

5/17/79 [2]

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memo w/ att.	From Brzezinski to The President (.2pp.) re: Azores Agreement/ enclosed in Hutcheson to Brzezinski	5/17/79	A
memo	From Moore to The President (8 pp.) re: Iranian Ships and SALT <i>Open 6/1/79</i>	5/16/79	A

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11:15 AM

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THE WHITE HOUSE

WASHINGTON

May 16, 1979

①
/

MEETING WITH SENATOR JOHN C. STENNIS

Thursday, May 17, 1979

11:15 a.m. (15 minutes)

The Oval Office

From: Frank Moore *F.M.*

I. PURPOSE

To talk to the Senator about the Iranian ships and SALT.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Senator Stennis wants to talk with you about the four SPRUANCE-class destroyers originally scheduled for delivery to Iran. Iran has cancelled the order, and they are in various stages of completion at the Litton yard in Pascagoula.

The Administration's position has been consistent, since Iran made known its intention not to purchase all four vessels. We favor the purchase of all four ships for the U.S. Navy since they are available for bargain prices. We have repeatedly stated our intention to purchase two of the vessels with FY 79 funds and two with FY 80 funds.

Senator Stennis favors the purchase of all four ships with FY 79 funds. We suspect that Senator Stennis' concern is largely related to the fact that the Administration has not decided what it would give up to finance two destroyers in 1980. During Senate debate on the bill, it was suggested that one of the two additional ships replace a 1980 AEGIS ship and that the other be used for a 1978 destroyer, which is not yet on contract. That suggestion would reduce Litton's destroyer production from eight in January to five, a loss of three ships and about \$800 million over the next four or five years. Undoubtedly, the Senator is concerned that the Administration may be thinking about the same plan. If all four can be financed in 1979, Litton will have lost only one ship (the reprogrammed FY 79 supplemental DD-993); if not, Litton may lose one to three ships.

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FORMER MARKING

CLASSIFIED

EXEMPT FROM GDS, 2003"

During the debate on the First Budget Resolution, we opposed a Riegle amendment to delete money from the FY 80 resolution for all four ships. Stennis, of course, was with us on that amendment. We were roundly criticized by labor and liberal groups for our position on that vote.

Following Senate passage of the Budget Resolution which most agree reflected our position (2 in FY 79 and 2 in FY 80), Stennis brought his FY 79 supplemental authorization to the floor with money for all four ships in it. Consistent with our policy of only two ships in FY 79, we supported a Riegle amendment to delete authorization for 2 of the 4 destroyers from FY 79 funding.

Stennis was outraged. He bitterly denounced OMB on the Senate floor, claiming he had never been told of our position. In fact, Deputy Secretary Duncan had written Stennis five weeks before floor action with our position (letter attached), OMB staff had discussed the matter thoroughly with committee staff, and Stennis' own Committee Report on the FY 79 Supplemental accurately states the Administration's position.

Stennis beat the Riegle amendment easily after a particularly acrimonious debate. Consequently, the authorization for the FY 79 supplemental, as passed by the Senate, has money for all four ships.

The House Armed Services Committee has authorized only two vessels for FY 79, reflecting our position. The House Budget Committee has set a target figure high enough to accommodate only one destroyer. Chairman Stennis will need our help to get all four destroyers built from FY 79 funds, given the situation in the House.

Stennis has rarely, if ever, approached you directly asking for a favor. He badly wants the four destroyers out of FY 79 funds. We feel any reversal of our position at this stage should be worth something to the Chairman.

After checking with DOD, OMB and NSC, we can report that you do have the option of doing what Stennis wants.

DOD absolutely must have at least \$300 million in the FY 79 supplemental for NATO and strategic priorities. The four ships cost \$1.3 Billion.

If Senator Stennis can secure a conference outcome on the budget resolution at the Senate level of \$1.6 Billion, we can do the \$300 million plus all four ships. At the House level of \$.6 Billion, only one ship could be funded along with the \$300 million in strategic and other priorities. Doing all four ships would require deletion of items in the FY 79 supplemental considered less important by DOD and OMB.

Background - SALT

The greatest threats to the successful ratification of SALT II are Senate amendments. Since the announcement of SALT II, talk of amendments has been rampant on the Hill and in the press. The question appears now to be not whether SALT will be amended, but how and to what degree.

This climate has been fueled by Senator Baker's statements that amendments are almost a certainty and Senator Nunn's position that he will vote for amendments if he feels such amendments strengthen the Treaty. Add to this Senator Jackson and "right wingers" like Garn who will propose (and in some cases have already drafted) 'killer' amendments, and we have a situation in which SALT II, as drafted, appears to have little, if any, chance of approval.

It is imperative that we put an end to much of the talk of amendments and give the hearing process a chance to get underway on the Treaty, as presented by you to the Senate. We believe that when the terms of SALT are presented and Senators see how carefully the Treaty is drafted, the weight of evidence will help cool talk of amendments. But, in the meantime, as Senators take cover behind the amendment idea and Baker positions himself in the 'right' place among Republicans on SALT, we run the risk of Senators getting too far out on the amendment limb and having no safe way back. Baker is particularly susceptible to this. To diminish amendment talk now will require more than the Administration warnings of the consequence of such action. We believe that statements by key Senators denouncing talk of amendments at this early stage of the debate and doubting the ability of the Senate, as an institution, to negotiate treaties by

amendment would go a long way toward cooling amendment rhetoric. Such a statement by Stennis would carry significant weight with moderate conservative Senators and would receive a good deal of press attention.

- B. Participants: The President, Senator Stennis, Deputy Secretary of Defense Duncan, Secretary of the Navy Claytor, Jim McIntyre and Frank Moore
- C. Press Plan: White House Photo Only.

III. TALKING POINTS

1. You should open the meeting by letting Senator Stennis make his case. You should ask Secretary Claytor and Jim McIntyre to make brief comments, and ask any questions you may have. You should then say you understand the issue of the destroyers and ask the others to leave the room so you and Senator Stennis can talk privately.
2. In the private meeting, you should open by indicating a desire to be helpful, if possible. You should tell the Senator that there is also a matter of great importance to you that you would like to discuss.
3. You should begin by recounting the history of the negotiations for SALT II and the care that you have taken with the details of the Treaty. You should express dismay that after these years of painstaking work, many Senators are openly predicting the Treaty will be hastily rewritten on the Senate floor by amendment. Many of the amendments are drafted only for political impact by Carter political opponents or by inexperienced Senators who are not familiar with the history of the negotiations or our national defense capabilities.
4. Wild and premature talk of amendments threatens to destroy meaningful consideration of the SALT II Treaty. Some responsible Senator must speak out against such talk and stress the limitations that any legislative body has when it attempts to draft and negotiate a treaty with a foreign government.

5. I would like you to make such a statement. I do not ask you to make a judgment on SALT II itself-- at least not yet. But I do think you can speak out now on this procedural question I have described.
6. I do not have time today to give you all my thoughts on what I think you should say. However, if you agree to make such a statement, I will spend some time on the question this evening and send you a letter tomorrow briefly describing my main concerns and the points I think need to be made.
7. Meanwhile, today and tomorrow I will consult in more detail with my advisers on the four destroyers. If there is a way to help without adversely affecting other vital defense needs, I will help. I will let you know very soon.

