and to eschew power, occasionally to be preoccupied with the status quo and only the dimensions of power. We have striven in the last three years -- and we have had our share of mistakes -- to meld the two together, for I believe that is the best way to deal with the challenge of the '80's. Thank you. (Applause.)

MR. LORD: Thank you very much. Now it is your turn to ask your questions of our speaker. If you have a question, please go to the seats at the back of the room where you will be taken in turn to the microphones in the aisles, and again, if you will keep your questions short, I am sure our speaker will keep his answers short.

DR. BRZEZINSKI: Don't count on that. (Laughter.)

MR. LORD: I will take the liberty of asking the first question while you all get organized. Dr. Brzezinski, early in this administration, President Carter said we should put behind us our inordinate fear of communism. A few weeks ago, he said that the Russian invasion of Afghanistan represented the greatest threat to world peace since the Second World War. What has changed during these three years? The Russians' behavior or the perception of the President?

MORE

DR. BRZEZINSKI: Nothing has changed. Both statements were right then and are right now. We should put behind ourselves inordinate fear of communism. I subscribe to that statement now. The problem in Afghanistan is not the appeal of communism. The problem in Afghanistan is the absence of the appeal of communism. The reason there are Soviet bayonets being used today in Afghanistan to massacre Afghans is not that communism is appealing. It's that it is not. ✓

What the President was saying is something we should be aware of. Today, the Soviet Union is not an ideologically appealing system. There isn't a revolutionary in the world today, or a revolutionary party which, when asked: What is your model for the future?, points to the Soviet Union. The Soviet Union is seen by and large as a bureaucratically stagnant society that does not represent the future.

There was once a statement made by a sympathizer of the Soviet Union who visited the Soviet Union in the 20s and said, I have seen the future and it works. The proper way now to describe the Soviet Union is to say, I've seen the past, and it doesn't work.

The problem in Afghanistan that the President in his second statement was speaking about is the projection of Soviet military power into a strategically significant area. It injects that power right next to two vulnerable and volatile states, Iran and Pakistan, that border on vital energy resources, critical to the survival of Western Europe and Japan.

To conclude, both statements are true. Communism is not on the march. It is not an appealing idea. Today, human rights is a far more appealing idea than communism. Soviet power is being projected outward and that has to be contained. We are responding to this in a firm and measured fashion, but in a determined fashion.

MR. LORD: Thank you. And now we'll go to the audience. Stage left, the questioner here.

MORE

Q I'm Patrick O'Neill from Villanova, Pennsylvania. Mr. Brzezinski, you spoke of the need for American leadership throughout the world, and I was wondering, considering the African situation, especially South Africa and the rest of the nations in Africa, how do you feel the U. S. can appeal to these nations to lead the black people to a larger role in international politics? We see in South Africa the white regime has made very little in the way of concessions to them. How do you see this as a problem and how can the U. S. help?

DR. BRZEZINSKI: First of all, we're not going to be leading African states towards a great role in world affairs because African states are quite capable of exercising their own leadership, and particularly insofar as the destiny of their own continent is concerned. We have made every effort, not only to identify ourselves with the legitimate right of the black majority to majority rule, but to help move it forward. We have worked hard for an immediate settlement, and progress on it has been made. We have worked very hard to move Rhodesia towards a genuine electoral process, and we supported the British when they brought that process to a successful combination.

We will be assisting the international community in its efforts to persuade South Africa to alter its internal arrangements so that genuine democracy, democracy that does not exclude the majority can emerge there as well. Insofar as Africa as a continent is concerned, we support the principle that Africa's problems ought to be solved by African states without foreign interference and particularly without the injection of foreign troops -- proxies or otherwise -- because that tends to inject East-West problems and conflicts from other continents into African affairs to the detriment of African interests.

MR. LORD: While we're on the subject of Africa, what is the administration's reaction to the strong electoral victory of Mr. Mugabe in Rhodesia, and what do you think the prospects are for peace and unity in that country?

DR. BRZEZINSKI: Our hope is that Mr. Mugabe, who has been given a clear mandate, will form a government which would be broadly based, and reassuring to the different communities that live in Zimbabwe-Rhodesia, including the white community. His initial statements indicate that he is moving in that direction, and we wish him well. I think it is a remarkable testimony to the maturity, both of the blacks and whites, that this election was held, that there was such a high vote. Now we hope that the tragic chapter in the Zimbabwe-Rhodesian history has been closed and the doors have been opened to genuine reconstruction and positive relations between the black majority and the white minority.

MORE

MR. LORD: A question on stage right.

Q John Birnbaum with the American Studies Program in Washington. In 1973 you published an article entitled "U.S. Foreign Policy, a Need for Focus", which talked about a need for a fundamental restructuring of American foreign policy. Many analysts have observed that since the Carter Administration came into power we have had a lot of the same old conventional wisdom. What has happened to those ideas of the fundamental restructuring of American foreign policy and where has been this new focus?

DR. BRZEZINSKI: Well, let me make two comments about that. First of all, as our Chairman, Win, knows also from his own personal experience, it's always easier to write articles on the outside urging grand restructuring of foreign policy than to do it when you're on the inside. He was on the inside before, now he is on the outside and I am in the opposite sequence. So first of all it is much easier to write articles calling for great new changes, fundamental shifts and so forth.

Once you are on the inside, you realize that many problems are intractable, that it's not easy to move allies; that it's not easy to shift adversaries; that above all else, it is not easy to convince your own bureaucracy to do what it is being told to do. A great deal of policy is made not by the policy makers but by the implementors and the implementors have a way of adjusting what you have decided into more traditional norms.

Having said this, I wouldn't be entirely blind to quite a few changes that we introduced. Let me just rattle off a few, some of them controversial, some of them not entirely successful, but all of them, I believe, contributing to an improved American relevance to this world of change. Take human rights. It's an idea whose historical time has come. It's an idea which resounds around the world, though in different ways in different cultures. We have identified the United States with human rights and we have made progress on human rights in a number of places, quite a few.

We have a new relationship with Latin America, particularly the Panama Canal treaties. That is an important innovation. When we took this on, the overwhelming majority of the country and of the Senate was against us. We won twice.

The Camp David Accords -- the first peace treaty ever between Israel and an Arab state. It is a revolutionary development in that part of the world.

A close identification with black majority aspirations in Africa -- that is a step forward, a significant departure.

The normalization of relations with China -- a courageous act which seemed culminating something which was started by our predecessors but involving a major breakthrough nonetheless, giving us for the first time in 70 years, good relations with both China and Japan at the same time.

I could go on for a long time, but it seems to me that what I have cited does indicate that there have been significant new departures, both in philosophy and in substance.

MORE.

MR. LORD: I have many good questions that have been written and handed up here. Let me take one now from Liz Durkin of New Jersey. "Do you think Iran is next on the Kremlin's hit list?" (Laughter.)

DR. BRZEZINSKI: I will not answer it the way it is put. (Laughter.) I believe that the Soviet leadership exploits opportunities when they arise and exploits them carefully and prudently. (If Iran) were to make itself increasingly vulnerable through internal dissension and particularly through the increased influence of the radical left, which operates either as the Tudeh party or masks itself in some other fashion, then the temptation to extend Soviet political influence over Iran could prove irresistible. I doubt very much that the Soviet leaders would resist such a temptation.

Political intimidation need not be accompanied by direct military action. It can precede it, or it can be based on the availability of military resources. This is why, incidentally, we take such a serious view of the Soviet military invasion of Afghanistan. It creates the potential for political intimidation. It is therefore very important that the Iranians themselves do what they can to strengthen their independence and integrity and work with those who are prepared to give assistance to them, recognizing their special circumstances and the depth of the changes that have taken place in Iran in the course of the last year or so.

MR. LORD: I want to go to the audience but while we are on Iran, Dr. Brzezinski, would you have any comments for us about the most recent developments there that are apparently on the wire services this morning?

DR. BRZEZINSKI: No. I think because of the extraordinary delicacy of this situation, I will limit myself to saying that we have noted what has been said in Tehran and we are now watching to see what is being implemented.

MORE

MR. LORD: Stage left?

Q I am J.B. Lyon from Longmeadow, Massachusetts, representing the Washington Workshop Program. How serious a mistake was made at the U.N. for American relations in the Middle East?

DR. BRZEZINSKI: Well, I certainly feel that the events of the last week-end have not been helpful to our position in the Middle East because they have caused reactions both from the Israelis and the Arabs that are critical of us. At the same time, I think it has to be understood that what was involved was confusion over terminology but not over substance. Our position on the settlements remains what it has always been. It was the injection of additional issues, particularly those pertaining to Jerusalem and to the dismantling of the settlements, that created this particular episode.

I want to make it very clear again, our position on the settlements remains what it has always been. That is a consistent policy; it has not changed.

MR. LORD: Stage right?

