**2/7/77 [2]**

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## WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

| FORM OF DOCUMENT | CORRESPONDENTS OR TITLE | DATE | RESTRICTION |
|---|---|---|---|
| note | w/attachments, 27 pp.<br>Re: Openness in government | 2/7/77 | C |
| note | Hutcheson to Watson, w/attachments, 9 pp.<br>Re: CSA | 2/7/77 | C |
| ~~note~~ | ~~Hutcheson to Fallows, w/attachments, 15 pp.~~<br>~~Re: Carter Speech book~~ OPEN 8/6/93 | ~~2/7/77~~ | ~~C~~ |
| note | Hutcheson to Brzezinski, w/attachments, 4 pp.<br>Re: SALT | 2/7/77 | A |
| note | ~~Hutcheson to Brzezinski, w/attachments, 5 pp.~~<br>~~Re: Foreign policy~~ OPENED 1/17/13 | ~~2/7/77~~ | A |
| note | Hutcheson to Blumenthal, w/attachments, 3 pp.<br>Re: Secret Service | 2/7/77 | A |
| note | Hutcheson to Schlesinger, w/attachments, 3 pp.<br>Re: Nuclear energy | 2/7/77 | A |
| minutes | ~~Cabinet meeting, 2/7/77, 9 pp.~~<br>OPENED 1/13/12 | ~~2/7/77~~ | A |
| ~~LETTER~~ WITHDRAWN | ~~ZARB TO CARTER, 8 pgs~~<br>OPENED 1/17/13 | 12/28/76 | |

FILE LOCATION

Carter Presidential Papers, Staff Offices, Office of Staff Secretary, Presidential Handwriting File, 2/7/77 [2] Box 6

RESTRICTION CODES

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(C) Closed in accordance with restrictions contained in the donor's deed of gift.

THE WHITE HOUSE
WASHINGTON

February 7, 1977

Jim Fallows -

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

Rick Hutcheson

re: Simon & Schuster Speech Book

THE WHITE HOUSE
WASHINGTON

Jim Talent:

THE WHITE HOUSE

WASHINGTON

February 7, 1977

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS JMF

SUBJECT: Simon & Schuster Speech Book

Michael Korda has sent down these sample pages, which show the type face and layout he plans to use for your book. They look all right to me, but I thought I should show them to you in case you had some unforeseen objection. There's no need to reply unless you see some problem.

Enclosures

cc.: JODY POWELL
(with copy of pages)

## *Law Day*

Carter's Law Day speech gained unexpected national attention when journalist Hunter Thompson happened to hear it—he was covering Senator Edward Kennedy, who also spoke at Law Day—and wrote a glowing article about it in *Rolling Stone*. Carter's remarks were intended for two more immediate audiences. First, he was letting the leaders of the Georgia bar know that he believed they could do far more than they had done to advance social justice in Georgia. Second, Carter's oldest son, Jack, was in the audience. Jack was in his third year in law school, and Carter feared that law school might narrow his horizons; thus, Carter's Law Day speech was in part an exhortation to his son to see his legal career not simply in terms of self-interest but in terms of public service.

. . . I'M NOT qualified to talk to you about law, because in addition to being a peanut farmer, I'm an engineer and a nuclear physicist, not a lawyer. I was planning, really, to talk to you more today about politics and the interrelationship of political affairs and law than about what I'm actually going to speak on. But after Senator Kennedy's delightful and very fine response to political questions during his speech, and after his analysis of the Watergate problems, I stopped at a room on the way, while he had his press conference, and I changed my speech notes.

My own interest in the criminal justice system is very deep and heartfelt. Not having studied law, I've had to learn the hard way. I read a lot and listen a lot. One of the sources for my understanding about the proper application of criminal



A GOVERNMENT AS GOOD AS ITS PEOPLE

Jimmy Carter

Simon and Schuster

February 2, 1977

---

Trim Size: 5½ x 8½
Page Size: 24 x 39½ including running head
Margins: 11/16″ inside and head
Text Type: 11 on 13 Caledonia, 35 lines to full text page
Interview Material: Text type, full measure. Speaker sets flush left in c&sc, colon, run-in.
Verse: Text type, line for line, center long line. 1 line space above and below
(B) Speech Description (at end of each speech): Text type ital c&lc, line for line, align right, 2 ems from right. No extra space above
Part Openings:
- New right page, backed blank
- Sink 2 picas
- Part Number: Friz Quadrata fig., 34 pts. high, center
- 36 pts. optical space
- Part Title: Friz Quadrata c&lc, 18 pt. cap height, center. Each word on a new line. 15 pts. optical space between lines
- 5 picas optical space
- Date: 18 Bulmer ital c&lc center

Speech Openings:
- New right following parts, balance new right or left pages
- Sink 2 picas
- (A) Speech Title: 14 on 15 Caledonia Bold ital c&lc flush left
- 45 pts space
- First para of text begins flush left with cap of font and balance of first 2 words in small caps

*(continued)*

Drop Folio: 9 Caledonia lining figs. center at foot. 8 pts. space above

Headnotes: 10 on 13 Caledonia, indent 2 ems left and right. Block style with no para indent. Position 15 pts. below Speech Title with 45 pts. space below to first line of text

Running Heads: 9 on 12 Caledonia ital c&lc center. Left—Book title: Right—Part title with slant between title and date. 6 pts. space below

Folios: 9 Caledonia lining figures flush outside in head

Long descenders  Lining figures  1 em para indents

Use 1-line space for breaks where indicated throughout text

*(Not Proofread)*

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*Submitted by*
DIX TYPESETTING CO. INC.
Syracuse, N.Y. 13201



chance, it is a matter of choice. Destiny is not a thing to be waited for, it is a thing to be achieved."

- That all Americans stand equal before the law;
- That we enjoy a right to pursue health, happiness, and prosperity in privacy and safety;
- That government be controlled by its citizens and not the other way around;
- That this country set a standard within the community of nations of courage, compassion, integrity, and dedication to basic human rights and freedoms.

In a democracy, no government can be stronger or wiser or more just than its people. The idealism of the college student, the compassion of a mother, the common sense of the businessman, the time and experience of a retired couple, and the vision of political leaders must all be harnessed to bring out the best in our state.

As I have said many times during the last few years, I am determined that at the end of this administration we shall be able to stand up anywhere in the world—in New York, California, or Florida—and say, "I'm a Georgian," and be proud of it.

I welcome the challenge and the opportunity of serving as Governor of our state during the next four years. I promise you my best. I ask you for your best.

*Inauguration Address*
*Atlanta, Georgia*
*January 12, 1971*

tion is over. Our people have already made this major and difficult decision, but we cannot underestimate the challenge of hundreds of minor decisions yet to be made. Our inherent human charity and our religious beliefs will be taxed to the limit.

MOYERS: Can you step back as the civilian Commander-in-Chief from this heavy influence of the military and of an admiral in your life?
CARTER: I can.
MOYERS: Can you?
CARTER: Yes, yes. There's no aspect of a militaristic inclination now on my part. I feel free of that completely. But the self-discipline has stuck with me. I have a constant drive just to do the best I can, and sometimes it's disconcerting to other people, but it's not an unpleasant thing for me. I don't feel that I've got to win. I feel a sense of equanimity about it. If I do my best and lose, I don't have any regrets.

> When they shall die
> Take them and cut them up in little stars
> And they shall make the heavens so fine
> That all the world will be in love with night.

Georgia is a state of great natural beauty and promise, but the quality of our natural surroundings is threatened because of avarice, selfishness, procrastination, and neglect. Change and development are necessary for the growth of our population and for the progress of our agricultural, recreational, and industrial life. Our challenge is to insure that such activities avoid destruction and derelication of our environment.

The responsibility for meeting this challenge is our own. As Governor, I will not shirk this responsibility.

In Georgia we are determined that the law shall be enforced. Peace officers must have our appreciation and com-

# 3

# Toward the Presidency

## *July–November 1976*

## *From Plains to Atlanta*

It is a long way from Plains to Atlanta. I started the trip four and a half years ago, and with a four-year detour, I finally made it. I thank you all for making it possible for me to be here on what is certainly the greatest day of my life. But now the election is over, and I realize that the test of a leader is not how well he campaigned but how effectively he meets the challenges and responsibilities of the office.

Our country was founded on the premise that government continually derives its power from independent and free men and women. If it is to survive, confident and courageous citizens must be willing to assume responsibility for the quality of our government at any particular time in history.

This is a time for truth and frankness. The next four years will not be easy ones. Thep roblems we face will not solve themselves. They demand the utmost in dedication and unselfishness from each of us. But this is also a time for greatness. Our people are determined to overcome the handicaps of the past and to meet the opportunities of the future with confidence and with courage.