IV. ADDITIONAL INFORMATION

Committees: Armed Services, Chairman
Appropriations (2)

Wife: Coy



THE DEPUTY SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

21 March 1979

Honorable John C. Stennis
Chairman, Senate Armed Services Committee
United States Senate
Washington, D. C. 20510

Dear Mr. Chairman:

This letter is to notify you of the latest developments regarding the four CG-993 SPRUANCE-class ships originally ordered by the Government of Iran under our foreign military sales program.

Work continues on all four ships with funding from the Iran FMS trust fund.

The Administration reaffirms its recommendation that the U.S. Navy acquire the third and fourth ships by means of the FY 1979 supplemental authorization and appropriation of \$628 million now before the Congress.

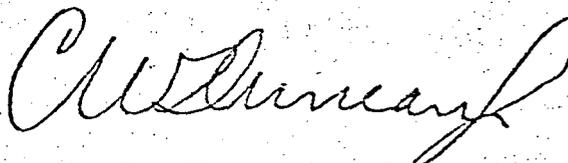
On 17 March 1979 the U.S. Department of State presented a diplomatic note to the Embassy of the Government of Iran here in Washington confirming that, in response to the statement of Prime Minister Bazargan to Ambassador Sullivan in Tehran on 21 February 1979, the U.S. Department of Defense is taking steps to terminate procurement of the first and second ships under the foreign military sales agreement with the Government of Iran.

The U.S. Navy has a requirement for the first and second CG-993 ships, as well as for the third and fourth included in our FY 1979 supplemental appropriation request. The Administration intends to submit an amendment to the FY 1980 DOD budget request providing for the authorization and appropriation of \$725 million to acquire the additional two ships as part of the FY 1980 shipbuilding program. We do not contemplate enlarging the President's budget recommendation.

In the meantime, it will be feasible to make progress payments for continued construction of the first and second ships from the Iran FMS trust fund through the remainder of FY 1979 provided that Congress acts promptly on the FY 1979 DOD supplemental authorization and appropriation, thereby relieving the Iran FMS trust fund of the payment requirements for the third and fourth ships.

We appreciate your continued support of the Department in these matters and will continue to advise you as the situation develops. We are prepared to provide you with any additional information that you may desire. Similar letters are being forwarded to the Chairman of the House Armed Services Committee and the Chairmen of the Senate and House Appropriations Committees.

Sincerely,

A handwritten signature in cursive script, appearing to read "C. W. Duncan, Jr.", written in dark ink.

Charles W. Duncan, Jr.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

Mr. President:

Senator Stennis wants the four destroyers this year very, very badly.

Therefore, in addition to the statement on amendments to the treaty, we believe that you should ask for his commitment to give you the benefit of any doubt on SALT. It would not be a good idea to push him too hard on his vote on the treaty itself, but would be entirely appropriate to let him know how important the treaty is to you -- as important to you as the destroyers are to him.

Frank Moore
Dan Tate

F.M.

D.T.

TWENTY-FIVE YEARS AGO THE LEGAL BASIS FOR SEGREGATION BY RACE WAS FINALLY STRUCK DOWN IN THIS REPUBLIC BY THE SUPREME COURT IN BROWN VS. THE BOARD OF EDUCATION. THIS WAS THE MOST IMPORTANT OF ALL CIVIL RIGHTS CASES.

TWENTY-FIVE YEARS LATER THE BASIS IN REALITY FOR RACIAL SEGREGATION STILL EXISTS IN OUR SCHOOLS. SO DOES DISCRIMINATION IN HOUSING AND OTHER ASPECTS OF HUMAN LIFE.

LET US NOT BE DISCOURAGED, ONLY MORE DETERMINED.

360 YEARS AGO, THE FIRST ENSLAVED PEOPLE WERE UNLOADED ON THE SHORES OF VIRGINIA. ONE YEAR LATER THE FIRST PILGRIMS STEPPED ONTO PLYMOUTH ROCK TO FOUND A FREE SOCIETY.

(=OVER=) (IN A REAL SENSE THE.....)

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IN A REAL SENSE THE STORY OF AMERICA, EVER SINCE HAS BEEN OUR STRUGGLE TO RESOLVE THIS HORRIBLE CONTRADICTION.

A SAD TRUCE WAS DICTATED IN 1896 WHEN THE SUPREME COURT, BY A VOTE OF EIGHT-TO-ONE, MADE THE FRAUDULENT JIM CROW CONCEPT OF SEPARATE BUT EQUAL INTO THE LAW OF THE LAND.

WE KNOW THAT THERE CAN BE NO LASTING PEACE WITHOUT JUSTICE. SO DID THE THOUSANDS OF ORGANIZERS, TEACHERS, LAWYERS, LABORERS, AND ORDINARY PARENTS WHO KEPT CLEARING THE WAY FOR MAY 17, 1954 -- WHEN SOMETHING CHANGED AT LAST. EVEN AS CHIEF JUSTICE WARREN BEGAN TO READ, THE WIRE SERVICE BELLS RANG OUT AND EVERY NEWSROOM IN THE NATION FELL SILENT.

FIRST, IT WAS BLACK PEOPLE THEMSELVES WHO WERE APPEARING BEFORE THE COURTS IN DEFENSE OF THEIR OWN RIGHTS. THAT WAS DIFFERENT. THERE HAD BEEN CHANGE.

(NEW CARD) (SECOND, THE COURT.....)

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SECOND, THE COURT WAS UNANIMOUS. ALL NINE MEMBERS SPOKE AS ONE CONSCIENCE OF ONE COUNTRY. THAT TOO WAS DIFFERENT. THERE HAD BEEN CHANGE.

THIRD, THERE WERE THOUSANDS WHO NOW FELT FREE TO WORK SIDE BY SIDE, IN STATE BY STATE, CHANGING LAW AFTER LAW. MANY OF YOU HELPED TO MAKE THOSE DIFFERENCES.

I DON'T HAVE TO TELL YOU THAT CHANGE IS NOT EASY. YOU CERTAINLY DON'T HAVE TO TELL ME. THE EVIDENCE IS EVERYWHERE. TOO MANY DOORS ARE STILL LOCKED.

IN ONE AREA SIGNIFICANT LEGAL ACTION IS STILL NECESSARY. WE HAVE TO REALIZE THE PROMISE OF EQUAL OPPORTUNITY IN HOUSING IF WE ARE TO MAKE THE EDUCATIONAL BENEFITS OF BROWN AS AVAILABLE TO THE NORTHERN POOR AS THEY ARE BECOMING IN THE SOUTH.

(=OVER=) (WE MUST AMEND THE.....)

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WE MUST AMEND THE FAIR HOUSING ACT TO REMOVE THE BURDEN AND EXPENSE
OF ENFORCEMENT FROM THE VICTIMS OF DISCRIMINATION. I HAVE URGED THE
CONGRESS TO GIVE HUD THE POWER TO RESOLVE COMPLAINTS DIRECTLY BY
PROVIDING SECRETARY HARRIS WITH CEASE AND DESIST AUTHORITY -- AND I
PROPOSE WE DO IT NOW -- WITHOUT DELAY. HELP

THE FIRST GREAT CAMPAIGN OF THE WAR FOR EQUALITY WAS THE
EMANCIPATION FROM SLAVERY. THE SECOND WAS THE ELIMINATION OF LEGALIZED
SOCIAL OPPRESSION, IN WHICH BROWN WAS THE DECISIVE VICTORY. THE THIRD
CAMPAIGN -- FOR EQUAL OPPORTUNITY IN THE ECONOMIC STRUCTURE OF OUR
COUNTRY -- MAY BE THE MOST DIFFICULT OF ALL. VICTORY HERE WILL DEMAND
BOTH DETERMINATION AND SENSITIVITY.