Q My name is Tom Lehmann. I am a resident here in Washington. Mr. Brzezinski, I have heard that you made several statements recently regarding the acceptability to the U.S. of limited nuclear war. You have mentioned several considerations. You have mentioned moral considerations in making foreign policy several times in your opening comments. I would like you to comment on the morality of planning for a limited nuclear war which quite possibly could escalate to a global exchange and also I would like you to comment on the morality of U.S. deployment and development of first strike strategic weapons systems such as the MX and the Trident submarine.

DR. BRZEZINSKI: Well, I am not aware of having made any statements recently about the acceptability of limited nuclear war or complete nuclear war or whatever. The fact of the matter is that in maintaining deterrence we are seeking to offset our potential nuclear opponent at whatever level that opponent may wish to impose a military confrontation upon us. We do not want to limit ourselves to a situation in which the only choice is either abnegation or capitulation on the one hand, or a total apocalyptic, spasmic nuclear exchange, because we have nothing in between while the other side has options in between.

In order to maintain effective deterrence, we are striving to demonstrate to the other side that the initiation of hostilities at whatever level can be matched by us and be deprived of political or military advantage to the initiator. This is why we are seeking a diversity of capabilities ranging from an ability to engage in a central war all the way down to conventional levels with intermediate levels in between. For example, that is the thinking which has motivated the collective allied decision to deploy theater nuclear weapons in Europe. The Soviets in recent years have deployed a large number of the so-called SS-20 missiles targeted on Western Europe. We do not want to be faced with a situation in which the only way to deter the Soviets from threatening action with these SS-20s is to embark upon a total, apocalyptic nuclear exchange.

MR. LORD: I believe he asked about the Trident and the MX as well, Dr. Brzezinski.

DR. BRZEZINSKI: The Trident and the MX are designed to give us relatively invulnerable and therefore stable systems for the late eighties and the nineties. Here again deterrence is very much at stake. We do not wish to have a situation in which our own strategic deterrent is so exposed to a first strike by the other side that in the event of a crisis our decision makers would be under enormous

pressure to initiate hostilities first because they would know that if they did not do so and the other side did, we would be totally or well nigh totally vulnerable.

The MX is supposed to be, and we believe it will be, a relatively invulnerable system. The same is true of the Trident. And this will give us a greater capacity to bargain stably even in the context of a very acute crisis, without the fear that if the other side strikes first it can either destroy or disarm us or both.

MR. LORD: We have many questions coming in. I will try to group some of them as well as calling on you in the audience. There are several with regard to our reaction to the Soviet invasion, so let me group them. For example, why is the U.S. having so much trouble convincing its European allies to boycott the Olympics? Are there any other countries we can depend on to support us militarily if we try to set up a blockade in the Persian Gulf? Do you see greater efforts being made by the Alliance in helping Turkey and other countries, et cetera? There's sort of a general theme here among the audience about how much help we're getting from our friends. Chancellor Schmidt, of course, is in town so this is a very timely question.

DR. BRZEZINSKI: Let me say this: on the Olympics I am quite confident, on the basis of the conversations that I have had and also on the basis of what I know about the attitude of our allies that when the critical time comes, we will not be alone in the position that we have adopted. I feel very confident about that. The Chancellor, incidentally, said yesterday, upon leaving, in the joint statement that it is up to the Soviet Union to create propitious conditions for nations to participate in the Olympics and that these conditions do not now exist.

Insofar as the military support in the region is concerned, it is a fact that ever since the British disengaged from what was called "East of Suez" it has been the United States that of all of the Western nations has had the capacity to project force into that region. We have increased that capability in the course of the last three years. We have made very serious efforts to improve our air and sealift capability and we have, in addition, increased our regular presence in that region. Thus, we have the capacity right now to engage in certain types of military actions -- the scale of which would not be altogether insignificant if events dictated it. We would hope, of course that if such hostilities developed, others would participate with us, as allies, and the British and the French have that capacity. But I wish to underline that we do not envisage such hostilities as very likely. We believe that what we are doing is assuring deterrence and preserving the peace. Consider the experience of Europe. It is precisely because in Europe there has developed a system of collective security that peace has been preserved in spite of two acute Berlin crises.

We are not facing, in the Middle East today, an imminent war. We are facing a challenge to which we need to respond in a measured and sustained fashion in order to develop greater security and stability in that part of the world. And that is the purpose of the gradual and sustained injection of American military power into the region and also the closer consultations that we are having with like-minded states about regional security.

Insofar as Turkey as concerned, I think we have to compliment our allies, and particularly the Germans, on the leadership that they taken in developing a collective response designed to provide greater economic assistance to Turkey, a NATO ally whom we value highly and with whom we want to work closely to assure the security of the eastern Mediterranean region. We are also hopeful, in this context, of facilitating the reintegration of Greece into NATO because it is very important that Greece play an active role, given its position,

and we will continue these efforts.

By and large, I believe, the process of shoring up our positions in that part of the world is moving forward.

MR. LORD: In respect to that last comment, Dr. Brzezinski, one of the elements of our response was to give aid and to build up Pakistan and now, apparently, they don't want our aid. So, how do you explain this and where do you think we will go from here with respect to Pakistan?

DR. BRZEZINSKI: I think we have to be very sensitive to the very special political position of a number of these countries. The Pakistanis made it clear to us, when Warren Christopher and I were in Islamabad about a month ago, that in their view, their security interests would be best served if, in the first instance, they were supported by a collective front of Islamic states. Such a front is developing, and economic assistance from the richer Arab countries is flowing to Pakistan.

Secondly, they were supported by a consortium of western states in which we would take part. In other words, and in my judgment quite rightfully, they do not feel that their security interests would be best served if the main axis of their security position was a very highly visible defense relationship with the United States, they feel that a broader arrangement -- a wider framework -- is preferable. And this suits us just fine.

Accordingly, we are pleased to see Islamic countries moving towards greater assistance for Pakistan. We are consulting with our friends -- we did that just yesterday with the Germans -- on collective assistance to Pakistan, and we believe that in this two-shield fashion, so to speak, we can contribute to greater stability in this very important part of the world.

MORE

MR. LORD: Stage left question.

Q Eric Ross from Indianapolis, Indiana. When the Secretary of State was testifying before the Senate, he said we should judge SALT on the merits of SALT alone.

MR. LORD: He said when the Secretary of State was testifying, he said we should judge SALT on the basis of the merits of the treaty alone.

Q But now after Afghanistan, we have decided to withdraw the SALT treaty. Is this not a contradiction in the foreign policy of our country?

MR. LORD: And there have been many questions along this line handed up here about, in effect, is detente dead, will we resubmit SALT and so on.

DR. BRZEZINSKI: Well, first of all, there is no contradiction between asserting that SALT ought to be judged on its own merits and making a political judgment that the moment is not opportune for its ratification. The former is a substantive judgment regarding the value of the agreement. The latter is a tactical judgment regarding the timing of ratification. It simply is a fact that in the aroused mood generated by the Soviet invasion of Afghanistan, trying to ratify SALT would not be very felicitous. We still feel, however, that SALT is needed. I have chaired some 55 sessions of the Special Coordination Committee of the NSC which formulated our SALT position. I am convinced -- deeply convinced -- that SALT is in our national interest. SALT, together with the things we are planning to do in the defense area, enhances our security more than if we do the things we are planning to do without SALT, and even more than if we do more than we are planning to do without SALT, because with SALT, we have predictability and stability in projecting our needs into the '80s. Without SALT, we are dealing with a much more unstable situation in which the momentum of Soviet strategic development may, in fact, give the Soviets a certain edge.

Insofar as detente is concerned, let me just limit myself to the following two points.

MORE

The Cold War isn't over, and detente isn't over. Both realities coexist, and the American public has to be mature in realizing that these two realities coexist. Detente is an attempt to relax tensions in a competitive context which is the what the Cold War is about. The American public must abandon its inclination to be euphoric about detente, or hysterical about the Cold War. For as long as I can see ahead, historically, the United States and the Soviet Union, for deeply rooted reasons -- philosophical, geo-political, social, ideological, systemic -- are going to be in competition. But we have to learn to manage that competition in a responsible and stable fashion. Accommodate where we can and where we should as, for example, in arms control. And yet compete assertively -- not be intimidated -- not forget about the important element of power in that competition -- not overlook the importance of ideals, and human rights is a very important ideal. But compete in a steady and sustained fashion; realize that it is for the long haul. And if we do that, then I believe that we can manage that relationship stably -- have SALT even if our relations are not good -- and, at the same time, respond where we must when confronted with challenges which affect our vital interests. (Applause.)

MORE

MR. LORD: Stage right.