Our people are our most precious possession and we cannot afford to waste the talents and abilities given by God to one single Georgian. Every adult illiterate, every school dropout, every untrained retarded child is an indictment of us all. Our state pays a terrible and continuing human and financial price for these failures. It is time to end this waste. If Switzerland and Israel and other people can eliminate illiteracy, then so can we.

The responsibility is our own, and as Governor . . . I will not shirk this responsibility.

At the end of a long campaign, I believe I know our people

THE WHITE HOUSE

WASHINGTON

**Date:** February 10, 1977

MEMORANDUM

**FOR ACTION:**
Jody Powell

**FOR INFORMATION:**

**FROM: Rick Hutcheson, Staff Secretary**

**SUBJECT:** Jim Fallows memo 2/7/77 re Simon and Schuster Book of Speeches.

**YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:**

**TIME:** 11:00 A.M.

**DAY:** Thursday

**DATE:** February 10, 1977

**ACTION REQUESTED:**

_X_ **Your comments**

**Other:**

**STAFF RESPONSE:**

____ **I concur.** ____ **No comment.**

***Please note other comments below:***

**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

Comments from Jody

cc.: JODY POWELL

THE WHITE HOUSE

WASHINGTON

February 12, 1977

MEMORANDUM

TO: Jim Fallows

cc: The President
Jody Powell

FROM: Bob Lipshutz

SUBJECT: Simon and Schuster Book of Speeches

Pursuant to the notation from the President on your memorandum of February 7, relative to the above matter, I am enclosing herewith for your information the following:

1. Copy of the corporate charter dated December 6, 1976, for "The Carter Foundation for Governmental Affairs, Inc.", which I trust you will find to be self-explanatory.

2. Copy of "assignment" of all rights in this proposed book, dated December 28, 1976.

3. Copy of publishing agreement between the Carter Foundation for Governmental Affairs, Inc., and Simon and Schuster, Inc., dated January 20, 1977.

As a matter of information, please be advised that the amount of $25,000 has been paid by Simon and Schuster, Inc., to the Foundation in accordance with the provisions of paragraph 9, sub-paragraph a(i) of the publishing agreement, and these funds have been deposited in accounts for saving certificates at the Fulton National Bank of Atlanta in the name of the Foundation.

THE WHITE HOUSE
WASHINGTON

2/7/77

Richard Harden -

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

**Rick Hutcheson**

re: Barber Shop

TO RICHARD HARDEN

THE WHITE HOUSE
WASHINGTON

2/7/77

To R. Harden

Explain the barber shop staffing / pay to me -

J

THE WHITE HOUSE
WASHINGTON

February 7, 1977

Jody Powell -

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

Rick Hutcheson

cc: Ham Jordan
Jack Watson

re: No Press in Cabinet Meetings

THE WHITE HOUSE
WASHINGTON

2/7/77

To Jody

No press in Cabinet meetings except on special occasions approved by me -

cc Hamm Jody

THE WHITE HOUSE
WASHINGTON

February 7, 1977

Frank Moore

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

Rick Hutcheson

P.S. See President's Note

Letters to the President from James D. Santini and Daniel Inouye

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

2/4/77

TO: The President

FROM: Frank Moore FM

Attached are two letters from today's Summary of Congressional Mail to The President that I thought you would want to see personally.

FRANK-
SEE PRESIDENT'S
NOTE

JIM SANTINI
NEVADA

WASHINGTON OFFICE:
1408 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
TELEPHONE: (202) 225-5965

DISTRICT OFFICES:
SUITE 4-620 FEDERAL BUILDING
300 LAS VEGAS BOULEVARD SOUTH
LAS VEGAS, NEVADA 89101
TELEPHONE: (702) 385-6575

SUITE 2024 FEDERAL BUILDING
300 BOOTH STREET
RENO, NEVADA 89502
TELEPHONE: (702) 784-5657

# Congress of the United States
## House of Representatives
### Washington, D.C. 20515

COMMITTEES:
INTERIOR AND INSULAR AFFAIRS
SUBCOMMITTEES:
WATER AND POWER RESOURCES
PUBLIC LANDS
MINES AND MINING

INTERSTATE AND
FOREIGN COMMERCE
SUBCOMMITTEES:
TRANSPORTATION AND COMMERCE
OVERSIGHT AND INVESTIGATIONS

SELECT COMMITTEE ON AGING

Frank-
Thank all of these.
J

January 28, 1977

FEB 04 1977
To President

President Jimmy Carter
The White House
Washington, D.C. 20500

Dear Mr. President:

You can plan on my support in your efforts to reorganize the executive branch. As you indicated in your January 12 letter, the only effective way to make the bureaucracy more efficient and responsive is to have the Congress and the President cooperate.

You'll have my cooperation.

Sincerely,

JAMES D. SANTINI
Member of Congress

JDS:bf

DANIEL K. INOUYE
HAWAII

THE PRESIDENT HAS SEEN.

# United States Senate

WASHINGTON, D.C. 20510

January 31, 1977

FEB 04 1977
The President

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

Dear Mr. President:

I wish to acknowledge receipt of your communication of January 12th expressing your interest in Congressional cooperation on matters affecting the reorganization of the Executive Branch of Government. I can appreciate your concern and I share your interest in steps to increase the effectiveness of our government.

Aloha,

DANIEL K. INOUYE
United States Senator

DKI:bhm

THE WHITE HOUSE
WASHINGTON

February 7, 1977

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

Charles Schultze
Bert Lance
Jack Watson

Rick Hutcheson

Attachment: Schultze/Lance memo re Reconciling Interagency Conflicts over Farm Program Desicions.

THE WHITE HOUSE

WASHINGTON

February 1, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: JACK WATSON Jack

SUBJECT: MEMORANDUM FROM CHARLIE SCHULTZE AND BERT LANCE

The attached memorandum to you from Charlie Schultze and Bert Lance recommends continuation of a requirement that the Department of Agriculture submit program recommendations to OMB and CEA at least ten days in advance of announcement, so that their budgetary and economic consequences can be properly examined.

Both Charlie Schultze and I have discussed the matter with Bob Bergland and he fully concurs in the recommendation.

I recommend you sign the attached memorandum for the Secretary of Agriculture.

Attachment

cc to
Schultz
Laurel
Watson

~~orig to~~
memo to Berglund
Tom Bob Linder

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

January 28, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: CHARLIE SCHULTZE AND BERT LANCE

SUBJECT: Reconciling Interagency Conflicts over Farm Program Decisions

Although much farm program legislation is deliberately written to limit the discretionary power of the Secretary of Agriculture (and of the President), there is still enough leeway provided so that the range of possible program decisions open to the Secretary vary widely in their budget impact and in their consequences on consumer prices and our international trade.

Such program decisions include:

Acreage allotments, set asides, and marketing quotas.
Commodity loan (price support) levels and loan terms.
CCC short-term export credit volume.
Release terms for items in CCC inventory.

Because of the potential effect of these decisions on the budget and on the economy, recent Presidents, starting with Kennedy, have required USDA to submit program recommendations to OMB and CEA at least ten days in advance of announcement, so that their budgetary consequences and possible economic repercussions can be examined and aired by concerned agencies. Significant issues which cannot be resolved at this stage are presented to the President for resolution.

This method of coordinating Administration policy is extremely valuable in preventing budgetary and political surprises and we strongly urge that it be continued. We have talked to Bob Bergland and he agrees. We suggest the attached Presidential letter as a way to establish the procedure.

AMERICAN REVOLUTION BICENTENNIAL

THE WHITE HOUSE

WASHINGTON

January 31, 1977

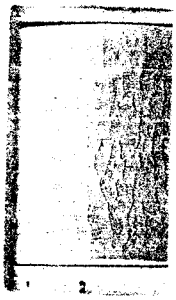
MEMORANDUM FOR

THE SECRETARY OF AGRICULTURE

Since the early 1960's there has been a close working relationship among the Department of Agriculture, Council of Economic Advisers, and the Office of Management and Budget, and their respective staffs of economists and commodity program analysts. This coordination and cooperation in the areas of major commodity and farm program proposals which may have significant economic, budgetary and fiscal impact, has been most helpful in promoting a more orderly decision-making process.

In order to continue this relationship, I ask that you counsel and advise with both the Council of Economic Advisers and the Office of Management and Budget at least ten days in advance of any major program or price announcement. I understand that you and the CEA Chairman have discussed this matter and agreed that this would be a desirable method of procedure.

Jimmy Carter



THE WHITE HOUSE
WASHINGTON

February 7, 1977

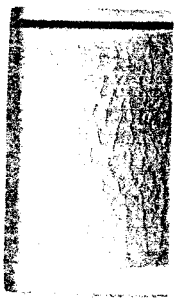
Bert Lance -

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

Rick Hutcheson

cc: Tim Kraft

Re: Lance meeting with Admiral Rickover



Tim
Lance

THE WHITE HOUSE
WASHINGTON

2/7/77

Bert -

Call Rickover to have lunch or meeting with him re savings & better organization.