(=NEW CARD=)

(WE ALSO KNOW THE.....)

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EVEN AFTER
^ WE ALSO KNOW THE FINAL ECONOMIC STRUGGLE WILL NOT BE WON TOMORROW,
IN THE 361st YEAR SINCE HUMAN BEINGS WERE BROUGHT IN SLAVERY TO A COUNTRY
FOUNDED ON FREEDOM. - *But*

I BELIEVE THAT WE CAN BRING TOGETHER THE WISDOM OF HISTORY AND THE
WILL OF OUR TIME -- AND THAT ONCE AGAIN WE SHALL OVERCOME.

BECAUSE IN THE LONG RUN AMERICANS ARE PROUDEST OF OUR COUNTRY'S
PROGRESS TOWARDS WORLD PEACE, SOCIAL JUSTICE, AND A FAIR, OPEN ECONOMIC
ORDER.

THOSE ARE THE GOALS OF THIS ADMINISTRATION, AND OF THIS FAMILY
GATHERED HERE TODAY TO CELEBRATE AND JOIN WITH THE UNANIMITY OF THE NINE
JUSTICES 25 YEARS AGO.

(=OVER=) (IF YOU LOOK AROUND.....)

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IF YOU LOOK AROUND THIS RECEPTION YOU WILL SEE MOST OF THE 166 BLACK PRESIDENTIAL APPOINTEES. THERE ARE ALSO ABOUT THE SAME NUMBER OF BLACK SECRETARIAL APPOINTEES HERE TODAY. THIS IS AN UNPRECEDENTED ACHIEVEMENT, BUT WE STILL HAVE A LONG WAY TO GO.....TOGETHER.

I WOULD LIKE TO ANNOUNCE TODAY THAT I WILL NOMINATE NATE JONES, GENERAL COUNSEL OF THE N.A.A.C.P., TO SERVE AS FEDERAL JUDGE IN THE 6TH CIRCUIT -- AND MARCUS ALEXIS AS A NEW MEMBER OF THE INTERSTATE COMMERCE COMMISSION.

MANY OF YOU WERE MAKING HISTORY LONG BEFORE BROWN DID. SOME OF YOU HAVE BEEN BORN SINCE. LET THE WORDS OF THE COURT 25 YEARS AGO JOIN US TOGETHER AGAIN TODAY:

(=NEW CARD=) (WE COME.....)

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"WE COME, THEN, TO THE QUESTION PRESENTED: DOES SEGREGATION OF CHILDREN IN PUBLIC SCHOOLS SOLELY ON THE BASIS OF RACE.....DEPRIVE THE CHILDREN OF THE MINORITY GROUP OF EQUAL EDUCATION OPPORTUNITIES?" AND THE COURT SAID AS THE WORLD WAITED: "WE BELIEVE THAT IT DOES."

BY THE SAME PRINCIPLE WOULD NOT POOR QUALITY IN EDUCATION ALSO DEPRIVE A CHILD OF EQUAL OPPORTUNITY TO ENTER THE MAINSTREAM OF THE AMERICAN ECONOMY?

ALL OF US ARE WORKING TOGETHER IN THIS GOVERNMENT BECAUSE WE BELIEVE THAT SUCH DEPRIVATION DOES EXIST -- AND WE ARE HERE TO SEE THAT ALL AMERICAN CHILDREN WILL HAVE EQUAL OPPORTUNITY FOR QUALITY EDUCATION.

(=OVER=) (CANNOT RACIAL.....)

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CAN NOT RACIAL DISCRIMINATION IN HOUSING ALSO DEPRIVE OUR CHILDREN OF EQUAL OPPORTUNITIES?
WE ARE JOINED HERE TODAY BECAUSE WE BELIEVE THAT IT CAN --
AND WE ARE COMMITTED TO EQUAL OPPORTUNITY IN HOUSING.

FINALLY, DO NOT ALL PRACTICES OF EXCLUSION BY RACE FROM EMPLOYMENT OR ADVANCEMENT ALSO RESULT IN DEPRIVING OUR CITIZENS OF THEIR RIGHTS TO EQUAL OPPORTUNITIES?

WE ARE ALL HERE TODAY BECAUSE WE KNOW THAT THEY DO -- AND WE ARE IN THIS GOVERNMENT TO SEE THAT THERE WILL BE EQUAL OPPORTUNITY FOR ALL IN EVERY ASPECT OF AMERICAN LIFE.

WE WILL NOT BE PUSHED BACK. WE WILL NOT BE TURNED AWAY. WE WILL FIGHT TO SEE THAT NO ONE IS LEFT OUTSIDE -- THAT EQUALITY OF OPPORTUNITY AND JUSTICE WILL PREVAIL IN THE LAND OF THE FREE.

#

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--Although we meet to remember a great civil rights victory, this is also a time of loss for the civil rights movement because A. Philip Randolph is no longer with us.

--At a time where America was a completely segregated society, when there was hardly any organized civil rights movement, Philip Randolph was a voice for justice and equal rights for all Americans.

--His impact has been profound and far-reaching. It is staggering to think that one man could have done so much to transform our nation. I am certain that there is no one in this room and no civil rights leader in America, whose life was not profoundly influenced by Phil Randolph's example.

--His accomplishments are known to all of you. He organized the first Black trade union in 1925. He organized and led the first March on Washington in 1941. He was probably the most instrumental figure in opening up industries during World War II to black workers and desegregating the armed forces.

--But what he gave us most of all was the power of his example, his great personal dignity, his absolute integrity, his eloquence, his unshakeable commitment to justice and equal rights combined with a remarkable gentleness and humanity and commitment to non-violence. His values and his ideals have been the guiding spirit of the modern civil rights movement.

~~--Most of all, Phil Randolph always understood that the struggle for equal rights would never be complete until it included equal economic opportunity for all our citizens. He understood that it is not enough to guarantee a Black American the right to sit down at a lunch counter if he cannot afford to pay for the meal because he is unemployed. He understood that a ghetto looks the same from the front of the bus. The slogan of the 1963 March on Washington which Randolph helped organize said "We March For Jobs And Freedom."~~

--Phil Randolph is no longer with us. But his vision, his example, his inspiration still guides us today. Before I begin my remarks I would like us to observe a moment of silence in his memory.

#

2083
+ 2000

THE WHITE HOUSE
WASHINGTON

5/17/79

Stu Eizenstat

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

Rick Hutcheson

		FOR STAFFING
		FOR INFORMATION
		FROM PRESIDENT'S OUTBOX
		LOG IN/TO PRESIDENT TODAY
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		LAST DAY FOR ACTION -

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		MCINTYRE
		SCHULTZE

		ARAGON
		BOURNE
		BUTLER
		H. CARTER
		CLOUGH
		COSTANZA
		CRUIKSHANK
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HUTCHESON
		JAGODA
		LINDER
		MITCHELL
		MOE
		PETERSON
		PETTIGREW
		PRESS
		RAFSHOON
		SCHNEIDERS
		VOORDE
		WARREN
		WISE

		ADAMS
		ANDRUS
		BELL
		BERGLAND
		BLUMENTHAL
		BROWN
		CALIFANO
		HARRIS
		KREPS
		MARSHALL
		SCHLESINGER
		STRAUSS
		VANCE

THE WHITE HOUSE
WASHINGTON

5/16/79

Mr. President:

Dan Tate comments that
Senate interest has
centered exclusively on
the emission ceiling
and has been met by EPA.