Q Fred Potter from Rochester, New York. It has often been claimed, Dr. Brzezinski, that the short-run interests of many of the major multi-national corporations within the United States are not always in the same interests of the collective interests of the common citizen of the United States. In knowing that so many of the chief executive officers of the major multi-national corporations are also members of the Trilateral Commission, and knowing as well that -- how many of those members were incorporated into the Carter Administration in 1976 -- how do you answer the allegations that therefore the Carter Administration often has impetus in its foreign policy decisions that affect those multi-national interests more than the collective interests of the United States' citizens in the long run? (Applause.)

DR. BRZEZINSKI: There is a magazine which, perhaps, just a few of you in this audience occasionally read, which devoted two successive issues to a large expose of the Trilateral Commission, each adorned with a large picture of me. And the magazine is called Penthouse. (Laughter.)

MR. LORD: Those weren't the pictures they were looking at. (Laughter.)

DR. BRZEZINSKI: And for those of you who relish conspiracy theories, I would recommend it. The Trilateral Commission, like the Council on Foreign Relations, or like many other organizations, is an organization which brings together businessmen, academics, government figures and others to work with common issues. In this particular case, its purpose was to promote closer relations between Western Europe, Japan and the United States and between them and the poorer countries of the world. Some of the participants are members of the international corporations. It is up to any country in the world to judge whether an international corporation works in its interest or not.

To some extent, such international corporations facilitate technology transfer, capital flow and contribute to development. In some cases, it may engage in activities which are not in the interest of the countries in which they operate. There are laws that govern that. There has been a major U.N. study on the subject. There is increasing legislation which governs their conduct. I don't think we have to see them as conspiracies or as parasites, but rather as part of a widespread global development process which is often contradictory. Many of these corporations provide jobs and opportunities and technology transfer that otherwise wouldn't be available, particularly wouldn't be passed through by governments. And I think that has to be taken into account.

But there is nothing particularly unique or sinister about the Trilateral Commission as an organization. It is very much in keeping with a pattern of behavior which is characteristic of the Western world -- namely, a large number of informal organizations that come together and work on common problems. The fact that the President was a member of it means that he got to know more members of that commission than of some other body, and that in turn probably was reflected in the number of appointments. I probably wouldn't be sitting where I am sitting today if I wasn't, at one point, a director of that commission. So, I don't feel particularly apologetic about it.

MORE

MR. LORD: We have several questions on the Iranian situation, including one from Ed Merritt of Toms River, New Jersey, and Fred Hennecke of Dallas, Texas, and a few others. Let me try to group these. The thrust of some of these questions is why haven't we used our power in this situation to try to effect the release of the hostages and to stop the humiliation of the United States. What actions are being taken to protect our other embassies abroad? Has the situation spawned further instances, such as in Colombia in Central America, and how do we foresee our relations with Iran once the present crisis is over?

DR. BRZEZINSKI: We have taken some precautions to enhance the security of our embassies but, for obvious reasons, I can't go into that. Whether the situation has spawned revolutionary outbreaks elsewhere is also impossible to judge. There is no way we can make a judgment today whether the terrorist activity in Colombia was, in some way, influenced by the events in Iran. I suspect probably not, because the organization that has engaged in that act in Colombia was engaged in some terrorist acts a year or so ago in any case. But I cannot be categorical about it.

Insofar as why force wasn't used, let me merely say that the use of force in international affairs should be the last resort. This is why we are striving for peaceful resolution of issues. This is why we feel so strongly that the Soviet use of force in Afghanistan is not tolerable nor acceptable. A country reserves the right to use force when its vital interests are engaged, when its rights are denied or violated -- and we certainly recognize that our rights were denied and violated in Iran. However, as long as in the judgment of the President and his immediate associates there is a reasonable probability that the issue can be resolved peacefully, we believe we have the obligation to pursue first the peaceful route. We reserve to ourselves the alternative means to which we are entitled, but we do not believe that we should pursue them first of all.

Insofar as future relations with Iran are concerned, it is our view that sensitive and historically aware Iranians recognize that the real threat to their independence and security and national integrity does not come from a country many thousands of miles away, but from a country that is their neighbor to the north. That is a fundamental, geo-political reality which ought to dictate the future evolution of our relationships. We acknowledge the fact that a profound social revolution has taken place in Iran. We are prepared to work with any Iranian government that is prepared to respect international norms and that is prepared to collaborate with us in the pursuit of common objectives. That includes the stability and security of the region.

MORE

MR. LORD: Stage left, question?

Q Good morning, Dr. Brzezinski. My name is Jay Marks, and I am from Fairfield, Connecticut, with the Washington Workshops Program, and I would like to know how you feel about the CIA and is it still the world's finest intelligence-gathering agency, or do you believe that the Carter Administration has put undue pressure and limitations on its activities, forcing it to take a backseat to the KGB or, say, the British or Israeli bureaus?

DR. BRZEZINSKI: Well, I don't know how one engages in a comparative appraisal of intelligence services, because to engage in a comparative appraisal of intelligence services one would have to know things about the KGB and the Mossad and MI-5 and the CIA that I do not know. But I am unfortunately not in a position to make a conclusive analysis of how much we know that they don't know and how much they know that we don't know because if I did then there wouldn't be things I didn't know that they did know. (Laughter.) (Applause.)

Let me say this, however, about the CIA. The CIA went through a difficult period brought on, in part, by certain excesses in which some of its officers engaged; in larger part, by a strong popular wave, a reaction generated by the Vietnamese War. We need a good intelligence agency. I have, in the course of my three years here, been very impressed by the quality of the rank and file that works in the CIA. I am particularly impressed by their technological capabilities, by their monitoring services, by the sophistication of their intelligence-gathering operations.

I have voiced, from time to time, the view that we need to improve the quality of our political intelligence and I believe that the need for such improvement is derived not only, perhaps, from at one-time inadequate emphasis on that particular aspect of intelligence within the agency, but more generally, from our cultural style. We, as a country, are much more preoccupied with events and with facts than with understanding the interrelationships between facts, with deep analysis of causes and effects.

This is true about journalism. Our newspapers report facts day to day and, on the whole, very well. They rarely report trends, and yet it is trends that give you understanding of facts. You have to have a basis for judging and relating facts. We don't do this as a culture.

We don't emphasize literary styles enough. There is nothing more important to a policy-maker than a brief, well-written insightful analysis of other people's motives, views, aspirations and judgments. It is these things that need to be improved. And, therefore, I have striven in the course of my three years, working closely with my associates in the agency, to help the agency improve particularly its political intelligence, and we have made progress in that direction. I believe positive developments have taken place.

The legislation now pending before Congress, I think, will strike the proper balance between the controls that are needed to ensure that this agency which operates under very confidential circumstances is not out of control. Yet the controls should not inhibit effective intelligence, including covert activity, because as a country dealing in a rough world, we need both. And we shouldn't be shy about admitting it. We should be mature enough to face the reality that if we are going to operate in the world scene, we have to have eyes and ears, and the Agency is that. (Applause.)

MORE

MR. LORD: Stage right please.

Q Good morning. I am Mary Gardner from Riverdale, New Jersey.

DR. BRZEZINSKI: Good morning.

Q How do you feel the build up of the Trident and MX systems will affect both political and economic relations with China?

MR. LORD: The question was how the build up of the MX and Trident systems will affect the relationship with China. Let me add on to that, Dr. Brzezinski, as we have several questions on China here, to the effect of how much can we really count on them in a crisis in the future? What will our future relationship be? Are we moving toward a possible security relationship, given Secretary Brown's visit and the agreement to sell military support equipment, et cetera, as well as the lady's question?

DR. BRZEZINSKI: Well, I do not believe the MX/Trident system will affect our relations with China in any direct fashion. It may affect it indirectly in this sense: to the extent that it offers evidence of our determination to maintain an adequate strategic posture, it provides reassurance to the Chinese that they are dealing with a country which is not prepared to fold up and simply accept a secondary strategic posture.

Insofar as the evolution of our relations with China is concerned, let me stress this: our relationship with China stands on its own feet. It is not a tactical relationship, it is not designed specifically against this or that country, and one need not be coy about it. It is not designed tactically against the Soviet Union.

It is designed to give the United States a broadly gauged political, economic and strategic relationship with a country that is very important in the world. Our new relationship with China contributes to stability in the Far East. It enhances our diplomatic efforts. It gives us, of course, access to an extraordinarily creative and important people -- one-fourth of humanity who are embarking now on their own road to modernity. It is important on that road they work with us, with the Japanese, the West Europeans -- through exchanges and trade, and not do so either in isolation or in a hostile alignment with someone else against us.

Therefore, there is a genuine strategic benefit and historical benefit which stands on its feet from that relationship. But we do not intend to use that relationship purely for tactical objectives against the Soviets, nor will we encourage the Chinese to play us against the Soviets. Each of us has our own critical agenda with the Soviets. But we can handle those agendas on our own. In some parts of the world, we may have complimentary interests.

For example, both of us object strongly to the Soviet invasion of Afghanistan. And that is good and well. But what I really want to emphasize is the long-term, enduring character of this relationship and its historical significance.