J

THE WHITE HOUSE
WASHINGTON

February 7, 1977

Tim Kraft -

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

Rick Hutcheson

cc: The Vice President
Ham Jordan
Jody Powell

Re: Meeting with Consumer Leaders

Tim
Ham
Jody
VP

THE WHITE HOUSE
WASHINGTON

2/7/77

To Tim -

Arrange for my meeting with Consumer leaders - Get list of not more than 8 from Carol Foreman -

30 - 45 minutes -

J

THE WHITE HOUSE
WASHINGTON

February 7, 1977

Ham Jordan -

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

Rick Hutcheson

Defense Contract Negotiation Board appointments

THE WHITE HOUSE
WASHINGTON

2/7/77

Ham -

Let me have
Status of Defense
Contract Negotiation
Board appointments -

J

THE WHITE HOUSE
WASHINGTON

February 7, 1977

Jody Powell -

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

Rick Hutcheson

Re: L.A. Times Story on Admiral Rickover

THE WHITE HOUSE
WASHINGTON

Jody

MEMORANDUM THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

Jody
Love
J

January 31, 1977

TO : The President

FROM: Jody Powell JP

RE : L.A. Times Story on Admiral Rickover

Rudy Abramson of the Los Angeles Times is doing a major story on Admiral Rickover. You may remember that you talked with Rudy about Admiral Rickover when you visited the L. A. Times Bureau in 1975. He says that at the time you suggested he do a book or some major piece on Rickover and offered your assistance. He would now like to talk with you briefly just to get a few quotes for his piece.

I recommend that you give Rudy a call by phone and give him a few quotes. He can be reached at the L. A. Times Bureau at 296-1440. He needs this by sometime this week, preferably by Wednesday.

JLP:cs

" More influence"
" Assured peace
" 20 x 4 = 80
" Navy reorganize itself

THE WHITE HOUSE
WASHINGTON

February 7, 1977

David Rubenstein -

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

Rick Hutcheson

Disaster Decision for New Jersey

—

log out

hand-carry
to David
Rubenstein

Stu -
Distinguish between
N.J. & Penn. for
me -
J.C.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: Stu Eizenstat Stu

SUBJECT: Disaster Decision for New Jersey

Governor Byrne has requested a major disaster declaration because freezing on the Delaware Bay and its tributaries has resulted in economic injury to New Jersey residents engaging in seafood and related industries. These frozen conditions are expected to continue into March.

The recommended relief will be quite similar to that provided to the fishermen thrown out of work by the frozen conditions of the Chesapeake Bay. It will provide disaster emergency assistance, which FDAA estimates will cost between $2.2 and $3.2 million for 2,725 persons over a ten-week period. It will also trigger the disaster loan programs under the Small Business Administration and the Farmers Home Administration.

However, the aid will not go for the restoration of public property, which, at this time, appears to be within the capability of the state and local governments.

I concur in the recommendation for the major disaster decision. There is a letter drafted for your signature.

As with the other decision, I recommend that Frank Moore and Jack Watson be apprised of the decision which you do make prior to the time it is made public through the press office so that they may contact the appropriate Congressional and state officials.

THE WHITE HOUSE
WASHINGTON

February 7, 1977

Jack Watson -

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

Rick Hutcheson

cc: The Vice President
Ham Jordan
Tim Kraft

re: National Governors Conference
Mid Winter Meeting

cc
Jack
Ham
VP
Tim Kraft

THE WHITE HOUSE
WASHINGTON

Mr. President:

Hamilton concurs with Jack.

Rick

THE PRESIDENT HAS SEEN.

Jack J

THE WHITE HOUSE

WASHINGTON

February 4, 1977

MEMORANDUM TO: THE PRESIDENT

FROM: JACK WATSON

RE: NATIONAL GOVERNORS' CONFERENCE -- MID-WINTER MEETING

The attached memorandum to me from Bruce Kirschenbaum contains three recommendations and is self-explanatory. The most important recommendation is that you and the entire Cabinet meet with all 50 Governors at the White House on Monday afternoon, February 28th to discuss budget, government reorganization, energy and other intergovernmental concerns. Lyndon Johnson had such a meeting with the Governors and it has not been done since.

OK

There are few things you could do which would more illustrate your and the Cabinet's partnership with the Governors; I strongly recommend that you do it.

There is traditionally a State Dinner on Tuesday night for the 50 Governors. If you have no objection, I shall contact Fran and the White House Social Office regarding arrangements for that affair.

OK

Attachments

THE WHITE HOUSE

WASHINGTON

February 2, 1977

MEMORANDUM FOR: JACK WATSON

FROM: BRUCE KIRSCHENBAUM

SUBJECT: National Governors Conference Midwinter Meeting, February 27 (Sunday) to March 1 (Tuesday)

We have received requests from Steve Farber at the Governors Conference for the President and Cabinet to take part in the Midwinter Meeting. The following items have been requested for either the President and/or the full Cabinet.

1. Sunday, February 27. Dedication of the Hall of States. This is a new office building near Capitol Hill where the Governors Conference, the Conference of State Legislatures and various state offices are located. Farber suggests that President Carter might want to attend.

   RECOMMENDATION

   Secretary of Interior Andrus will be there anyway and I recommend that the President not attend this dedication, but ask Andrus to be his personal representative.

   agree

2. Cabinet participation in the Governors Conferences Committee Meetings. The schedule as indicated by Steve Farber has various committee meetings Monday and Tuesday, and they would like appropriate Cabinet members to attend.

   RECOMMENDATION

   I recommend that the Secretaries of the Cabinet not attend these standing committees and rather send lower officials. The reason is because of the final recommendation in number 3, below.

3. That the full Cabinet meet with the President and all 50 Governors for Monday afternoon. Farber indicates that Lyndon Johnson did this where the entire Cabinet meets with all 50 Governors under the direction of the President. Although this might seem cumbersome at first glance, it has its positive merits.

RECOMMENDATION

I recommend that on Monday, February 28th, the President and the entire Cabinet meet with all 50 Governors to cover the following subjects: ok

a) Presentation and discussion by Lance and OMB officials on the President's '78 (S-'77 Supplemental) budget.

b) Presentation and discussion by Lance and OMB officials on reorganization.

c) Presentation and discussion by Schlesinger on energy policies.

d) A general discussion on intergovernmental concerns.

Work out subjects directly with Askew - Submit to me for approval.

4. State dinner Tuesday night for the 50 Governors. Farber indicates that this is an annual dinner the President holds for all 50 Governors. My information is that it is held each year. The development of this function would naturally be carried out by the White House Social Office, including the selection of other guests to attend.

ok

The Governors Conference would like an answer as soon as possible on these matters since there is less than four weeks left and there is considerable work left to do.

Keep down to Gov/spouse plus list you prepare for me to approve.

THE WHITE HOUSE

WASHINGTON

ACTION MEMORANDUM

LOG NO.:

Date: February 4, 1977

Time: 2/7 (Jacks)

FOR ACTION:
Tim Kraft
Jody Powell
Midge Costanza
Hamilton Jordan

cc (for information): FYI
Bob Lipshutz
Frank Moore

FOR THE STAFF SECRETARY

DUE: Date: Saturday, February 5, 1977 Time: 3:00 P.M.

SUBJECT:

Jack Watson memo 2/4/77 re
National Governors' Conference --
Mid-Winter Meeting.

ACTION REQUESTED:

____ For Necessary Action

____ Prepare Agenda and Brief

__X__ For Your Comments

__X__ For Your Recommendations

____ Draft Reply

____ Draft Remarks

REMARKS: I would support Jack Watson's recomendations as outlined.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

RICK HUTCHESON
STAFF SECRETARY

THE WHITE HOUSE
WASHINGTON

February 7, 1977

David Rubenstein -

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Rick Hutcheson

Disaster Decision for New Jersey

—

log out

hand-carry

to David

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J.C.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: Stu Eizenstat Stu

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THE WHITE HOUSE
WASHINGTON

February 7, 1977

Bunny Mitchell -

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

Rick Hutcheson

cc: Ham Jordan
Jack Watson

Meeting with Black Elected Officials

Bunny

Ham

Jack

THE PRESIDENT HAS SEEN.

ok proceed J

THE WHITE HOUSE

WASHINGTON

February 4, 1977

P.S. Don't hesitate to send/bring proposals to me - (or criticisms) J

MEMORANDUM FOR: THE PRESIDENT

FROM: BUNNY MITCHELL

SUBJECT: Meeting with Black Elected Officials - February 4.

Thank you for meeting with the group of black elected officials this morning. They left on a very positive note and are willing to assist in every way to make your Administration the best ever. Follow-up notes from each will probably reach you very soon.