Rick

THE WHITE HOUSE
WASHINGTON

May 12, 1979

*I told Doag
earlier that 12% if
& 70% would
be ok with
me*

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: EPA's New Source Performance
Standard (NSPS) for New Electric
Utility Boilers

This memo outlines agency views on the minimum percentage reduction requirement that is the most important part of EPA's New Source Performance Standard (NSPS) for new electric utility boilers standard from an economic and energy perspective. The options still under consideration range from 33% (DOE proposal) to 70% (EPA proposal). The other important issue, the emissions ceiling, has already been resolved, with EPA agreeing to promulgate a 1.2 lb. ceiling to accommodate Senator Byrd.

Since the EPA briefing last week, we have examined the dry scrubbing technology that is the basis for the EPA position. We now believe that EPA's optimistic assessment is fully justified. However, as with any technology that has not been tested in full scale operation, we cannot be certain that unforeseen problems won't develop.

The main substantive arguments for and against the EPA proposal (70%) are:

Pro

- The statute clearly intends that the highest level of scrubbing that does not impose unnecessarily large economic or energy penalties be required. The 70% option best meets this test.
- The 70% option offers reasonable protection of Western air quality. The 50% option would allow 67% more emissions than the 70% option in those cases where other environmental programs do not supercede the NSPS.

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Con

- There is no health reason to prefer a 70% percent removal requirement. More than 98% of all counties are now in compliance with the primary air quality standard designed to protect human health.
- Even if dry scrubbing is accepted by all utilities, it will still raise annual utility revenue requirements by \$300 million (1978 dollars) over the 33% percentage removal option. Total SO₂ emissions would be at most 200,000 tons lower per year (on a base of 20 million tons). The best available estimates of the benefits of sulfur dioxide reduction do not justify this cost.
- Dry scrubbing technology will be tested at high levels of removal no matter which minimum is adopted, since removals in the 70%-90% range will be required on some coals even if a low minimum removal requirement is adopted. Thus, a 70% minimum is not needed to force technology.
- If, contrary to expectations, problems develop with dry scrubbing, and utilities revert to the current wet scrubbing technology to achieve 70% removal, the 70% option would have significant economic and energy drawbacks. Utility oil consumption would be nearly 200,000 barrels higher than under the 33% option. Furthermore, the cost difference between the 33% and 70% would also increase dramatically to nearly \$1 billion (1978 dollars) per year. Given the lack of significant environmental or other advantages to the 70% standard, there is no need to take these risks.

The key political factors in this decision are:

- Departure from the 70% standard would be widely interpreted as a White House override of Doug's decision. Environmentalist dissatisfaction with this outcome would be focused directly on you.
- Doug has already accommodated Senator Byrd on the emissions "ceiling" in accordance with our wishes. The move to a higher ceiling will itself be interpreted in environmental circles as a capitulation by the Administration. An override of Doug's position on the percent removal requirement, which is more important to environmentalists than the "ceiling", could call our basic commitment to their cause into question.

-- On the other side, the utilities and the business interest groups also attach symbolic importance to this decision. In their view, a lower minimum would allow more opportunity for utilities to choose the lowest cost mix of coal and technology to reach an emissions goal. They may see the 70% standard as a violation of our commitment to emphasize performance standards, as opposed to design standards, in our regulatory programs.

Views

1. Jim Schlesinger feels that the 33% option is most appropriate.
2. Charlie favors the 50% compromise option. This option would avoid the risks inherent in the 70% option if dry scrubbing does not live up to expectations. Although he does not expect dry scrubbing to fail, the consequences of failure are significant enough to warrant caution. However, he recognizes that is a tough political decision and that EPA has satisfied most of his concerns by moving away from full scrubbing.
3. Fred and I believe that Doug should be permitted to promulgate a 70% standard. We believe that, on substance alone, the 50% option would be a better choice, but the 70% standard is not sufficiently bad to warrant direct White House intervention. The 70% standard represents a significant improvement over the full control alternative originally proposed by EPA. Furthermore, the politics of the situation also favor going along with Doug. OMB concurs.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

WASHINGTON, D.C. 20460

MAY 9 1979

THE ADMINISTRATOR

MEMORANDUM FOR THE PRESIDENT

SUBJECT: New Source Performance Standards for Coal-Fired Power Plants

This is to advise you of the decision I intend to adopt on two of the more controversial elements of the power plant rule:

- The minimum degree of sulfur dioxide (SO₂) control required.
- The maximum emission limitation (ceiling) for SO₂.

Degree of SO₂ removal

The rule I will adopt will require a minimum of 70% SO₂ removal from plants burning lower sulfur coals and 90% removal from plants burning higher sulfur coals. The 70% control requirement will allow utilities burning lower sulfur coal to use the less expensive, simpler control method known as dry scrubbing.

I am confident that dry scrubbing technology will be encouraged by the 70% control requirement and that a less stringent control requirement is not needed to insure use of this technology. These facts persuade me:

- Utilities have contracted for several dry scrubber installations with guaranteed performance of 70% control or greater.
- The utility contracts for partial scrubbing (70% or less) which have been let in the past year for new power plants have been few (three) but all have been for dry scrubbing rather than wet scrubbing.
- Pilot plant performance and engineering analyses clearly support the prospect of reliable and economic performance at levels of 70% and greater.

- Technical assessments indicate dry scrubbing has the potential for 85% control and better. The 70% level provides a substantial cushion for technical uncertainty.

- Dry scrubbing at 70% will be attractive to utilities because it is much less expensive than wet scrubbing at 70%: dry is 1.7 mills/kwh versus 3.2 mills/kwh for wet.

I have not selected the alternative of a less stringent control requirement such as 50% because:

- Less control (50%) would nearly double the emissions (compared to 70% control) from each new power plant in the West.

- Less control would increase consumption of allowable growth margins under the prevention of significant deterioration program, making conflicts between energy development and environmental protection more likely.

- Less control would pose greater risks of adverse impacts on visibility in the West.

- Less control could not easily be defended as fulfilling the Administration's commitment to require Best Available Control Technology on new coal-fired power plants. This is particularly clear, given existing utility orders for dry scrubbing at 70% control and better.

- Less control would discourage utilities from trying to improve technology.

- Less control is not significantly cheaper. Dry scrubbing costs for 50% control are 1.5 mills/kwh; costs for 70% control are 1.7 mills/kwh. Moreover, 50% control is not as cost effective (in terms of dollars per ton of SO₂ removed) as 70% control.

- Less control would be more difficult to defend legally, given the presumption in the Act's legislative history that control levels of 85%-90% would be required.

Maximum Emission Limitation (ceiling)

The ceiling issue is particularly difficult. I have decided on a ceiling of 1.2 pounds of SO₂ per million BTU (lbs/MM BTU) on a 30-day average. This is effectively the same as the current new source performance standard.