MORE

MR. LORD: I am afraid we have time for only one more quick question and answer. Several people have sent up the following question: If President Carter is reelected and assuming Secretary Vance does go through with his intention to leave office, do you want to be Secretary of State, and will you be appointed Secretary of State? (Laughter.)

DR. BRZEZINSKI: Well, first of all, nobody is going to believe my answer. (Laughter.)

MR. LORD: You have only got about 15 seconds.

DR. BRZEZINSKI: I will say it anyway. I have never aspired to be Secretary of State. I am very happy with the job which I have. I think I am reasonably well-suited for it, and that is a fact. But in Washington, nobody will believe that. In Washinton, everybody thinks that I want to be Secretary of State, but that is part of Washington psychology.

MR. LORD: Thank you very much.

(Applause.)

END

(11:30 A.M. EST)

THE WHITE HOUSE

WASHINGTON

March 7, 1980

MEMORANDUM FOR: THE PRESIDENT
FROM: FRANK MOORE *F.M. Moore*
SUBJECT: BACKGROUND MATERIAL FOR YOUR MEETING
WITH THE PRESS, March 8, 1980

The following are the more significant measures which have been moving along in recent days.

Energy Security Corporation (ESC)

ESC conferees met on Thursday for the third day in a row and continued to make excellent progress. It now appears that they will complete the most controversial title, Title I (synfuels) next week, perhaps as early as Monday. Staffs of both houses are continuing to meet on Titles V AND IX (conservation), and rapid agreement is possible on these issues as well. The staffs also hope to begin sessions next week on those titles concerning gasohol and biomass.

Energy Mobilization Board (EMB)

The EMB conference will resume once the energy conferees complete action on ESC. At this point, all lesser issues on EMB have been resolved and the results are acceptable to the Administration. In some areas, the actions of the conferees go even farther than we had anticipated in satisfying the concerns of environmental groups. The two major areas still to be resolved are the issues of substantive waivers and grandfather provisions.

Utility Oil Reduction Legislation

On Thursday the Administration sent specifications to the Hill. We expect a bill to be written from the specifications and introduced in both houses next week.

Windfall Profits Tax (WPT)

House floor action on the conference report is expected next week. The Senate will probably take it up after March 19.

Trucking Deregulation

On Thursday the Senate Commerce Committee began markup of a trucking deregulation bill supported by the Administration (the Cannon-Packwood bill). The votes on the critical issues of entry,

restriction removal, and antitrust immunity were extremely close, with the Committee generally preserving the progressive features of the bill and beating back weakening amendments. Plans are to complete markup next Tuesday.

On the House side, hearings in the Public Works and Transportation Committee have been completed, with Administration officials testifying that the House version of the bill is unacceptably weak. An effort to strengthen the bill in committee is expected.

Fair Housing

By a bipartisan vote of 24-5, the House Judiciary Committee on Tuesday reported the Administration-backed fair housing bill to eliminate discrimination in housing. The committee left intact the administrative enforcement mechanism. The measure, considered by many to be the most important civil rights legislation of the past 15 years, is expected to reach the House floor this month and may be scheduled for Senate committee action within a couple of weeks.

Selective Service Registration

Our appropriation request for male registration appears to be back on track. The House leadership has agreed on a transfer of existing FY '80 spending authority as the appropriate means to obtain funds for the registration program without violating the Budget Act. The House is waiting to proceed on the appropriation request until it receives assurance from the Senate leadership that it agrees with this funding method and that the Senate leadership will act to override a threatened Senate filibuster of the appropriations request. Our vote count in the House Appropriations Committee continues to improve.

The Senate HUD-Independent Agencies Subcommittee of Appropriations will begin hearings Tuesday. The situation there is similar to what we faced in the House in that the subcommittee appears substantially less supportive than the full committee is likely to be. Even so, based on staff-level contacts, we believe we have the votes to get the bill out of subcommittee.

Our proposal to include women in the peacetime registration was tabled by a House Armed Services Military Personnel subcommittee on Thursday. The tabling action allows the issue to be reconsidered at a later date. However, there is no realistic chance that reconsideration would change the outcome.

Foreign Policy Legislation

China

In the first two months of this year we have been able to grant Most Favored Nation treatment to the People's Republic of China by passing the China Trade Agreement.

Central America

Although we have not been able to complete the process, we are extremely hopeful about passage of the Central American Supplemental Authorization. We have completed the FY 80 Appropriations Conference which included satisfactory aid funding levels and funded the Institute for Scientific and Technological Cooperation (ISTC). We were prevented from bringing the Conference Report to the floor of either house because of the Congressional budget process.

Refugees

Both houses have passed the Refugee Act, the first major reform of the nation's refugee laws.

International Banks

We have sustained some major cuts by the House in the authorization of the Inter-American Development and the Asian Development Fund. We hope to restore these monies in conference and pass the authorization as soon as possible.

Afghanistan

Congress has also been extremely supportive of our actions taken in response to the Soviet invasion of Afghanistan. Both houses passed a concurrent resolution supporting the U.S. boycott of the Moscow Olympics. Members have been consulted and have approved of the actions taken on the grain embargo, phosphates, and our developing policy on export controls, and the suspension of high technology goods.

Intelligence Charter

Senate hearings have begun.

INFLATION/ECONOMY

The trend of the past two months is disturbing, and it must be reversed. All Americans feel every day the debilitating impact of the high level of inflation, but inflation hits hardest at our poorest, the elderly and our least privileged citizens. If left unchecked inflation could undermine our great economic strength as a nation and the significant opportunities open to us in the 1980s.

The current statistics are bad, and they will likely continue so for the next few months. They also mask the real situation, causing even greater concern by our people. The number one cause of inflation in recent months is the rising price of imported oil which we are attacking with our energy program. The PPI issued Friday showed the energy component rising for the past month at about six times the overall average.

ACTIONS UNDERWAY

I have directed my economic advisors to review existing policies and to search for new efforts to intensify the government's action to stop the increases and to strengthen our economic programs. The only option ruled out of consideration is mandatory wage and price controls, which only cover over temporarily the real problems which must be faced.

I have directed my advisors to conduct a major consultative process with a representative cross section of our people and to work with the bipartisan Congressional Leadership to deal effectively and promptly with the situation. These consultations are now well along, with more than a thousand individual citizens and group representatives already making contributions to the policy development process. I have also met on this topic with the Congressional leadership on Monday night and again on Wednesday morning.

I am encouraged by the growing recognition of the seriousness of the situation by the public and the Congress.

I will be spending time over the weekend reviewing the staff papers being developed and consulting with my advisors. I plan further discussions with members of Congress early next week.

The scope of the review I have launched is quite broad. It covers all other elements of our fiscal policy as well as consultation on monetary policy, steps to strengthen our voluntary program of wage and price restraint, and ways to reduce the inflation producing influence of government regulations. We are in close and regular contact with the Chairman of the Federal Reserve Board, so that our monetary authorities can be well informed of the Administration's thinking and contribute ideas directly to the policy development process on a continuing basis.

I have set no arbitrary deadline but expect to receive proposals from my advisors within the next week to 10 days.

I have instructed the Administration's economic policy group to make sure that our government's policies fully measure up to the seriousness of the situation. I am personally committed to bring inflation under control and to pursue vigorously those measures essential to reverse almost two decades of drift toward higher and higher inflation assumptions.

Our people recognize that this long-standing situation cannot be corrected overnight, but I am anxious to see measurable progress and believe that the American people want and expect adequate responses. They know this will involve sacrifices for a time by us all, but they can have the satisfaction of knowing that my efforts will be aimed to make sure that we not only act, but

act equitably. I will insist that no segment of our population bear an unfair part of the burden, but that collectively we face up to and resolve the most important domestic problem before us.

March 7, 1980

Arab-Israeli Policy

Q: Did U.S. actions on the UN Resolution imply a change of policy towards the autonomy talks, towards settlements, toward Jerusalem, or toward Israel?

A: No. American policy is what it has been and will continue to be, *this was a misunderstanding in terminology, not in substance.*

-- we believe that the Camp David framework is the best approach to peace; we are a full partner in the autonomy talks through Ambassador Linowitz, and will continue to work diligently for the success of those talks;

-- our position on settlements is clear and unambiguous: we believe them to be an impediment to the peace process and damaging to the development of trust in that process. Beyond that, we believe the future disposition of existing settlements should be determined during the autonomy negotiations.

-- Jerusalem is a highly-emotional issue for all concerned, and its status should be resolved through negotiations for a comprehensive peace settlement. We strongly support the view that Jerusalem should remain undivided, with free access to the holy places for all faiths;

-- our commitment to Israel -- to its security, to its future -- is fundamental. Nothing will change that.

Q: Secretary Vance has "accepted full responsibility" for this problem. Don't you as President bear some portion of the responsibility, also?