In response to several concerns addressed today, I would like to do the following:

1. Based on a list of twenty sub-Cabinet positions that would be filled by blacks, recruit three or more qualified candidates for each position. This project would be completed in 30 days (Hamilton and I could work out details).

2. Arrange for black officials to meet with Ray Marshall and Pat Harris on key employment and housing concerns. (Stu, Jack and I will consult on this one.)

I appreciate your personal support and await your decision.

THE WHITE HOUSE
WASHINGTON

February 7, 1977

Jack Watson -

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling. (with Secretary Blumenthal).

Rick Hutcheson

cc: Frank Moore
Stu Eizenstat
Charles Schultze

Re; Chairman Ullman's Views on the Stimulus Package

THE WHITE HOUSE
WASHINGTON

cc Frank
Watson → Blumenthal
stu
Schultze

THE PRESIDENT HAS SEEN.

ok
J

THE SECRETARY OF THE TREASURY
WASHINGTON 20220

February 3, 1977

MEMORANDUM TO THE PRESIDENT

SUBJECT: Chairman Ullman's Views on the Stimulus Package

I have had a long discussion with Al Ullman on the stimulus package from which I conclude as follows:

1) He and his Committee will support and approve the rebate, although a cut off of recipients above probably $30,000 per year is likely. The Committee also will approve the tax simplification proposal. ok

2) He will help keep the overall dimensions of ok the package to the limits we have set.

3) He is dead set on substituting his incremental employment tax credit proposal for our business tax reduction alternatives. We will have our work cut out for ourselves to get him off this. While it makes no economic sense at all, it clearly sounds superficially plausible and has broad political appeal to many House members.

I doubt whether the Senate is likely to be as enthusiastic for Ullman's proposal as the House.

RECOMMENDATION: We should state our opposition to Ullman's proposal clearly, but in a relatively low key way. If we lose in the House, there is still a very good chance that his proposal will be knocked out in the Senate or fail in conference.

I shall keep working on this and keep you advised.

Mike

W. M. Blumenthal

THE WHITE HOUSE

WASHINGTON

ACTION MEMORANDUM

LOG NO.:

Date: February 4, 1977

Time:

FOR ACTION:
Charles Schultze
Bert Lance
Frank Moore
Stu Eizenstat

cc (for information):

FROM THE STAFF SECRETARY

DUE: Date: Monday, February 7, 1977 Time: 10:00 A.M.

SUBJECT: W.M. Blumenthal memo to the President 2/3/77 re Chairman Ullman's Views on the Stimulus Package.

ACTION REQUESTED:

___ For Necessary Action

___ Prepare Agenda and Brief

X For Your Comments

X For Your Recommendations

___ Draft Reply

___ Draft Remarks

REMARKS:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately.

RICK HUTCHESON
STAFF SECRETARY

THE WHITE HOUSE

WASHINGTON

February 4, 1977

MEMORANDUM TO: THE PRESIDENT

FROM: JACK WATSON

RE: Memoranda from Mike Blumenthal

The attached memoranda from Mike Blumenthal are forwarded for your information.

One responds to your suggestion of opening Cabinet meetings to the press and recommends against doing so for the reasons stated.

The second reports on Mike's conversation with Al Ullman on the Stimulus Package. Charles Schultze and Bert Lance concur in Mike's recommendation regarding opposition to Ullman's proposal.

Attachments

THE SECRETARY OF THE TREASURY
WASHINGTON 20220

February 3, 1977

MEMORANDUM TO THE PRESIDENT

SUBJECT: Open Cabinet Meetings

I have carefully thought about the advantages and disadvantages of opening Cabinet meetings to the press. I recommend against doing so.

I do recognize the advantage, in terms of providing information to the American people and in dramatizing your commitment to open government. This is most important, and I am an enthusiastic supporter of your leadership in bringing this about. There are so many ways in which this is now being done and many more which you will be able to institute. However, including open Cabinet meetings in this effort would risk and cost a great deal more than is gained:

1) Cabinet meetings would cease to be an opportunity for frank, open discussion of anything at all sensitive, controversial or as yet unresolved. This is a serious loss.

2) The press would soon recognize that such sessions are not the place where any serious business is being done. They would accuse the administration of engaging in PR gimmicks.

3) While the press would complain about the nature of the open meetings, it would not be easy to discontinue them. Once begun therefore, these meetings would quickly become a source of irritation that would be difficult to eliminate.

RECOMMENDATION:

1) That you not open Cabinet meetings to the press as a regular matter, thus retaining the value of such meetings for open and frank discussion between the Cabinet and yourself.

2) That the press be invited to witness a particular discussion amongst the Cabinet, from time to time. This would be clearly billed as an effort to communicate to the American people a sense of how we feel and what we're doing. It should be an occasional practice handled so as to make clear the distinction between a regular Cabinet meeting, and an open discussion of a particular matter by the Cabinet with the press on hand.

Mike

W. M. Blumenthal

THE SECRETARY OF THE TREASURY
WASHINGTON 20220

February 3, 1977

MEMORANDUM TO THE PRESIDENT

SUBJECT: Chairman Ullman's Views on the Stimulus Package

I have had a long discussion with Al Ullman on the stimulus package from which I conclude as follows:

1) He and his Committee will support and approve the rebate, although a cut off of recipients above probably $30,000 per year is likely. The Committee also will approve the tax simplification proposal.

2) He will help keep the overall dimensions of the package to the limits we have set.

3) He is dead set on substituting his incremental employment tax credit proposal for our business tax reduction alternatives. We will have our work cut out for ourselves to get him off this. While it makes no economic sense at all, it clearly sounds superficially plausible and has broad political appeal to many House members.

I doubt whether the Senate is likely to be as enthusiastic for Ullman's proposal as the House.

RECOMMENDATION: We should state our opposition to Ullman's proposal clearly, but in a relatively low key way. If we lose in the House, there is still a very good chance that his proposal will be knocked out in the Senate or fail in conference.

I shall keep working on this and keep you advised.

Mike

W. M. Blumenthal

THE WHITE HOUSE
WASHINGTON

February 7, 1977

Frank Moore -

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

Rick Hutcheson

Re: Weekly Legislative Report

Frank

Frank -
Good report
J

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

February 5, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: FRANK MOORE FM

SUBJECT: Weekly Legislative Report

MAJOR LEGISLATION

1. ECONOMIC STIMULUS PACKAGE

House

-- In action on the Third Concurrent Resolution on the FY 1977 Budget, the Budget Committee approved the $13.8 BILLION figure requested on the tax side of the package, but added $1.65 BILLION to our $1.8 BILLION request on the spending side. The add-on includes about $200 million for counter-cyclical revenue sharing spending, $300 million for accelerated public works, $300 million for employment and training programs, and $850 million for programs not included in our package such as environmental construction, highway and railroad construction, and senior citizens employment. On the spending side, the Senate will probably hold the line on our request, with the net result a congressional add-on half way between the two, or about $800 million.

-- The Ways and Means Committee will deal with the tax side of the package, but it must stay within the $13.8 BILLION figure approved by the Budget Committee. The Ways and Means Committee will probably evolve some formula for tying the business incentives in the package more directly to business creation of jobs, as proposed by Rep. Mikva (the approach has the support of Chairman Ullman and many of the Committee's Republicans). Those tax components relating to individuals will probably not be greatly changed, except for the possibility that the rebate could be denied for high-income persons and increased for those in the middle and lower brackets.

OK
E me

Senate

-- The Senate Budget Committee completed hearings on Friday, February 4, and will mark up the Third Concurrent Resolution on Tuesday, February 8. An accurate appraisal of our position will be impossible until late Monday, but we do know we will have a close call on the tax component of the package. The six Republicans do not like the $50 rebate, preferring a permanent

MAJOR LEGISLATION (Cont'd)

reduction instead. Sen. Hollings has expressed dislike for the rebate and Sen. Nunn is also probably leaning the wrong way. Senators Chiles and Biden are other possible losses. Calls from the Secretary of the Treasury might be necessary.

-- On the spending side, the outlook is much brighter with no serious effort to increase spending for jobs having materialized as yet.

2. REORGANIZATION

House

-- Our bill was sent up Friday, February 4; it is currently in the hands of the Speaker. Chairman Brooks has refused to sponsor our bill (even as a courtesy); he will introduce his own measure. The decision on sponsorship of our bill will be made with the Speaker on Monday. Our current plan is to have Rep. Levitas sponsor the measure -- both because he is thoroughly knowledgable on the subject, and because the choice would be understood and accepted by more senior members of the Government Operations Committee.

-- Chairman Brooks will probably not hold hearings on our bill, and may even put Consumer Protection Agency legislation ahead of his own reorganization bill. Our options in the House are varied, and include the following:

* If Chairman Brooks holds hearings on his bill, we can go the amendment/substitute route at the subcommittee level, the full committee level, and on the Floor if we fail in committee.