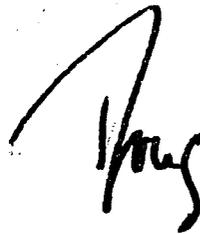
This ceiling is less stringent than the ceiling we proposed last September and considerably less stringent than options we analyzed during the rulemaking. I have not selected a more stringent ceiling because:

- Significant fractions of coal reserves in the midwest and Appalachia would not be able to meet more stringent ceilings unless utilities chose to control emissions by more than the 90% required for high sulfur coal by our rule.

- Given historical utility behavior we must assume they will control as little as the law allows. This means that the stricter ceilings raise the potential for disruption of planned expansion of coal production from some reserves which are ready for development.

- I do not believe that the 1.2 lbs/MM BTU ceiling will result in substantially greater regional emissions than the 1.0 lb ceiling I had been considering. The 90% control requirement will mean that almost all new power plants will emit at levels substantially lower than the current standard would allow.

- The ceiling issue is a tough one but a correct call on the merits. The recent publicity in the Washington Post and elsewhere disturbs me because these reports characterize the decision as a "cave in" to political pressure. However, the rule represents a substantial improvement in environmental protection and we will eventually get that point across.

A handwritten signature in black ink, appearing to be 'R. King' or similar, located in the lower right quadrant of the page.

ID 792000

THE WHITE HOUSE

WASHINGTON

DATE: 14 MAY 79

FOR ACTION: FRANK MOORE (LES FRANCIS)

JACK WATSON

ANNE WEXLER

JIM MCINTYRE

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

JERRY RAFSHOON

Xc: FM ✓
SL ✓
HL ✓

SUBJECT: EIZENSTAT MEMO RE EPA'S NEW SOURCE PERFORMANCE

STANDARD FOR NEW ELECTRIC UTILITY BOILERS

+++++

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

+ BY: 1200 PM WEDNESDAY 16 MAY 79 +

+++++

ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW:

*Senate interest has centered exclusively
on the emission ceiling & has been
met by EPA
(Dan Tate)*

THE WHITE HOUSE

WASHINGTON

May 12, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: EPA's New Source Performance
Standard (NSPS) for New Electric
Utility Boilers

This memo outlines agency views on the minimum percentage reduction requirement that is the most important part of EPA's New Source Performance Standard (NSPS) for new electric utility boilers standard from an economic and energy perspective. The options still under consideration range from 33% (DOE proposal) to 70% (EPA proposal). The other important issue, the emissions ceiling, has already been resolved, with EPA agreeing to promulgate a 1.2 lb. ceiling to accommodate Senator Byrd.

Since the EPA briefing last week, we have examined the dry scrubbing technology that is the basis for the EPA position. We now believe that EPA's optimistic assessment is fully justified. However, as with any technology that has not been tested in full scale operation, we cannot be certain that unforeseen problems won't develop.

The main substantive arguments for and against the EPA proposal (70%) are:

Pro

- The statute clearly intends that the highest level of scrubbing that does not impose unnecessarily large economic or energy penalties be required. The 70% option best meets this test.
- The 70% option offers reasonable protection of Western air quality. The 50% option would allow 67% more emissions than the 70% option in those cases where other environmental programs do not supercede the NSPS.

Con

- There is no health reason to prefer a 70% percent removal requirement. More than 98% of all counties are now in compliance with the primary air quality standard designed to protect human health.
- Even if dry scrubbing is accepted by all utilities, it will still raise annual utility revenue requirements by \$300 million (1978 dollars) over the 33% percentage removal option. Total SO₂ emissions would be at most 200,000 tons lower per year (on a base of 20 million tons). The best available estimates of the benefits of sulfur dioxide reduction do not justify this cost.
- Dry scrubbing technology will be tested at high levels of removal no matter which minimum is adopted, since removals in the 70%-90% range will be required on some coals even if a low minimum removal requirement is adopted. Thus, a 70% minimum is not needed to force technology.
- If, contrary to expectations, problems develop with dry scrubbing, and utilities revert to the current wet scrubbing technology to achieve 70% removal, the 70% option would have significant economic and energy drawbacks. Utility oil consumption would be nearly 200,000 barrels higher than under the 33% option. Furthermore, the cost difference between the 33% and 70% would also increase dramatically to nearly \$1 billion (1978 dollars) per year. Given the lack of significant environmental or other advantages to the 70% standard, there is no need to take these risks.

The key political factors in this decision are:

- Departure from the 70% standard would be widely interpreted as a White House override of Doug's decision. Environmentalist dissatisfaction with this outcome would be focused directly on you.
- Doug has already accommodated Senator Byrd on the emissions "ceiling" in accordance with our wishes. The move to a higher ceiling will itself be interpreted in environmental circles as a capitulation by the Administration. An override of Doug's position on the percent removal requirement, which is more important to environmentalists than the "ceiling", could call our basic commitment to their cause into question.

-- On the other side, the utilities and the business interest groups also attach symbolic importance to this decision. In their view, a lower minimum would allow more opportunity for utilities to choose the lowest cost mix of coal and technology to reach an emissions goal. They may see the 70% standard as a violation of our commitment to emphasize performance standards, as opposed to design standards, in our regulatory programs.

Views

1. Jim Schlesinger feels that the 33% option is most appropriate.
2. Charlie favors the 50% compromise option. This option would avoid the risks inherent in the 70% option if dry scrubbing does not live up to expectations. Although he does not expect dry scrubbing to fail, the consequences of failure are significant enough to warrant caution. However, he recognizes that is a tough political decision and that EPA has satisfied most of his concerns by moving away from full scrubbing.
3. Fred and I believe that Doug should be permitted to promulgate a 70% standard. We believe that, on substance alone, the 50% option would be a better choice, but the 70% standard is not sufficiently bad to warrant direct White House intervention. The 70% standard represents a significant improvement over the full control alternative originally proposed by EPA. Furthermore, the politics of the situation also favor going along with Doug.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

THE ADMINISTRATOR

MAY 9 1979

MEMORANDUM FOR THE PRESIDENT

SUBJECT: New Source Performance Standards for Coal-Fired
Power Plants

This is to advise you of the decision I intend to adopt on two of the more controversial elements of the power plant rule:

- The minimum degree of sulfur dioxide (SO₂) control required.
- The maximum emission limitation (ceiling) for SO₂.

Degree of SO₂ removal

The rule I will adopt will require a minimum of 70% SO₂ removal from plants burning lower sulfur coals and 90% removal from plants burning higher sulfur coals. The 70% control requirement will allow utilities burning lower sulfur coal to use the less expensive, simpler control method known as dry scrubbing.

I am confident that dry scrubbing technology will be encouraged by the 70% control requirement and that a less stringent control requirement is not needed to insure use of this technology. These facts persuade me:

- Utilities have contracted for several dry scrubber installations with guaranteed performance of 70% control or greater.
- The utility contracts for partial scrubbing (70% or less) which have been let in the past year for new power plants have been few (three) but all have been for dry scrubbing rather than wet scrubbing.
- Pilot plant performance and engineering analyses clearly support the prospect of reliable and economic performance at levels of 70% and greater.

- Technical assessments indicate dry scrubbing has the potential for 85% control and better. The 70% level provides a substantial cushion for technical uncertainty.