A: Just as Secretary Vance has appropriately and necessarily accepted responsibility for the actions of the Department of State, I have the ultimate responsibility for the actions of the entire Administration, and that is as it should be.

Q: (On any questions about chronology and who said what to whom when.)

A: The Secretary of State and I have made it clear that we are the responsible officials. We have taken steps to ensure that such a mistake is not made again. I am not interested in attempting to point fingers.

March 7, 1980

Autonomy/Resolution

Q: How do you think the problem over the resolution will affect the prospects for the Autonomy Talks? Is there a chance to complete them by May 26? Have we lost the ability to pressure Israel to make concessions?

A: I believe that the issue of the resolution will not have a lasting effect. Concern is understandable -- throughout the Middle East -- at this time: a time of great sensitivity because of profound and historic decisions regarding the future of the West Bank and Gaza. But as we move beyond this incident, and as it becomes increasingly obvious that U.S. policy has not changed, I believe that my statement of last Monday night will come to be accepted, and the focus will shift back to where it belongs -- to getting on with the autonomy talks.

-- We are a full partner in these negotiations, which are based on agreement between Prime Minister Begin and President Sadat. Indeed, the concept of full autonomy itself was devised by the Prime Minister, not by the United States.

-- We believe that the interests of all parties will be best served by making the effort required to complete the negotiations by the target date. For our part, we will continue to help the parties work through the difficult issues.

-- There has never been a question of "pressuring" Israel on the autonomy talks. What is involved is an attempt to create a political process -- through a Self-Governing Authority -- in which the Israelis and Palestinians can begin to work together on the future of the West Bank and Gaza, while at the same time guaranteeing Israel's security, both now and in the future. Clearly, "pressuring" Israel to do something not in its interests would defeat this objective; and it simply wouldn't work. We believe, however, that Prime Minister Begin was right, in terms of Israel's interests, in agreeing to Camp David, and we will assist Israel and Egypt in completing that effort.

OLYMPICS

The main points here were so thoroughly covered in the back-grounder for the Schmidt meeting by Lloyd Cutler that only a cursory review is necessary.

You may be, of course, questioned about your conversations with Schmidt.

The main points:

1. Alternative games should be held in several cities after the Olympics and should be open to all athletes. It is not our intention to destroy the Olympic Games nor the opportunity for any athletes to compete. These games probably will be held in late August and early September.

We believe the alternative games can be a financial success, but the short time frame may make it necessary for governments to offer to underwrite any losses. We believe a world-wide commitment of \$50 million should suffice, and the actual risk of loss is much lower. This is being discussed in our meetings with other governments.

2. Representatives of governments which have publicly supported the Moscow boycott will meet on March 11 and 12 -- the second such meeting. On March 15 the USOC Administrative Committee meets to formulate its resolution on the Moscow Olympics to the full House of Delegates.
3. You plan to meet with a representative group of potential summer Olympians to explain the Administration's position on the Moscow boycott games and to discuss the alternative games.

4. We are acutely conscious of the need to be positive about our commitment to alternative games and to maintain the momentum of our efforts with other governments, sports federations, the USOC and other NOC's. The earlier we can create the firm conviction that the U.S. and other nations will not attend the Moscow games and will take part in the alternative games, the greater our chance to widen the size and impact of the boycott, and perhaps to bring about a Soviet or IOC decision to postpone or cancel the 1980 Moscow games.

DRAFT REGISTRATION

Q: Your draft registration proposal has suffered several recent setbacks: a House Armed Services sub-committee rejected the registration of women by an 8 - 1 margin; and a House Appropriations subcommittee rejected the money request for registration of men. Do you think your registration proposal will eventually pass the Congress, and if it doesn't, what will be the impact of such a defeat?

A: First, I think Congress will support funding the registration of men. The registration of women, on the other hand, requires not only the appropriation of funds but the authorization to do so -- and we will be working with the leadership on this issue separately. The failure of Congress to support peacetime registration at this time would be most unfortunate. Symbolically we would be saying to the Soviet Union that mere registration in an election year was too high a price to pay to enhance our security -- certainly a reckless notion to impart to our chief antagonist. In the case of NATO, our allies continue to look to us for Alliance leadership. They rightly require of us strong signs of policy continuity and tangible measures - political, economic and military - that properly address the changing international security environment. An impression or perception of us as vacillating, undecided, or ambivalent about the central issues contained in my State of the Union message could produce a significantly less cohesive and less effective NATO in the long run. The absence of strong, steady, and coherent US leadership on the central issues I've identified, including this one, will inevitably lead to Allied questioning about the seriousness and staying power of our response to Afghanistan.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

March 7, 1980

MEMORANDUM FOR: THE PRESIDENT
FROM: JERRY SCHECTER *JS*
SUBJECT: Your Meeting with White House Press
Tomorrow

Enclosed is the underlined copy of Zbig's National Town Meeting on Thursday with questions and answers that you may also be asked.

Also enclosed are updates on Pakistan, Rhodesia, Afghanistan, the Middle East and the U.N. vote, El Salvador, Yugoslavia, and our economic measures against the Soviet Union.

March 6, 1980

PAKISTAN REJECTION OF U.S. AID

Q: How do you explain Pakistan's rejection of U.S. assistance?
What is the U.S. response?

A: We have maintained our willingness to participate in a consortium of western states providing assistance to Pakistan as well as our strong commitment to create a new framework for security in Southwest Asia.

* * *

-- President Zia and his advisers have made clear their belief that Pakistan's interests would be best served by a broader security arrangement, rather than a highly visible defense relationship with the United States. Western assistance will therefore compliment the efforts of a collective front of Islamic states which has been coalescing.

-- We continue to consult with our allies on collective assistance to Pakistan and believe that in the context of these western and Islamic efforts we can contribute to greater stability in Southwest Asia.

March 7, 1980

RHODESIAN ELECTION

Q: Robert Mugabe, a self-proclaimed Marxist, easily won the recent election held in Rhodesia. Was that election fair? And will the U.S. recognize the new government?

A: The elections were held under the terms of the Lancaster House Agreements, - in which all parties agreed to a new democratic constitution, - and were supervised by the British Government, with Commonwealth observers.

* * * * *

-- In spite of the fact the elections were carried out under conditions of considerable tension, we have no reason to believe they were not free.

-- In our judgment, the results are a fair and reasonably accurate representation of the will of the people of Rhodesia. This judgment is shared in general by the many independent observers including the Freedom House delegation from the U.S.

-- Mugabe's first actions as Prime Minister-designate have been encouraging. He has said he will bring opposition parties and whites into his government, that he will not confiscate private property, and that he will not interfere in the internal affairs of neighboring states.

-- I have extended my congratulations to Mr. Mugabe on his election victory.

-- As Rhodesia joins the community of nations as the independent country of Zimbabwe later this month, it is our intention to extend full diplomatic recognition.

-- We look forward to cooperating with the new government of Zimbabwe in efforts to bring the peace and prosperity to the people of Zimbabwe, and stability to the region.

March 7, 1980

NEUTRALIZATION OF AFGHANISTAN

Q: In his election speech President Brezhnev said the Soviet Union would withdraw its troops if it received suitable guarantees. Do you think that the Soviet Union is considering withdrawing troops from Afghanistan?

A: -- As yet I have seen no indication of a serious interest in withdrawing its troops from Afghanistan on the part of the Soviet Union. On the contrary, over the past weeks they have introduced more troops into Afghanistan.

-- Withdrawal of all troops from Afghanistan is a prerequisite for solving the Afghanistan problem and for restoring stability in the area.

-- The United States supports the restoration of a neutral, non-aligned Afghan Government that would be responsive to the Afghan people. The U. S. would support efforts by the international community to produce such a result as called for by the United Nations General Assembly.

-- With the prompt withdrawal of all Soviet troops from Afghanistan, the U.S. would be willing to join with the neighbors of Afghanistan in a guarantee of Afghanistan's true neutrality and of non-interference in its internal affairs.

March 7, 1980

Arab-Israeli Policy

Q: Did U.S. actions on the UN Resolution imply a change of policy towards the autonomy talks, towards settlements, toward Jerusalem, or toward Israel?

A: No. American policy is what it has been and will continue to be:

-- we believe that the Camp David framework is the best approach to peace; we are a full partner in the autonomy talks through Ambassador Linowitz, and will continue to work diligently for the success of those talks;

-- our position on settlements is clear and unambiguous: we believe them to be an impediment to the peace process and damaging to the development of trust in that process. Beyond that, we believe the future disposition of existing settlements should be determined during the autonomy negotiations.

-- Jerusalem is a highly-emotional issue for all concerned, and its status should be resolved through negotiations for a comprehensive peace settlement. We strongly support the view that Jerusalem should remain undivided, with free access to the holy places for all faiths;

-- our commitment to Israel -- to its security, to its future -- is fundamental. Nothing will change that.