* If Chairman Brooks refuses to hold hearings on any reorganization legislation, we can either stir things up in the Democratic Caucus against a recalcitrant chairman, or employ a bi-partisan discharge petition to bypass the committee and get the bill directly to the floor.

-- The situation is still unclear in terms of votes, at all levels of the legislative process. In the 11-person Legislation and National Security Subcommittee, we have the three Republicans and need three of the following six Democrats for a majority: Reps. Fascell, Moorhead, Moss, Fuqua, Harrington, or Conyers (Rep. Rosenthal probably will stick with the Chairman). These subcommittee members are fairly senior and in many cases very

MAJOR LEGISLATION (Cont'd)

independent; none can be conceded now as solid Brooks supporters. In the full committee, if we can count on the 14 Republicans and Rep. Levitas, we need only seven more Democrats for a 22-21 majority. Three committee Democrats are on record in support (in reply to your January 12 letter): Reps. Jordan, Fithian, and Kostmayer. The four additional votes could come from members or the Legislation and National Security Subcommittee, above, or from Reps. St. Germain, Cardiss Collins, Preyer, Drinan, English, David Evans, Moffett, Maguire, Aspin, Hightower, Jenrette or Blouin. Rep. Aspin today indicated he was with us.

Let Bert & Fritz get involved -

Senate

-- Sen. Abe Ribicoff, Chairman of the Government Operations Committee, introduced the Administration's reorganization bill on Friday, February 4. Hearings by Ribicoff's committee begin on Tuesday, February 8. Most committee members seem to be taking a wait-and-see attitude regarding the President's and Congress' role. We will know more as the hearings move along.

OTHER ACTIVITIES

1. WARNKE NOMINATION

Senate

-- The Warnke nomination will be hard fought. Sen. Cranston is carrying the ball for us in the Senate and Warnke's supporters have blunted the initial Jackson/Nunn thrust. Editorials supporting Warnke and condemning the unsigned memorandum circulated against him have contributed substantially.

-- Senate Foreign Relations Committee hearings are expected to begin soon. Members of the Armed Services Committee who wish to quiz Warnke have been invited to participate in the Foreign Relations hearing. Sen. Stennis intends to let the Foreign Relations Committee hearings go forward, but may ask for a re-referral of the nomination to Armed Services when it is reported. At this point, however, such a request by Sen. Stennis is unlikely.

-- Sen. Byrd has told Sen. Cranston that he is undecided on the nomination and will remain neutral.

House

-- Rep. Stratton, a senior member of the Armed Services Committee, attacked the Warnke nomination on the Floor on February 2; Reps. Downey (Armed Services) and Moffett responded to the attack. Reps. Aspin, Bingham, and Seiberling are coordinating pro-Warnke activity in the House. Rep. Zablocki has

OTHER ACTIVITES (Cont'd)

indicated his strong support for the nomination; statements of support are being solicited from Armed Services Chairman Price and ranking majority member Bennett. We have asked that pro-Warnke activity in the House be kept low-key, and have encouraged Members to contact the Senators from their state on Warnke's behalf.

2. BYRD AMENDMENT REPEAL (Rhodesian Chrome)

House

-- Supporters of repeal of the Byrd Amendment are pushing for rapid action in order that the new U.S. position in support of U.N. sanctions be evident as soon as possible. Although the political complexion of the House on this issue remains unchanged from the 94th Congress, switches to support of repeal by key members such as Rep. Dent and Chairman Zablocki markedly improve its chances (although a strong and overt White House lobby effort will still be necessary). Chairman Zablocki has suggested that the repealer be attached to a piece of Administration legislation (rather than having it come from the Congress) in order to make our commitment completely clear; this approach is currently under study by the State Department.

Senate

-- Hearings on a repeal bill have been scheduled for February 9 and 10 by the African Affairs Subcommittee of the Foreign Relations Committee, chaired by Sen. Clark. At present, the votes are probably not there to break the expected filibusted on the floor against repeal legislation.

FLOOR ACTIVITIES FOR WEEK OF FEBRUARY 7

House

Monday --House convenes at noon. H. Joint Res. 227, allowing $6.4 million in urgent supplemental appropriations for the Department of Interior, Southwestern Power Administration (which needs to purchase power for its area, now suffering from drought), is scheduled for action. No amendments were noticed as of close of business, Friday, February 4. Chairman Mahon will be the floor manager.

Tuesday --House convenes at noon. H. Res. 583, extending Armed Forces enlistment bonus authority to Sept. 30, 1978,

FLOOR ACTIVITIES FOR WEEK OF FEBRUARY 7 (Cont'd)

is scheduled for action under suspension of rules (two-thirds vote and no amendments allowed). The Armed Services Committee is expected to consider later this year legislation granting permanent authority for enlistment bonuses (up to $3,000 for enlistment bonuses and up to $15,000 for re-enlistment bonuses).

Wednesday-- House convenes at 11:00 AM.
-- H. Res. 235, empowering the Committee on Standards of Official Conduct to conduct the South Korean bribery investigation, subject to a rule being granted on Tuesday.

-- H.R. 692, Small Business Act Amendments, increasing SBA's authority to authorize loans and to guarantee surety bonds. Because SBA has nearly exhausted its loan authority for FY 1977, the House passed H.R. 2647 on Feb. 1, 1977, increasing SBA loan authority for the balance of this fiscal year. This bill (H.R. 692) deals with FY 1977 as well as FY 1978 and FY 1979 and will supercede the bill passed last week. Members of the Small Business Committee will offer an amendment to increase the amounts for surety bond guarantees and the amount that SBA is authorized to guarantee in economic injury loans, above the provisions of the bill.

-- H. Res. 111, re-establishing a Select Committee on Professional Sports to conduct an inquiry into the need for legislation covering the professional sports industry. The bill will be managed by Rep. Sisk, a member of the Rules Committee. No amendments have been noticed.

-- The House will be in recess for the winter district work period from the close of business on Wednesday, Feb. 9, to noon, Wed., Feb. 16.

Senate

-- The Senate will convene at 2:00 PM on Monday, February 7. On Monday, the Senate has scheduled action on urgent supplemental appropriations for the Southwestern Power Administration, depending upon House passage of the bill.

-- It is anticipated there will be Senate sessions through Friday. Upon completion of action by both parties on committee assignments, committee resolutions will be brought up, probably on Thursday or Friday. Additional items pending on the Senate calendar follow:

FLOOR ACTIVITIES FOR WEEK OF FEBRUARY 7 (Cont'd)

-- S. 243, Small Business Act Amendments.

-- S. 521, authorizing $4.5 million for Kennedy Center repairs.

-- H.R. 2647, increasing Small Business Administration loan authority for the balance of this fiscal year.

THE WHITE HOUSE
WASHINGTON

February 7, 1977

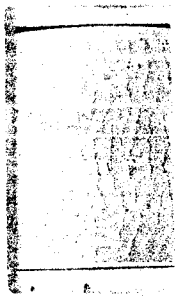
Z. Brzezinski -

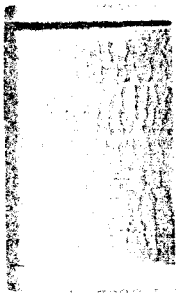
The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

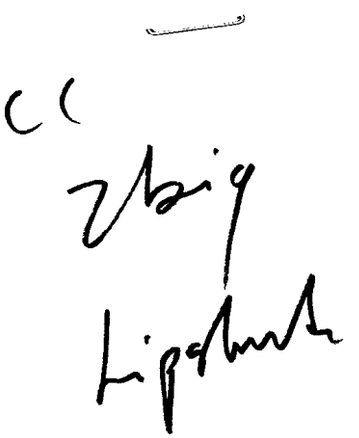
Bob Lipshutz

Re: United States Treaty Making Process





Original to ZB



DEPARTMENT OF STATE

BRIEFING MEMORANDUM

S/S

February 3, 1977

TO: The Secretary

FROM: L - George H. Aldrich, Acting GHA

United States Treaty Making Process

The negotiation of treaties which must be submitted to the Senate for advice and consent to ratification is, like the negotiation of all other international agreements entered into by the United States, controlled by the Secretary of State and governed by Department of State regulations, known as the Circular 175 Procedure, set forth in 11 FAM 700. This procedure, which assures proper staffing, legal scrutiny and high level approval, is applicable from the onset of negotiations to the signature of the treaty or agreement.

Authority to sign a treaty is attested by a document entitled "Full Power" (prepared by the Department of State), which may be signed either by the President or by the Secretary of State. In recent years Full Powers have usually been signed by the Secretary of State. No Full Power is needed for signature of a treaty by the President or the Secretary. All other persons require a Full Power in order to sign. Any person, whether or not an officer or employee of the Government, may be so authorized by a Full Power.