- Dry scrubbing at 70% will be attractive to utilities because it is much less expensive than wet scrubbing at 70%: dry is 1.7 mills/kwh versus 3.2 mills/kwh for wet.

I have not selected the alternative of a less stringent control requirement such as 50% because:

- Less control (50%) would nearly double the emissions (compared to 70% control) from each new power plant in the West.

- Less control would increase consumption of allowable growth margins under the prevention of significant deterioration program, making conflicts between energy development and environmental protection more likely.

- Less control would pose greater risks of adverse impacts on visibility in the West.

- Less control could not easily be defended as fulfilling the Administration's commitment to require Best Available Control Technology on new coal-fired power plants. This is particularly clear, given existing utility orders for dry scrubbing at 70% control and better.

- Less control would discourage utilities from trying to improve technology.

- Less control is not significantly cheaper. Dry scrubbing costs for 50% control are 1.5 mills/kwh; costs for 70% control are 1.7 mills/kwh. Moreover, 50% control is not as cost effective (in terms of dollars per ton of SO₂ removed) as 70% control.

- Less control would be more difficult to defend legally, given the presumption in the Act's legislative history that control levels of 85%-90% would be required.

Maximum Emission Limitation (ceiling)

The ceiling issue is particularly difficult. I have decided on a ceiling of 1.2 pounds of SO₂ per million BTU (lbs/MM BTU) on a 30-day average. This is effectively the same as the current new source performance standard.

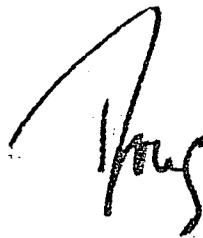
This ceiling is less stringent than the ceiling we proposed last September and considerably less stringent than options we analyzed during the rulemaking. I have not selected a more stringent ceiling because:

- Significant fractions of coal reserves in the midwest and Appalachia would not be able to meet more stringent ceilings unless utilities chose to control emissions by more than the 90% required for high sulfur coal by our rule.

- Given historical utility behavior we must assume they will control as little as the law allows. This means that the stricter ceilings raise the potential for disruption of planned expansion of coal production from some reserves which are ready for development.

- I do not believe that the 1.2 lbs/MM BTU ceiling will result in substantially greater regional emissions than the 1.0 lb ceiling I had been considering. The 90% control requirement will mean that almost all new power plants will emit at levels substantially lower than the current standard would allow.

- The ceiling issue is a tough one but a correct call on the merits. The recent publicity in the Washington Post and elsewhere disturbs me because these reports characterize the decision as a "cave in" to political pressure. However, the rule represents a substantial improvement in environmental protection and we will eventually get that point across.

A handwritten signature in black ink, appearing to be 'R. King' or similar, written in a cursive style.

ID 792000

THE WHITE HOUSE

WASHINGTON

DATE: 14 MAY 79

FOR ACTION: FRANK MOORE (LES FRANCIS)

JACK WATSON

ANNE WEXLER

JIM MCINTYRE

will comment (Thomson)

concern of Boyle

INFO ONLY: THE VICE PRESIDENT

HAMILTON JORDAN

JERRY RAFSHOON

SUBJECT: EIZENSTAT MEMO RE EPA'S NEW SOURCE PERFORMANCE

STANDARD FOR NEW ELECTRIC UTILITY BOILERS

+++++

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

+ BY: 1200 PM WEDNESDAY 15 MAY 79 +

+++++

ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW:

P
THE WHITE HOUSE
WASHINGTON

5/17/79

Mr. President:

Stu told me you mentioned
inviting a few major oil company
executives to a long meeting (2
hours) sometime soon.

What are your thoughts on this?

Phil

*Tentative so far -
planning stage*

J

Fri June 1

Sat June 2

12-15 people

12:30

May 25

retainers

Delivers

wholesalers

operators

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THE WHITE HOUSE
WASHINGTON

5/17/79

Mr. President:

Arrangements have been
made with Mrs. Rickover for
the surprise dinner for the
admiral on May 31.

Phil

ok
J

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THE WHITE HOUSE

WASHINGTON

May 17, 1979

MR. PRESIDENT --

You need a strong statement in your remarks at the reception for the Observance of the 25th Anniversary of the Supreme Court's Brown vs. Board of Education decision, stressing that affirmative action is a key to winning the last great battle -- economic equality.

You have supported affirmative action in amicus briefs before the Supreme Court (Bakke, Weber) and in your Administration's own hiring practices -- as evidenced by the people in the room.



Stu Eizenstat

THE WHITE HOUSE
WASHINGTON
17 May 79

Secretary Schlesinger

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

Rick Hutcheson

cc: Frank Moore



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

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

BILLY LEE EVANS
8TH DISTRICT, GEORGIA

113 CANNON HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515
PHONE: (202) 225-6531

COMMITTEES:
PUBLIC WORKS AND
TRANSPORTATION
SMALL BUSINESS
SELECT COMMITTEE ON
NARCOTICS ABUSE AND CONTROL

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

May 16, 1979

DISTRICT OFFICES:
331 FEDERAL BUILDING
MACON, GEORGIA 31208
PHONE: (912) 742-5753

805 COLLEGE STREET
EASTMAN, GEORGIA 31023
PHONE: (912) 374-7319

207 FEDERAL BUILDING
WAYCROSS, GEORGIA 31501
PHONE: (912) 285-8420

*To Jim Schlessinger
draft a reply for
me to sign
J*

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

Dear Mr. President:

A number of energy-related problems have recently come to my attention. I am very concerned about these matters because they do not seem to be receiving the proper attention they deserve within the Executive Branch. I would urge you most strongly to review these issues and to resolve them as soon as possible. If you do not address these topics soon, I fear that the energy situation may grow far worse and may become even more difficult to manage than it is now. Many of these points are within your jurisdiction; some will require the concurrence of the Congress; but they all need your immediate attention.

1. The gasoline shortage, all rhetoric to the contrary, does not appear to be the fault of the petroleum industry but is largely the result of conflicting and counter productive Federal regulations that are seriously hampering our ability to refine the products most needed by our country. EPA regulations in connection with the Clean Air Act are so restrictive that domestic refiners cannot site new refineries or reconfigure older ones to make the unleaded gasoline and low-sulfur distillate that we need to reduce air pollution at the consumer level. EPA is requiring the use of the best available technology on all existing refineries in non-attainment areas. This effectively eliminates all potential tradeoffs that a refiner might make on improving the older parts of his refinery to offset the incremental emissions from the new facilities. The new facilities are especially needed because the crude oil now available to refiners is generally high in gravity and in sulfur content. It cannot be effectively utilized without these refinery changes which are virtually impossible under the current regulations. If they could be adjusted to permit the necessary refinery modifications to take place, the pressure on gasoline and distillate stocks could be eliminated. No one in the Administration seems to be dealing with refining problems as part of a national energy policy. Unless these changes are made the gasoline and distillate shortages can only get worse.