March 7, 1980

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Q: How do you think the problem over the resolution will affect the prospects for the Autonomy Talks? Is there a chance to complete them by May 26? Have we lost the ability to pressure Israel to make concessions?

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-- We are a full partner in these negotiations, which are based on agreement between Prime Minister Begin and President Sadat. Indeed, the concept of full autonomy itself was devised by the Prime Minister, not by the United States.

-- We believe that the interests of all parties will be best served by making the effort required to complete the negotiations by the target date. For our part, we will continue to help the parties work through the difficult issues.

-- There has never been a question of "pressuring" Israel on the autonomy talks. What is involved is an attempt to create a political process -- through a Self-Governing Authority -- in which the Israelis and Palestinians can begin to work together on the future of the West Bank and Gaza, while at the same time guaranteeing Israel's security, both now and in the future. Clearly, "pressuring" Israel to do something not in its interests would defeat this objective; and it simply wouldn't work. We believe, however, that Prime Minister Begin was right, in terms of Israel's interests, in agreeing to Camp David, and we will assist Israel and Egypt in completing that effort.

March 7, 1980

EL SALVADOR

Q: The Archbishop has recently written to you requesting that you not give any security assistance to the Salvadorean Junta. The U.S. has been criticized by the extreme right, which argues that we are supporting socialist reforms, and by the left, which suggests we are intervening in their internal affairs. What is U.S. policy?

A: The government of El Salvador has just announced a series of reforms, including a very important agrarian reform, designed to improve the lives of the poor people of El Salvador, and to give them a greater stake in their country. We believe that the violence there is, in part, a result of the fact that gross inequalities and injustice in El Salvador have been ignored far too long. We will support this government as it struggles against the extreme left and right and seeks to implement these reforms.

-- The U.S. will use its economic assistance, which will be expanded to \$50 million this year, to support the government in implementing its reforms.

-- Our objective in providing security assistance to El Salvador is to help the Salvadorean security forces obtain the capacity to restore order and to respond to terrorist violence, using the minimum possible lethal force. While no assistance has yet been provided to this government, we have informed the Congress of our intention to reprogram about \$300,000 IMET funds, and we are also setting aside \$5.2 million for FMS financing.

-- The middle way in Central America is a precarious one today. The right is unwilling to accept necessary changes, which could reduce their power and wealth. The masses of people are unwilling to accept the status quo, and we agree that the status quo is unjust

and should not be maintained. At the same time, their discontent is being exploited by extremist groups who are interested in seizing power, and who are backed by the Soviet Union and Cuba. The challenge is to undertake fundamental reforms in a way which will permit democracy to take hold in these countries. This is the path we intend to support. This is why we are supporting the government in El Salvador.

March 7, 1980

MILITARY DEFENSE OF YUGOSLAVIA

Q: What is our military relationship with Yugoslavia?

A: -- For many years we have had a modest military supply relationship. We expect to continue this. Yugoslavia is, of course, largely self-sufficient in terms of meeting its military needs.

March 7, 1980

U.S. DISCUSSION WITH THE SOVIETS ON YUGOSLAVIA

Q: Have we been in touch with the Soviets about Yugoslavia?

A: -- We are confident that the Soviets are well aware of our policy toward Yugoslavia and they realize that any interference in Yugoslav internal affairs would be viewed by the United States with extreme gravity.

March 7, 1980

DEFENSE OF YUGOSLAVIA

Q: Would the U.S. defend Yugoslavia if the Soviet Union intervened after Tito's death?

A: -- Yugoslavia is a strong, fiercely independent nation which can defend itself. I am fully confident that the Yugoslavs will be able to successfully manage the transition when it comes.

-- As I noted several weeks ago, if we were asked to give any assistance to Yugoslavia, we would seriously consider it but commensurate with actual need and commensurate with specific requests from Yugoslavia itself.

-- The United States firmly and unambiguously supports the independence, unity, territorial integrity and non-aligned position of Yugoslavia. This has long been U.S. policy and continues to be U.S. policy.

Talking Points

on

Economic Actions Taken In Response to Soviet Invasion of Afghanistan

Grain

-- We withheld 17 million tons of grain destined for the USSR, approximately one half of Soviet planned grain imports in 1980. Since most of this was feed grain, Soviet plans to increase livestock production will suffer. Meat consumption will decline to the low levels of the early 1970s.

-- Other major grain exporters (Canada, Australia, and the European Community) have made a commitment not to replace grain withheld by the US. Argentina said it will not take advantage of US actions. These countries are cooperating with us to monitor trade flows and prevent diversion to the Soviet market.

-- We have taken steps to minimize the domestic impact of the grain suspension, primarily through CCC purchases of grain contracts.

High Technology Exports

-- On January 8, I directed the Secretary of Commerce to review and revise our policy regarding the export of high technology and other strategic items to the USSR.

-- On January 9, we suspended all outstanding validated export licenses to the USSR and suspended shipments under licenses previously issued pending completion of the review process.

-- In addition, we denied eight export licenses covering various high technology exports to the USSR with potential military applications (e.g. digital computing systems and computer peripherals, seismic data processing equipment, research equipment for semi-conductors). We also revoked all licenses for the export of spare computer parts for the Kama River truck plant (these trucks were used in the invasion of Afghanistan).

Review of Export Control Policy Toward the USSR

-- The purpose of the ongoing review is to identify items which: (a) contribute substantially to Soviet military potential, and (b) which are otherwise significant to the USSR and should be controlled to further US foreign policy interests.

-- For this program to be effective, we will need the full support of allied nations. We have proposed to our partners in COCOM (Coordinating Committee: all NATO members plus Japan minus Ireland) a series of proposals intended to make the current rules more effective in denying the Soviets militarily significant technology.

-- We have carried out extensive consultations with our allies and are encouraged by their preliminary reactions.

-- We expect to conclude our internal review shortly. We are moving as rapidly as possible, but there are many complicated, technical issues involved. We want to design a system that is effective in denying the Soviets critical technologies, but that is also fair to the American business community.

Phosphates

-- On February 25, at my direction the Secretary of Commerce announced a total embargo on phosphate exports to the USSR.

-- This action will limit the amount of liquid fertilizers available to Soviet agriculture. The grain suspension and phosphate embargo together should seriously affect Soviet grain and livestock production.

Fisheries

-- I have directed the Department of State to withhold any further fishery allocations to the Soviet Union. Before this action, the Soviets would have received an allocation of approximately 360,000 tons in 1980. This is about 4% of their total annual worldwide catch.

Steps with Allies

-- We have asked our allies to join us in increasing and encouraging economic and military assistance to Pakistan and Turkey.

-- We are also seeking to: (1) deny the Soviets critical technology through a more rigorous application of COCOM rules on exports to the USSR; (2) curtail the flow of official exports and guarantees to the USSR; and (3) limit Western participation in major Soviet industrial projects.

March 7, 1980

ECONOMIC MEASURES AGAINST THE USSR

Q: What impact will the grain suspension have on Soviet meat production?

A: -- We cut off 17 million metric tons of grain exports to the USSR. The Soviets will probably be able to make up a small part of that shortfall through purchases in countries which are not cooperating with us.

-- We estimate that our action will reduce Soviet meat consumption by up to 5%. Since per capita meat consumption in the USSR is already low, this should have a noticeable impact on meat supplies available on the Soviet marketplace.

ECONOMIC MEASURES AGAINST THE USSR

March 7, 1980

Q: How long will these economic measures against the USSR last?

A: We are in this process for the long haul. I have no intention of lifting these sanctions while Soviet aggression in Afghanistan continues -- and even intensifies. The Soviets must withdraw their troops from Afghanistan before we could even consider revising our economic policy toward the Soviet Union.

Q: When will the Administration finish the review of your export control policy toward the USSR?

A: -- We expect to conclude it shortly. The first stage has been completed. We are now actively consulting with our allies in COCOM in order to elicit their views and obtain their full cooperation.

-- The important thing is to devise a system that is effective in denying the Soviets militarily significant technology, that has widespread support among other industrial nations, and that is fair to American business.

THE WHITE HOUSE
WASHINGTON

08 Mar 80

Jody Powell

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

Rick Hutcheson

cc: Sarah Weddington
Landon Butler

1428

OFFICE OF THE VICE PRESIDENT
WASHINGTON, D.C.

Jody -

FYI, Ray Majerus, the UAW district director in Wisconsin and the secretary-treasurer-elect of the UAW, today endorsed Carter/Mondale in Milwaukee w/ the Vice President. Since he will become the second highest ranking UAW official in June, this endorsement has some national significance and might be worth pumping up. We've asked the campaign to do the same.