After a treaty is signed it is formally transmitted by the Department of State to the President, with a Department report to the President providing a detailed explanation and analysis of the treaty. If the President deems it appropriate to do so, he will submit the treaty to the Senate,

Drafted: L/T:AWRovine; L:GHAldrich:be
x21074 x28460

THE WHITE HOUSE
WASHINGTON

February 7, 1977

Z. Brzezinski -

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

Rick Hutcheson

re: Article by Admiral Stansfield Turner re: THE NAVAL BALANCE NOT JUST A NUMBERS GAME

original to ZB

THE WHITE HOUSE
WASHINGTON

ce 269

To 3b/7
Cy -
Good article
J

*Admiral Stansfield Turner*

# THE NAVAL BALANCE: NOT JUST A NUMBERS GAME

Comparisons of the seagoing armed forces of the Soviet Union and the United States are much in the news nowadays, and they are much in what happens behind the news. When our Secretary of State visits Moscow, or shuttles between capitals in Africa or the Middle East, he doubtless does not dwell on specific comparisons of military forces in his political talks, but the armed strength of our nation resonates in his words. Foreign policy transcends military capability, yet that capability tends to limit choices. Great wasteful wars have broken out in our century partly because of misperceived comparisons of armed forces. And war is as often a collapse as it is a continuation of foreign policy.

In offering a professional appraisal of the process of measuring the naval balance and of the relative present strengths of the two navies, I can give no answer either wholly comforting or wholly alarming to the usual, brusque question, "Let's get down to brass tacks. Who's ahead, Admiral?" My general tenor will be, rather, to focus on two questions addressed to people who think seriously about foreign policy: "What do you mean by 'ahead'?" and "How far 'ahead' will suit you, for foreign policy purposes?"

The argument from the facts will tend this way: that as a seagoing power, we are moving into a shrinking range of political options, and a higher level of risk. For this there are two reasons: a major industrial power, the Soviet Union, is building up a navy with dogged determination, reacting to its perception of a threat from our once-overwhelming armed superiority at sea; and meantime there is growing competition at home for military expenditures, especially when there are so many social demands on our national resources. This article will attempt to define our present capabilities for performing the various missions of a sea force in the light of these two crisscrossing trends. Clearing away misconceptions will be much of the task, and will enable us to focus on what really matters in naval

---

Stansfield Turner, Admiral, United States Navy, is Commander in Chief, Allied Forces Southern Europe. A Rhodes Scholar, he has directed the Systems Analysis Division of the Chief of Naval Operations, commanded the U.S. Second Fleet, and served as President of the Naval War College.

THE WHITE HOUSE

WASHINGTON

File

February 5, 1977

MEMORANDUM TO: THE PRESIDENT

FROM: JACK WATSON

RE: POSSIBLE AGENDA ITEMS FOR CABINET MEETING MONDAY, FEBRUARY 7, 1977

1. Welcome Vice President Mondale home.

2. Discussion of press at Cabinet meetings.

3. Status report on clearance of top level Sub-Cabinet appointees.

Conflict
Stan Turner
Eckard

4. Comments on most recent major disaster declarations (New York, New Jersey); emergency assistance declarations for Michigan, Indiana and Ohio.

5. Comments on your meeting with Dobrynin.

6. Comments on your schedule for this week (e.g., planned visit to Departments of Labor and Commerce on Wednesday and Treasury and HUD on Thursday).

7. Comments on developments regarding the stimulus package; comments on Administration efforts in support of Executive Reorganization Bill.

8. Request for status report on 90-day appointments of campaign and transition staff.

9. Discussion of coordinating overall Administration policy and legislative programs for the next three months.

10. Report of the Vice President on his trip.

11. Reports from Cabinet members and senior advisers.

THE WHITE HOUSE
WASHINGTON

THE WHITE HOUSE
WASHINGTON

Diplomat sec comm
FBI/~~Faith~~ " "
Treaties/Covenants - ratification
Commission abolish
Nat gas - shortage?
Travel Vietnam → Brooklyn
foreign aid - human rights
Linkage?
LWTDR/Thorium
Emission standards
Reorganization - Talk show
Regulations - read & sign
Gov conference
Energy - Rick/Byrd
energy/welfare/tax procedures
→ family
Camm

sent 1/21/77

Schlesinger

J

FEDERAL ENERGY ADMINISTRATION
WASHINGTON, D.C. 20461

OFFICE OF THE ADMINISTRATOR

December 28, 1976

~~CONFIDENTIAL~~

Honorable Jimmy Carter
President-Elect of the United States
Carter-Mondale Transition Group
P. O. Box 2600
Washington, D.C. 20013

Dear President-Elect Carter:

Thank you for your letter of December 10. I look forward to hearing from Fran Voorde so that we can set a time to meet.

In light of the recent OPEC actions and accompanying euphoria in the press I thought it would be useful for you to see a more sober analysis prepared by FEA.

There are a great many uncertainties, not the least of which is identifying the real objectives and plans by Saudi Arabia. There has been absolutely no confirmation of the Saudi's willingness to substantially increase production to force a 5% increase, rather than a 10% increase in crude prices. The only fact which is known for certain is that we are going to have a minimum of 5% increase and probably something more. Although 5% sounds like a low number it will add $1.7 billion to the U.S. annual oil importation bill.

The attached analysis is preliminary. I plan to continue to update it and make it available to you and your advisers right up to the date I leave office.

Best wishes.

Sincerely,

Frank G. Zarb
Administrator

Enclosure

DECLASSIFIED
Per: Rac Project
ESDN: NLC-126-6-13-1-0
BY 2 NARA, DATE 12/14/12

# THOUGHTS ON OPEC DECISON

(What follows are preliminary thoughts on the Doha OPEC pricing decisons. FEA is pursuing a more systematic analysis of the implications and likely market outcome.)

## Summary

Saudi Arabia (and the UAE) may have done the United States no real favor in spite of an apparent $0.60 per barrel discount on 9 to 11 million barrels daily:

° there is no certainty that the market can respond quickly enough to take advantage of the economic incentive.

° the United States is called upon to respond immediately and positively in the Middle East and in CIEC.

° even a five percent increase in world oil prices creates a significant incremental burden on an already strained world economy.

## World Oil Market Scenario

There are a number of factors that need to be analyzed in an assessment of the oil market over the next six months:

°the physical capability of Saudi Arabia to increase its production by more than 2 MMB/D.

DECLASSIFIED
Per; Rac Project
ESDN; NLC-126-6-13-1-6
BY NARA, DATE 12/14/12

° the political commitment to do so (Yamani already seems to have backed away somewhat from his Doha statement.)

° the quality limitations of Saudi crude in displacing the eleven "other" OPEC countries' production.

° the contractual and other constraints operating on potential buyers of incremental Saudi crude oils.

° the disposition of the excess inventories held by the oil industry in anticipation of the price increase.

° the willingness of the eleven "other" OPEC nations to "share" prices to avoid losing or recapture volumes.

° the behavior of the industry in anticipation of the announced July 1st further 5 percent increase, and the curiously timed July 19th next OPEC Ministers meeting.

Given the uncertainties surrounding the above factors, the following may represent a likely scenario of the world oil market in the first six months of 1977:

° a first-quarter demand for OPEC oil of the about 30 MMB/D, reflecting inventory drawdowns of approximately 2 MMB/D.

° virtually no switching of demand to Saudi oil, since first-quarter nominations and lifting schedules under existing contracts are already set.

° a second-quarter gradual increase in demand for OPEC oil to 32-33 MMB/D by end-June depending on world economic recovery and inventory buildup anticipating further price increase.

° marginal swings, perhaps 1 MMB/D, to Saudi Arabia, bringing their production to only its current level of 9 MMB/D. (The lack of greater movement reflects quality disadvantages versus premium-priced Nigerian, Algerian, Libyian and Indonesian crudes; concern over longer term supply considerations by major oil company buyers of comparable quality crudes in Iran, Kuwait, and Venezuela's and the political alliance and financial support arrangements between major LDC purchasers and OPEC.)

In short, even in the absence of a Saudi or other eleven "cave" or another OPEC Ministers' meeting (already rumored), there may be little real economic benefit obtained by the industrialized world. Prices for premium crudes will hold at the higher level (i.e., 10 percent increase), and prices for Saudi and competitive crude

(e.g., Iran, Kuwait, Iraq, and Venezuela) may move towards one another. The net result by June could be a generally higher price level of about 8 percent on the marker crude, but with bigger differentials for premium and for heavy crudes. This glum scenario depends on the objectives of Saudi Arabia.

Saudi Arabia Objectives

In announcing the 5 percent decision, Yamani cited three reasons:

° the state of the world economy

° a carrot (or stick) for a Middle East settlement

° a similar prod on CIEC

To these might be added two more:

° maintain leadership role in Arab affairs

°reassert dominance in OPEC affairs

Clearly, Saudi's actions are a political gamble, one that requires U.S. initiatives to win. If the scenario of the market suggested above is reasonably valid, Saudi Arabia can "cave" in July without having permanently ruptured

OPEC since very little volume will have switched, the world economy may be stronger and, therefore, better able to support an increase, and Saudi leaders can "blame" the absence of U.S. initiatives for their abandoning the "moderate" pricing posture.