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The President
May 16, 1979
PAGE TWO

2. The United States has no coordinated energy policy. It places the burden for production on the oil industry and then proceeds to interfere in its operation. Regulations are promulgated on one subject without regard for their effect on another. Much the same could be said for the coal industry. We have huge reserves of coal and you have stated repeatedly that we need to produce more coal as a substitute for imported oil. Yet, over the two years since you made that commitment, coal use has increased only 1.5 percent per year. There is something seriously wrong with our policy, Mr. President, when we are able to accomplish so little in the length of time that has passed since the 1973 Oil Embargo. I believe that you have acted in good conscience, but I also believe you have been poorly advised and have not successfully addressed the interdepartmental impasses that have developed within your Administration. Even if the Department of Energy were properly motivated, which it emphatically is not, it is doubtful that it would even then be able to accomplish much in the way of achieving energy goals in the face of deep intransigence on the part of EPA and the Department of the Interior. Perhaps the purpose would be best served by creating an organization in the Executive Office of the President which would impartially advise you directly on these problems so that you could make objective policy decisions with unbiased information or could successfully arbitrate disputes between agencies or departments in conflict.

3. The lack of a National Coal Policy is particularly appalling and is a national disgrace. The Department of Energy has thousands of employees, but only one is doing anything within DOE on the subject of coal policy. What kind of commitment is that? If we are serious about coal as our alternative to oil as a future energy source, we had better get organized. One man cannot do it by himself, particularly when he is receiving no support from the Department. If we are not going to do it, let's be honest and say so. If we are committed to actually doing something with coal, let's set up a structure within the department, not just a facade like we have now, to deal with coal-related problems, and there are plenty of them with which to deal. The simple fact of the matter is that DOE does not have an operational office of Coal Policy, despite the fact that there is one for oil and gas. DOE had better get organized on this subject because the Congress has awakened to the fact that coal is a resource that we can no longer afford to neglect. DOE needs to discover that, too.

4. The Department of Energy has been a special disappointment to just about everyone who has followed its progress. I feel this is due in large part to the lack of imagination and control the top management of

The President
May 16, 1979
PAGE THREE

DOE has exercised. The National Energy Plans have been total flops, there has been little recognition of problems before they developed or even afterward, for that matter. The Department seems to indulge itself in self-congratulations from minor triumphs while acting deaf, dumb, and blind to the major energy issues facing it. Mr. Schlesinger is no doubt a capable man but he is clearly the wrong person for that position. Mr. O'Leary has a much better appreciation for energy issues specifically and for management generally. He would make an excellent replacement. It is a real shame to see the talent wasted at DOE. People who were doing important work in organizations that were absorbed by DOE have been misassigned and are now doing virtually nothing despite their desire to contribute. Large numbers of people are assigned to insignificant projects, while extremely competent mid-level people must struggle with major issues with literally no staff support.

The Policy and Evaluation Office under Al Alm has become an especially hopeless case. No management or accountability is evident. Reports are written at great expense to the taxpayers but are never released because of "review problems". People with no energy experience have been placed in important jobs because of their "contacts" rather than their ability. As noted by the Coopers and Lybrand Study, which was commissioned by DOE, a thorough housecleaning is in order. Let Al Alm take a well deserved rest and elevate competent people like Erik Svenson to top positions where they can use their considerable skills to get our energy policy back on the track. We cannot afford to drift much further. I might add that the indecision and lack of managerial talent at P and E has led to a situation where National Energy Policy is being set largely by private contractors with DOE's blessing. The small amount of policy control that remains has been largely abdicated to the Office of Management and Budget, which is not where it belongs.

I did not mean for this note to be this long, but I have still not covered all of my thoughts on this matter. I believe the energy problem is by far the most serious one this country has ever faced and if we do not meet the challenge soon we will be in deep trouble, domestically and internationally. I would like very much to discuss these and other matters with you at your convenience. I hope that we can work together to develop the best possible energy policy for the country.

Sincerely,


BILLY L. EVANS
Member of Congress

BLE:ah/3



GENERAL ADVISORY COMMITTEE
On Arms Control and Disarmament
WASHINGTON, D.C. 20451

May 11, 1979

Dear Mr. President:

We have been following closely the debate regarding the partial rebasing of the US ICBM force and have received briefings on all the major rebasing options. At this point we continue to have reservations about each of the proposed systems as we first indicated, with reference to MAPS, in our letter of September 25, 1978.

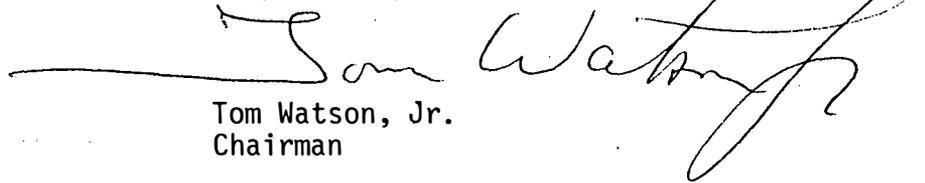
We learned yesterday, however, of a newly proposed option, the "zippered trench" option. This proposal is apparently being put forward accompanied by heavy pressures for an immediate decision.

It is not the purpose of this letter to comment on the merits of this or any other rebasing proposal. We are deeply concerned, however, about the pressure to reach a decision on an option which has not received thorough and rigorous technical, political and arms control review.

We strongly urge you to slow down this process and make certain that any recommendation is not viewed weeks or months from now as fatally flawed, and perceived as a false start which could undermine US leadership and credibility. As you have repeatedly recognized, there is a long-run need for prudent modernization, but there is nothing in our present and prospective strategic deterrent posture which creates any requirement for a precipitous commitment to a specific basing mode.

We sense the political difficulty of this approach and the possibility that it may even be a threat to SALT II ratification, but we believe that SALT may be set back even more in the future if we proceed with a hasty decision.

Respectfully,


Tom Watson, Jr.
Chairman

The President
The White House

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EYES ONLY

May 16, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze ^{Q4S}
Subject: Personal Income in April

Tomorrow (Thursday, May 17) at 11:00 a.m., the Commerce Department will release its estimate of personal income in April. Total personal income rose by 0.3 percent last month, a very small increase; wages and salaries, the principal component of personal income, rose by only 0.2 percent.

These figures, like the industrial production estimates released this morning and the employment data that came out two weeks ago, are heavily influenced by the Teamster's strike and by bad weather (floods and tornados). The Commerce Department estimates that without those adverse impacts, wages and salaries and total personal income would have risen by 0.7 percent in April. This would still be a relatively modest increase.

In generating these estimates, the Commerce Department staff had to make a very rough guess as to what happened to the length of the workweek in the last half of the month, when the Teamster's strike and weather effects were over. This first estimate of personal income is therefore subject to substantial revision next month. The May figures will give them, and us, a better guide to the course of the economy in the second quarter.

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2082

THE WHITE HOUSE
WASHINGTON
5/17/79

Zbig Brzezinski

The attached memos were returned in the President's outbox today and are forwarded to you for your information and appropriate handling.

Please forward the attached copies to the noted Secretaries.