Dick

*Jody -
do so -
see me
J*

THE WHITE HOUSE
WASHINGTON

08 Mar 80

Stu Eizenstat
Frank Moore

The attached was returned in
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information

Rick Hutcheson

pr

NAME Gus Hawkins

1079

TITLE Congressman & Chairman, Subcommittee on Employment Opportunities

Stu Eizenstat *Stu*

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

CITY/STATE _____

Date of Request 2/28/80

Phone Number--Home () _____

As soon as possible

Work () 225-2201

Other () _____

INFORMATION (Continued on back if necessary)

To discuss our youth initiatives and encourage him to introduce the legislation. Hawkins expressed serious reservations about our proposals in questioning Secretary Hufstедler after her testimony on Monday. His principal concern is the \$300 million in new '81 budget authority provided for employment programs vs. the \$900 million for education. His own bill calls for \$3.5 billion to support 1 million new jobs. He is also upset at our decision to postpone the Humphrey-Hawkins goals for two years.

(Continued on back)

NOTES: (Date of Call 3-7)

Disturbed re proposed cuts - Innocent will be hurt. Working with Ray Marshall on Youth initiative

TALKING POINTS

- 1) Indicate the importance and high priority you personally place on this youth initiative. It is the only new domestic program in this year's budget.
- 2) You are committed to a \$2 billion program in 1982 with a goal of \$1 billion each for employment and education. With these new resources DOL funding for youth will total \$5 billion, compared to \$1 billion for Education. We intend to redirect the Labor Department programs to serve more out-of-school youth (the population most at risk and the group Congressman Hawkins is most concerned about). The education money will be used to prepare young people for work. We believe this work-education connection is the key to reaching the Humphrey-Hawkins goal of reducing the youth-adult differential.
- 3) Praise the Hawkins bill and the groundwork he has already done by introducing his own bill and conducting hearings around the country. We hope to have legislation to him next week and want to work closely with him in order to reach agreement on the final shape of the program. We hope the Subcommittee and the House will take quick action on this legislation.
- 4) In the spirit of Humphrey-Hawkins it would be a great honor if he would agree to co-sponsor and introduce the legislation in the House. This new program is designed to meet the provisions under Title II (Structural Policies and Programs) of the Humphrey-Hawkins legislation which calls for improving and expanding youth employment programs.

THE WHITE HOUSE
WASHINGTON

08 Mar 80

Stu Eizenstat
Frank Moore

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

THE WHITE HOUSE
WASHINGTON

March 7, 1980

cc Stu
Frank
✓

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT
FRANK MOORE *S.E.*
SUBJECT: EMB

Overview

At this point the Conference Committee has completed action on virtually all of the lesser issues. The results, acceptable to the Administration, are if anything more to the liking of the environmental community than our original proposal. However, the Conference is now at loggerheads on the issue of substantive waiver.

- o The Senate, at our strong urging, has stuck by its bill which would allow the EMB to "grandfather" projects, as we proposed, against changes in law or regulation which are adopted after construction begins. The "grandfather" could last only so long as compliance by the project is technically or financially infeasible.
- o The House-passed bill, through the "Santini amendment," allowed the President, on the advice of the EMB, to recommend a "waiver" of substantive law or regulation (Federal only, not state or local). The waiver would become effective on adoption of a joint resolution by majority vote of both Houses. While a joint resolution is a law, subject to veto by the President, the House procedure would differ from the normal legislative process in the following ways:
 - The resolution could not be bottled up in Committee, but must go to the floor of the two Houses.

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for Preservation Purposes

-- The Resolution could not be amended either in Committee or on the floor.

-- The Resolution could not be filibustered or tabled but must be voted up or down.

The House-passed bill is an improvement on the original House Commerce Committee bill which provided for waiver of Federal, state and local laws subject only to one-House veto. The House Committee -- arguing that the Santini amendment is not a "waiver" but enactment of a legislative exemption, is also standing by its position.

Positions of the Key Conferees

At this point the Senate Conferees, led by Senators Johnston and Domenici, are united behind the Senate position. A majority (Senator Jackson, Senator Johnston and Senator Ford from the Democratic side, and all the Republicans with the possible exception of Senator Wallop) can support some form of "substantive waiver" on the merits. However, they are anxious to retain the support of more environmentally-minded members of the Conference (Senators Bumpers, Bradley, Metzenbaum, Matsunaga, Tsongas and Durkin) in order to avoid a bruising fight led by Senator Muskie when the Conference Report returns to the Senate. In addition, both Senator Johnston and Senator Domenici are personally committed to working with the Administration, and have been very helpful.

The House Conferees are divided into three groups:

- o Udall's minority, which opposes any form of substantive waiver (Udall, Wirth, Eckhardt, Carr)
- o Dingell's group. which strongly supports substantive waiver (Dingell, Staggers, Sattersfield, Graham on the Democratic side and all six Republicans led by Bud Brown)
- o Several moderates, (Sharp, Santini, Ottinger, Moffett). Of this group Sharp and Santini have supported Dingell down the line in the Conference so far. While Ottinger and Moffett would likely support Udall on the waiver issue, they can be expected to have a moderating influence as the Conference goes on. The most influential of these, Phil Sharp, has strongly indicated that he will not leave Dingell.

Dingell's dilemma is this: to have a majority he must retain the support of the moderate group plus either solid Republican support or solid support from the Udall-Wirth group. Yet the Republicans will not support much if any retreat from the House-passed waiver provision. They would probably welcome the chance to oppose the Conference Report, on partisan grounds. The Udall-Wirth group, on the other hand, will not go much beyond the original Senate bill. And the moderates clearly prefer some form of substantive waiver on the merits.

Recommended Approach

So far we have strongly urged the Senate to hold firm and have watched the cross-currents in the House side of the Conference develop. It is clear that the major differences are not between the House and Senate but within the House Conferees. If we want a bill without objectionable substantive waiver we must form a coalition in the House which includes the Dingell group, the Sharp group and the Udall-Wirth group. This coalition must be formed either:

- o Around a somewhat expanded "grandfather" provision (for example, permitting the EMB to suspend some laws and regulations adopted before construction begins) or
- o Around a watered-down version of the House waiver provision. If, for example, the Resolution were made subject to amendment in Committee and the Floor and subject to being held in Committee by majority vote, the result would clearly be simply an expedited legislative process.

ok
While we do not believe a choice should be made between these alternatives at the present, it appears the second option would calm the worst fears of the environmental community and would be an acceptable compromise for a broad range of moderates in the Conference. Unless you object, we will continue to quietly explore this approach with key Conferees.

after
ESC
Conference
work is
done
It would probably be a good idea for you to meet with Representative Dingell in the near future and if appropriate, after the Dingell meeting with other key House Conferees. The purpose of these meetings would be to urge that a consensus be developed which will produce an effective bill which a broad cross-section of Democrats can support.

THE WHITE HOUSE
WASHINGTON

08 Mar 80

Doug Costle

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the President's outbox today
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Rick Hutcheson

1432

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	MILLER
	MOE
	PETERSON
	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

THE WHITE HOUSE
WASHINGTON

3-8-80

cc Doug Costle

Thanks -

a couple of
suggestions -

J

Q. There have been rumors that you have threatened to resign. Did you, and are you planning on resigning?

A. No. I did not threaten to resign. I do believe--and the President shares this belief--that we have an increasingly serious acid rain problem which we aren't going to escape addressing. I would have much preferred, as you know, for this bill to contain provisions to prevent these conversions from making the acid rain problem worse. I met with the President twice on this issue and fully explained my views. As you know, the President ultimately decided ~~not~~ to propose a specific mechanism for resolving the acid rain concern *after* ~~without~~ having further discussions with Congress.

With respect to acid rain, there should be no question that the President wants this problem dealt with. He wants it dealt with in a comprehensive way that will allow us to improve the situation as a whole--not simply to prevent it from worsening. The President has asked me to accelerate our work at EPA and to begin working immediately with the Congress to find a broadscale solution to the problem.

Q. How serious is the acid rain problem?

A. It is a serious problem. As one scientist recently put it to me, this is a problem that has gradually "snuck up" on us--and for that matter, on the rest of the world as well--in the last few years. Its effects have, so far, been very gradual; so in that sense it is a relatively recent development, and we have not yet determined the full extent of the threat. There is no question in my mind, however, that it is a serious problem, and one which must be addressed by the Administration, the Congress, and the American public without delay. We have already lost upwards of 200 lakes in the Adirondacks. The East Coast has many areas at risk, areas that are unbuffered and ecologically sensitive to increased acidification.

We are currently assessing the full extent of the threat of acid rain, and also the best corrective measures against that threat.

Q. Are you saying that ambient air quality standards in effect today do not adequately protect the environment from acid rain?

A. Yes. Current ambient air quality standards were designed primarily to protect public health within proximity of major sources of air pollution. The question which those standards seek to address is whether the air is healthy to breathe. We have succeeded in achieving that objective for sulfur oxides. There are currently very few cities in the United States where sulfur concentrations exceed ambient air quality standards. We have found, however, that a significant fraction of the pollution emitted from major sources does not immediately "fall out," but is transported by winds for hundreds of miles before it comes down, changing form as it travels. So we are largely solving the health problem--but our efforts have been inadequate to solve, as well, the acid rain problem.