United States Options

The USG is faced with a dilemma. Saudi Arabia has once again "politicized" oil in linking oil prices and supply availability to a Middle East settlement, a link the United States seeks to avoid. Responding to the link will encourage further use of it. Non-response, however, will assure a further oil price increase to the detriment of the world economy, the resilence of which is increasingly subject to question. These issues are outside the purview of this memorandum.

There are, perhaps, some energy options which could be supportive of USG initiatives vis-a-vis Saudi Arabia and OPEC, which would realize some short-term economic gain.

° "jawbone" ARAMCO partners to maintain current distribution patterns of Saudi crudes, passing full benefit of $0.60 per barrel through to customers.

° encourage Saudis to make available incremental crude to third-parties, particular LDC government purchasers (e.g., Brazil, India, etc.)

° encourage (discreetly) other U.S. companies to move discretionary purchases to Saudi Arabia. (The USG can not be seen publicly acting since this will only increase Saudi leverage.)

° encourage (again discreetly) other consuming country governments to take similar actions.

° initiate impact studies on further price increases for use in anticipation of July OPEC meeting.

° publicly commit U.S. to reduced dependence on foreign oil, calling for massive new long-term programs of energy resource development and conservation.

Beyond July

The Saudi physical ability to make oil available is a subject of considerable debate. They can obviously produce over 9 MMB/D because they have done so in October and November. If, however, Saudi production is "well-limited" or there are other facilities constraints (e.g., pipelines, gas-oil separators, loading docks), incremental

LIMITED OFFICIAL USE

Saudi production will not be available until after July. Saudi Arabia may, nevertheless, embark upon a crash program to re-establish a level of excess capacity to regain its leverage over its OPEC brethern. A short-term benefit could be realized if the other OPEC countries backed off on price in anticipation of the Saudi position. It is certainly in the United States interest to have Saudi Arabia have that excess capacity.

Clement B. Malin
22 December 1976

LIMITED OFFICIAL USE

ok -
F.C.

THE WHITE HOUSE

WASHINGTON

MINUTES OF THE CABINET MEETING
February 7, 1977

The third meeting of the Cabinet was called to order by the President at 9:05 A.M., Monday, February 7, 1977. All Cabinet members were present except Ambassador to the U. N., Andrew Young, who was absent due to his travels abroad on behalf of the President. Other persons present were:

Midge Costanza, Assistant to the President for Public Liaison;
Dick Moe, Chief of Staff to the Vice President;
Jim King, Special Assistant to the President for Personnel;
Frank Moore, Assistant to the President for Congressional Relations;
Zbigniew Brzezinski, National Security Affairs Adviser;
Stuart Eizenstat, Assistant to the President for Domestic Affairs and Policy;
Charles Schultze, Chairman, Council of Economic Advisors;
Tim Kraft, Appointments Secretary to the President;
Rex Granum, Deputy Press Secretary;
Robert Lipshutz, Counsel to the President;
Jack Watson, Secretary to the Cabinet and Assistant to the President for Intergovernmental Affairs;
Bunny Mitchell, Special Assistant to the President.

The President welcomed the Vice President home from his trip to Western Europe and Japan and commended the Vice President for the outstanding job he did in representing the President and the United States abroad.

The President then made the following remarks:

(1) The President reiterated that no campaign persons have been, or will be, referred to the Departments for assignment who have not been carefully screened for their competence. The President said that the people

referred to the agencies for assignment should be treated fairly and courteously, and that he had had reports indicating that such treatment had not been afforded in some cases.

(2) The President asked the Vice President to discuss the subject of prior consultation with Members of Congress regarding appointments. Mr. Mondale said that some major appointments had been announced by various Cabinet members without any prior notification of key members of Congress. Mr. Mondale emphasized that the Administration could lose crucial support on key issues in the future simply because a Senator or Congressman was not given the courtesy of a prior notification of an appointment in which he or she had an interest. Mr. Mondale suggested the following procedures:

> First, names of proposed appointees should be forwarded to the President through Hamilton Jordan.
>
> Second, as soon as the President's approval is obtained, and before FBI checks are initiated, all interested Congressmen, Senators and Governors should be notified.
>
> Third, no formal announcement of an appointment should be made until all notifications have been made and all FBI and IRS clearances are in hand.

(3) The President asked the Vice President and Hamilton Jordan to prepare and distribute a memorandum outlining the exact steps to be followed in proposing and clearing appointees. The President also suggested that Cabinet members check directly with Bob Lipshutz on all questions concerning possible conflicts of interest of prospective appointees.

(4) The President announced his nomination of Admiral Stansfield Turner to be Director of Central Intelligence. He commented that he has known and respected Admiral Turner since their days together at the Naval Academy, and that Admiral Turner is one of the finest military officers he has ever known.

(5) The President said that the numerous major disaster and emergency assistance declarations had been handled expeditiously, and that he was pleased with the coordinated and timely response of the various federal departments and agencies.

(6) The President noted that he has initiated a series of meetings with foreign leaders beginning February 14th with President Jose Lopez Portillo of Mexico. He asked Cabinet members to inform him of subjects they think should be discussed at those meetings. The initial meetings are tentatively scheduled as follows:

President Jose Lopez Portillo of Mexico
February 14/15, 1977

Prime Minister Pierre Trudeau of Canada
February 21/22, 1977

Prime Minister Yitzhak Rabin of Israel
March 2/3, 1977

Prime Minister James Callaghan of Great Britain
March 10/11, 1977

Prime Minister Takeo Fukuda of Japan
March 21/22, 1977

Memoranda on suggested topics of discussion for those meetings should be submitted to the Cabinet Secretary at least five days before the meeting.

(7) The President announced that he and the Cabinet will meet with all 50 Governors at the National Governors' Conference Mid-Winter meeting on Monday, February 28, 1977, and that there will be a dinner at the White House honoring the Governors and their spouses on Tuesday evening, March 1. Plans for both events will be coordinated by Jack Watson.

(8) The President will be visiting various Cabinet Departments during the next few weeks beginning with the Departments of Labor, Commerce, Treasury and HUD on Wednesday and Thursday of this week.

(9) The President expressed his concern about the enormous amount of time spent by Cabinet members testifying before committees and subcommittees of Congress. He asked Cabinet members to give him a report on the time they have spent testifying in the last two weeks, and asked the Vice President to consider ways in which the burden on Cabinet members might be reduced. The President acknowledged the importance of Congressional testimony, but observed that, at times, Cabinet members had virtually no time to do anything else.

(10) The President asked each Cabinet member to give him a brief memorandum on Friday of each week outlining their Department's major activities of that week. The reports will help keep the President informed and shorten the reporting time at Cabinet meetings.

(11) The President expressed his pleasure with the Commission on Ambassadorial Appointments and on the Search Committee which had been established by the Attorney General to make recommendations for a new FBI Director.

(12) The President asked Mr. Vance to do a survey of the unconfirmed treaties presently pending before the Senate so that we might take appropriate steps to expedite the ratification process.

(13) The President observed that there were numerous advisory commissions and committees which had been created by Cabinet members and which, therefore, had to be eliminated by them, rather than by the President. He asked each Cabinet member to begin immediately to analyze the commissions under their control so that decisions could be made soon as to which ones should be retained. The President is sending a letter to each of the Cabinet members shortly which calls for a government-wide, zero-base review of all advisory committees , with the presumption that all committees should be abolished except those -

(a) for which there is a compelling need;

(b) which will have truly balanced membership; and

(c) which will conduct their business openly.

The President has asked Mr. Lance to provide all Cabinet members with instructions for carrying out the agency reviews, all of which are to be completed and submitted to OMB no later than April 1, 1977. The President asked Mr. Watson to ensure that the OMB memorandum on advisory committees was circulated to all Cabinet members.

(14) The President also announced that he would soon send to the Cabinet a memorandum regarding regulations, requesting, among other things, that all regulations be signed by their author, and that all Cabinet members read all regulations issuing from their Departments. The

President reiterated his desire to reduce substantially the number and complexity of federal guidelines, regulations, bulletins, reporting requirements, etc.

(15) The President asked all Cabinet members to support the Administration's Executive Reorganization Authority Bill at every opportunity. He wants to sell the bill to Congress on its merits and needs everyone's help to do it.

(16) The President then called on Cabinet members for comments beginning with the Secretary of State. The following is a summary of matters discussed:

Mr. Vance noted that:

(a) He has been meeting with Mr. Ivor Richard, British Ambassador to the U.N., who has recently returned from a negotiating mission in southern Africa, regarding the Rhodesian situation. The prospects for early resolution in Rhodesia are not good, and the situation in Namibia also remains deadlocked. Mr. Vance will testify on Thursday of this week before Senator Clark's Subcommittee in support of repeal of the Byrd Amendment.

(b) The State Department is reviewing its rule which severely restricts the movement in the U.S. of Ambassadors to the U.N. from those countries with which the United States does not have diplomatic relations. Mr. Vance is convening a meeting of other interested agencies and expects the restrictions to be modified so as to be consistent with restrictions imposed on Ambassadors from other communist countries with which the U.S. does have diplomatic relations.

(c) Mr. Vance said that he had publicly stated his opposition to "linkage" of the human rights issue with other issues such as nuclear disarmament, trade talks, etc.

(d) The Ambassadorial Advisory Panel consists of twenty members representing a cross-section of the U.S. The Panel has been given the names of all people who have been recommended to the President for consideration as Ambassadors. The Panel will review those names and give the President its findings regarding their qualifications to serve as Ambassadors.

(e) Preparations for Mr. Vance's trip to the Middle East are almost complete; he is meeting with the Senate Foreign Relations Committee next week to get their suggestions and ideas regarding the trip. Preparations for the President's meeting with President Lopez Portillo of Mexico are also almost complete.

The President observed that the military pomp and ceremonial aspects surrounding visits of foreign heads of state will be reduced, as they have been reduced generally in the White House.

(17) Mr. Marshall asked the President's direction regarding invitations to Cabinet members to visit foreign countries. The President said that he thought it best to hold foreign visits to a minimum during the first year and to accept invitations only in those situations in which matters of substantial international significance were involved.

(18) Mr. Andrus reported that he was testifying on the strip-mining bill at 11:15 this morning and that he had visited Kentucky and West Virginia during the weekend in preparation for his testimony.

He also reported that the Department of Interior has selected four natural gas fields for the purpose of comparing production figures for this year with previous years. He expects a report on the matter by Friday of this week. Mr. Andrus stated that he has no information at present to indicate that the natural gas shortage is contrived, but that the comparisons are being made in an effort to address allegations that it is.

The President remarked that he regards development of a sound, comprehensive national energy policy as one of the most important items on the nation's agenda.

(19) Mr. Califano reported that he has convened a distinguished medical panel to examine the A-Victoria influenza problem and that their report is expected on Tuesday, February 8. He also announced that welfare reform public meetings will begin on Friday of this week, and that public hearings will be held in March. The first report to the President on welfare reform will be ready by May 1st.

The President asked Mr. Schlesinger, Mr. Blumenthal and Mr. Califano to outline the procedures they plan to follow to achieve a broad public outreach in the development of energy, tax reform and welfare reform policy.

(20) Mr. Califano reported that he plans to create an Office of Inspector-General in HEW, and that he has submitted a name to the President for appointment to that position. There is legislation pending in Congress to create Inspectors-General in every Cabinet Department which would report to Congress. Pat Harris urged Administration opposition to the bill, and the President asked the Attorney General to review the legal aspects of such a bill.

(21) Ray Marshall reported that the latest estimate of unemployment caused by the cold weather/energy situation is 1,816,806. The Labor Department continues to explore utilization of public service employees for tasks in emergency situations such as snow clearance, transportation, cleanup and repair, etc.

(22) Mr. Marshall also reported that the Department continues to work on the problem of "undocumented aliens", and that he will have a report to the President before the President's meeting with President Lopez Portillo.

(23) Mr. Bell reported that a special Justice Department Committee report on the Martin Luther King, Jr. assassination is almost complete.

Mr. Bell said that he had had a breakfast meeting with the House Appropriations Committee last week and will have a similar meeting with the House Judiciary Committee this week.

(24) The President noted that Senator Byrd and other Congressional leaders believe that Committee Chairmen in Congress have had their authority somewhat undermined in recent years. The President urged Cabinet members to work closely with the Committee Chairmen who deal with their respective Departments, and to be careful to involve Committee Chairmen in important matters of mutual concern.

(25) Mr. Blumenthal announced that he has waived the Jones Act in two cases, thereby permitting foreign vessels to transport natural gas between U.S. ports. He also announced that the most popular aspect of the stimulus package is the Youth Employment Program, and that the most unpopular was the tax rebate. Mr. Blumenthal suggested that we need to continue our efforts to develop an effective anti-inflation policy.

(26) Mr. Blumenthal reported that Treasury is undertaking a study of the salaries for all Independent Financial Institutions such as the World Bank.

(27) Mr. Bergland reported that he is exploring ways to incorporate a weather prediction capability in the Department of Agriculture.

(28) Ms. Harris announced that HUD has placed a 90-day moratorium on public housing evictions, and that she met last week with representatives of public housing tenants in what she described as a productive and informative meeting.

(29) Mr. Schlesinger reported that the weather has abated somewhat; temperatures have risen slightly, and the pressure in gas pipelines is up. Mr. Schlesinger also warned, however, that, because the situation is improving, the public may erroneously think the energy shortage is over. He urged the President to stress that the energy shortage is not over, and that it continues as one of the nation's most serious problems.

(30) Bert Lance reported that testimony on the Reorganization Bill begins in the House tomorrow, and reiterated the President's comments regarding Cabinet support of the Bill.

(31) Brock Adams said that decisions had been made on I-66, Westway and the Midway air service applications. Mr. Adams and Mr. Vance have made a joint recommendation to the President for appointment of a special U.S. Ambassador in the U.S./U.K. negotiations.

(32) Mr. Adams reported that he is going to Boston to participate in some town hall meetings, and that he will travel from Washington to Boston by train.

(33) Mr. Adams noted that he is receiving calls from various Ambassadors and foreign Ministers, and that he will coordinate his response to those calls, as necessary, with Mr. Vance and others.

(34) Ms. Kreps reported that a recent court decision had imposed unrealistic and unenforceable standards with respect to the catching of porpoises by tuna fishermen. Mr. Bell said that he would have the decision reviewed immediately to determine whether or not an appeal should be taken. Ms. Kreps said that negotiations regarding general fishing agreements are proceeding well.

(35) Ms. Kreps also stated that she had testified for two days last week on EDA, and that there is considerable Congressional pressure to increase the $4 billion appropriation level on public works.

(36) Ms. Kreps reported that Common Cause had requested all of the Commerce Department transition briefing books. The President said that he does not think the briefing books are subject to the Freedom of Information Act and asked the Attorney General to review the law on the subject.

(37) Mr. Brown reported that an average of 1200 National Guardsmen had been on daily duty in those states in which major disaster or emergency assistance declarations had been made.

(38) Mr. Brown also stated that in planning military base reductions, it is extremely important to assess the employment and other social impacts of the closings, in addition to the military impacts.

(39) Mr. Schultze noted that various press reports of a $1.8 billion add-on by the House Budget Committee to the President's stimulus package were greatly exaggerated. The increased figure is derived primarily from different interpretations of the speed with which the money can be spent on various programs. In effect, the House has moved some of the FY 78 expenditures into FY 77, without increasing the total expenditures under the package.

(40) Mr. Brzezinski reported that the Special Coordinating Committee of the NSC had met last week to discuss SALT, and that a meeting of the Policy Review Committee, Chaired by Mr. Vance, had also met to discuss the Middle East. The NSC currently has groups working on Middle East and Human Rights issues and is also doing a "dynamic net assessment of U.S.-Soviet strategic, military and political relationships."

Mr. Brzezinski also noted that he and his staff are working with the Economic Policy Group on numerous economic issues.

(41) The President stressed his desire for all Cabinet members and senior staff to preserve and protect their personal time for recreation and relaxation with their families and friends. We must all work hard, he said, but not to the detriment of our health or at the sacrifice of our families.

The President adjourned the meeting at 11:32 a.m.

Respectfully submitted,

Jack Watson

Jack H. Watson, Jr.
Secretary to the Cabinet

THE WHITE HOUSE
WASHINGTON

February 7, 1977

Z. Brzezinski -

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

Rick Hutcheson

Re Dissidents, Vietnam CIA operations

DECLASSIFIED
Per: Rac Project
ESDN: NLC-126-6-13-2-9
BY C NARA, DATE 12/14/12

TO Vance

Dear Zbig

THE WHITE HOUSE
WASHINGTON

2/2/77

To Cy -

Any Soviet action on the dissident list you gave Dobrynin?

J

p.s. To what degree are we not complying with Helsinki basket III?

THE WHITE HOUSE
WASHINGTON

2/7/77

Bill -

Give me brief summary of ending restrictions on Viet Nam & other diplomat visits to Brooklyn, etc - suitable for evolution into press release -

THE WHITE HOUSE
WASHINGTON

2/1/77

To SB.5

Confirm 2 sensitive
CIA operations terminated.

J