Q. What can be done to reverse this threat of acid rain?

A. As a practical matter, the only way to reduce this threat is to reduce sulfur and nitrogen emissions, the pollutants that are deposited on the land in the form of acid, many hundreds of miles downwind. Power plants are major emitters of these pollutants and will have to be controlled more tightly.

Last year we set standards for construction of new power plants which effectively do this. New coal plants are very clean and will not contribute significantly to the acidification problem. However, there are hundreds of older power plants that are either uncontrolled or poorly controlled--more or less "grandfathered" under the Clean Air Act.

These plants are principal contributors to long-range acid deposition. Any effective plan to reduce acid rain will, of necessity, require reducing emissions from these sources.

Q. Will this bill make the acid rain problem worse?

A. There is no question on the facts that these conversions --none of which would violate existing Clean Air Act state implementation plans--will increase total pollution levels in the northeastern United States. Our estimates are that the emission increases could be as much as 25 percent, depending upon how much of the allowable margins within the existing state implementation plans are used. Our best estimate, at this point, is that roughly two-thirds of the increased emissions will fall on land, the remaining one-third will probably be blown out to sea. This will result in a 10-15 percent increase in acid deposition over current rates. It is hard to be absolutely precise about these numbers, but that is our best, honest estimate. What we cannot say with certainty is how much difference that will make in terms of the ecological damage. About the only thing we can say now is that it will add to the existing acid burden.

Be sure to assess ^{& mention} Phase II benefits
from conservation overall and from
reduction in emissions from some existing
coal burning plants.

Q. Do you support this bill?

A. As I stated before, I would have preferred that this bill contain provisions to prevent these conversions from worsening the acid rain problem to the extent that they might. I still feel that way. However, I agree with the President that Congress cannot solve the broad acid rain problem in this bill. I also want to say that I strongly support coal conversion. It is essential that this country reduce its dependence on imported oil. I strongly believe, and have consistently stated publicly, that we can switch to coal in this country and, at the same time, protect against environmental degradation. I believe that without legislation, coal conversion is not likely to take place--or at least take place very rapidly.

Q. Do you think the Congress should address acid rain in the context of this bill?

A. That is now up to the Congress. Environmental groups have already indicated that they intend to press Congress to do so. Several Congressmen have also indicated that they intend to see that Congress holds hearings on this issue in the context of this bill. As a practical matter, therefore, it seems inevitable that the Congress will address this question.

- Q. If a Congressman or Senator were to propose an amendment to the bill requiring constant emissions, would the Administration support or oppose?
- A. The President's transmittal letter makes it clear that he wants Congress to move quickly to pass coal conversion legislation. While that question is properly addressed to the President, I assume that the Administration's position on such an amendment would depend on whether it would hinder or help the bill's prospect for passage at that point.

- Q. But how can you say you are committed to improving the problem when you (or at least the Administration) are willing to make it worse in this legislation?
- A. If we are not going to prevent the acid rain situation from deteriorating in this legislation we will have to do it in some other way. The test of our commitment will be whether we come up with an effective program for solving the acid rain problem as a whole. As I said before, it's my mandate from the President to come up with that program.

THE WHITE HOUSE
WASHINGTON

08 Mar 80

Stu Eizenstat

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

Rick Hutcheson



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THE SEAGRAVE CORPORATION

350 FIFTH AVENUE • NEW YORK, N. Y. 10001 • (212) 594-1870

Office of the Chairman

March 4, 1980

The Honorable Jimmy Carter
President of the United States
The White House
Washington, D. C.

Dear Mr. President:

First of all, let me thank you for the lovely evening we had in the White House when President Moi of Kenya was the guest. I thought you looked remarkably well that evening considering the pressures that you live under.

On two previous occasions you have encouraged me to be sure that I get to you directly if there is something urgent I feel should be brought to your attention -- even if it meant bypassing staff that might not agree with my viewpoint.

I believe you are in an untenable position caused by:

- 1) A series of economic and political/economic problems that accumulated untended to before your Presidency.
- 2) A Congress that became both less responsible and less manageable after the Johnson/Nixon/Ford Presidencies.
- 3) The current serious trouble our country is getting into which both Kennedy and the Republican candidate will make capital of -- although from different viewpoints.

I do not believe that you can remain in this posture for the balance of this election year, and I am positive that those who are advising patience and "fine tuning" are wrong.

You might ask "What makes me so smart?" You may recall that I was the chairman of the committee mandated by the Congress to make recommendations for change in the

*Sta-
Talk to
him
J*

The Honorable
Jimmy Carter

-2-

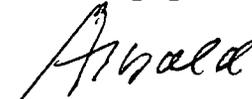
March 4, 1980

way the Presidency and the Congress make major policy decisions. I sent my report to you and the Congress just as you were coming into office having spent several years looking into the bowels of the government. I also have a combination of important business experience and a wide assortment of policy level jobs in economic and foreign policy government assignments. I also have been a staunch supporter of your election and your administration.

I have a plan that will begin to quickly get our nation healthy and also help insure the election. I see no likelihood that "going through channels" would be fruitful. The only alternative to contacting you directly is to reach you through a group of Congressional leaders who agree with my ideas. That would be my last resort.

I persist in this fashion because I have served my country in a variety of capacities, I am convinced that we are in serious danger, believe I know how to improve the situation, and would be ashamed of myself if I did not try. In case you do not recall who I am, I enclose two letters.

Sincerely yours,



Arnold A. Saltzman

AAS:cm
Enclosures

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

November 10, 1976

Honorable Jimmy Carter
President-Elect
Plains, Georgia

Dear Governor:

I am writing to put before you the name of Arnold A. Saltzman, Chairman and Director of the Seagrave Corporation of New York City. Mr. Saltzman has headed the firm for many years and has also served the United States Government in a number of capacities. Presently, for example, he is Chairman of the Advisory Committee of the Commission on Supplies and Shortages.

Mr. Saltzman is well-known among members of Congress, particularly on the Democratic side. He first came to my personal attention several years ago when I read an analysis which he had written on the wider implications of the petroleum shortage which was precipitated by the Arab boycott. The analysis demonstrated a rare depth of understanding of the nation's need for a rational system of foresight in dealing with basic problems, rather than the wasteful hit or miss, crisis-action and forget syndromes which have long been characteristic of so much of the federal approach.

Over the years, I have come to know Arnold Saltzman, his capabilities and his character, finding the former exceptional and varied and the latter unimpeachable. His ability to project a concept of the national interest in a long range and interrelated pattern, I have found to be particularly impressive.

Mr. Saltzman has indicated to me his desire to leave business and serve the nation in a Democratic Administration. In my judgment, he is fully qualified to assume federal responsibilities of the most exacting nature and on the highest levels of trust. I believe that he would be eminently suitable to serve in executive posts in the Department of State, as for example, that of Under-Secretary for Economic Affairs. I am confident that, in such a capacity, he would reflect great credit on the incoming administration and on the nation.

Honorable Jimmy Carter

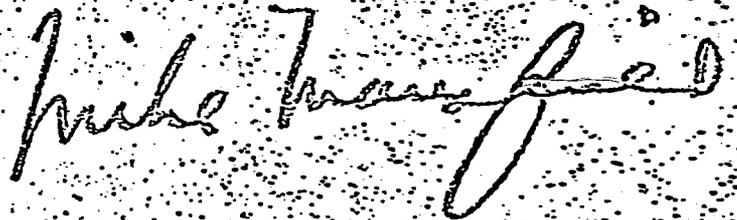
2

November 10, 1976

Enclosed herewith is a biographical sketch of Mr. Saltzman and a copy of a preliminary report which he recently prepared at my request in connection with his work as chairman of the Advisory Committee of the Commission on Supplies and Shortages. It affords some indication of his competence.

I commend Arnold Saltzman to your attention without reservation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mike Mansfield". The signature is written in dark ink and is positioned to the right of the typed word "Sincerely,".

Enclosures

Jimmy Carter
Plains, Georgia 31780

11-16-76

To Sen. Mike Mansfield

Thank you for your
recommendation of Arnold
Seltzman.

We will ask him to
help us with some of
our project work &
will consider very
carefully your high
opinion of him.

Thanks, again -

Jimmy

cc Eisenstat

K⁴

NAME Rep. John J. Rhodes

1107

TITLE House Minority Leader

CITY/STATE _____

Phone Number--Home () _____

Work () 225-0600

Other () 225-2635

Requested by Frank Moore ^{F.M.M.}

Date of Request March 7

INFORMATION (Continued on back if necessary)

You should call Congressman Rhodes as soon as possible today to ask him to put together a small group of his colleagues to meet with your economic advisers on Monday.

See background material attached.

NOTES: (Date of Call 3-8)

ok -

*Frank work it out with Clara
Posey*