Rick Hutcheson

Thomas J. Watson, Jr.
Old Orchard Road. Armonk, New York 10504

cc by Harold
J
J

May 16, 1979

MEMORANDUM

TO: The President of the United States
FROM: Thomas J. Watson, Jr.
SUBJECT: The Summit, SALT III, and MX Basing

It occurred to me that you might welcome some ideas in preparation for "deadline decisions" facing you in regard to MX basing and the Summit. I suggest:

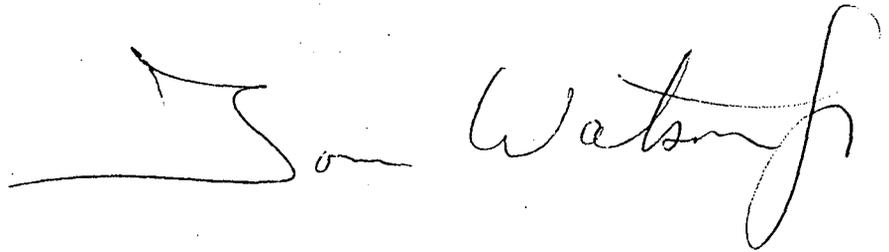
1. During the meetings that Secretary Vance and Ambassador Dobrynin are now having in planning the Summit, the Soviets might be told that you want to discuss concrete steps to relieve legitimate American concerns about Minuteman vulnerability. It would be desirable if the Soviets came prepared to talk about this problem in Vienna. Possibly you could let it be known publicly, ahead of time, that you had urged the Soviets to put this item on the agenda.

2. Meanwhile you might consider appointing a very distinguished committee of able citizens with a variety of backgrounds relevant to a national security investigation, and charge them with reviewing all those Defense Department options on MX basing--from top to bottom--and reporting back by a date certain. The following names come to my mind as examples of who might serve on such a panel:

Senator Henry Bellmon	Arthur Krim
McGeorge Bundy	Melvin Laird
John Sherman Cooper	Thomas McIntyre
Senator Alan Cranston	Senator Ed Muskie
Senator John Culver	Senator Sam Nunn
Douglas Dillon	David Packard
Richard Garwin	Dean Rusk
Senator John Glenn	Brent Scowcroft
Lane Kirkland	William Scranton
Henry Kissinger	Ambassador Gerard Smith

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3. Further, between now and the Summit on June 15, you might stress to the nation what power the United States has in its arsenal right now that severely threatens the Soviet Union and already guarantees deterrence and security.

A handwritten signature in cursive script, appearing to read "Tom Watson". The signature is written in black ink on a white background.

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SALT III Substitutions
FOR Vienna & Before

Thomas J. Watson, Jr.
Old Orchard Road, Armonk, New York 10504

cc 3619
Cy
Harold
J

May 16, 1979

Dear Mr. President,

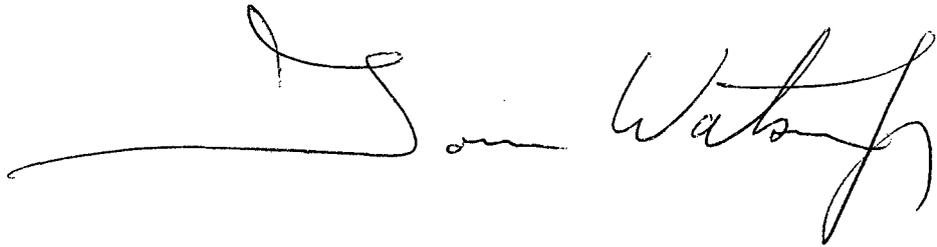
I am writing this letter as an individual, but I think it tracks in a very general way the opinion of many on my Committee. Any deceptive basing system raises almost insurmountable problems to the continuation of the SALT process and a good faith relationship between the United States and the Soviet Union. While I believe it desirable to reduce Minuteman vulnerability to the lowest possible level, methods of doing so which impair the SALT process should be avoided. The process now going on in Geneva has a good deal more promise for world security than any upgraded weaponry, and I believe that the situation is now, and even in 1985 will be, very close to essential equivalence.

Our land-based force contains sufficient re-entry vehicles so that a pre-emptive strike by us against the Soviets may be an extremely worrisome possibility to them, although our own experts tell us that such a strike would be less damaging to their land-based force than a Soviet strike on our Minutemen. It is also apparent that if the Soviets struck first they could eliminate the large majority of our land-based force, a higher percentage than we could of theirs. In each of these cases one presumes that neither side fires on warning, which is not by any means a surety and, therefore, it is a tremendous deterrent. Furthermore, our sea and aircraft-based missiles would be sufficient, using only a fraction of those weapons, to punish the Soviets for a first strike on us without counter-city attacks.

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I believe that open and easily verifiable basing schemes which rely upon rapid movement of our land-based strategic arms after the positive initiation of an enemy attack have considerable promise. Nearly as effective would be any sort of air-mobile deployment in which part of the force could be maintained on a constant air alert during periods of crisis. Both of these approaches preserve the verifiability of the arms on both sides regardless of who duplicates what system. If we move away from complete and easy verifiability now, I doubt if we can ever return.

Yours respectfully,

A handwritten signature in cursive script, appearing to read "James Watson". The signature is written in black ink on a white background.

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

Deceptive BASING

ARTHUR B. KRIM

May 16, 1979

cc
3619
Cy
J

The President
The White House
Washington, D. C.

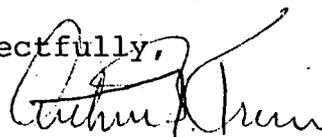
Dear Mr. President:

My greatest fear is that in the process of ratification SALT II will become a preliminary for a dangerous and potentially fatal round of escalation. All the suggestions for exercise of our new type option pose problems of verification or counterforce threat, either of which will inevitably lead to the "catch up" pressures which have characterized the strategic arms race since the first atom bomb. As this escalation continues, and there is at this moment no foreseeable end to it, the probabilities of a horrendous flash point become more frightening. I am convinced, therefore, that the fate of humanity may hang in the balance as the next step in the process is decided.

I would urge you, Mr. President, to seize this moment in time, as possibly a last opportunity to start the de-escalation process, by aborting the escalation permitted under SALT II before the new systems are developed. I would urge you, even at this late date and regardless of rights under the treaty, to press Mr. Brezhnev for an immediate moratorium on the testing of new ground systems by either side, while at the same time jointly setting in motion a new set of meaningful targets for SALT III.

I am convinced that this course of action would receive broad support from the American public, once they are educated to our deterrent strengths; to the madness of reliance on strategies of "limited" nuclear war fighting; to an understanding of the extent to which the ominous Soviet build up in the 70s must be judged in the light of Soviet response to our capabilities and paranoia about our intentions, exacerbated by the more hostile world environment in which the Soviets live; and, overall, to an awareness that our goal of stable balance, so that you can pursue confident leadership in world politics, is increased and not impaired by making the world a safer place in which to live, through mutually agreed reductions in strategic forces.

Respectfully,



ABK:cce

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THE WHITE HOUSE
WASHINGTON
5/19/79

Stu Eizenstat
Jim McIntyre

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

Rick Hutcheson

*Copy given to Binder w/order
attached.*

THE WHITE HOUSE

WASHINGTON

May 16, 1979

C

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: FMC Suspension of Far Eastern Shipping
Company (FESCO) Rates

Under the "Controlled Carriers Act" you signed last year the FMC has the power to suspend the tariffs filed by state-controlled shipping companies if it suspects these rates may be "unreasonable." This is the FMC's first exercise of this new power.

While contesting this case FESCO has filed new rates with the FMC and is continuing to operate while it negotiates with FMC staff over its old rates. In light of this, neither the State Department nor any other agency recommends that you exercise your right to disapprove the FMC action on foreign policy grounds. In this first case it appears the law is working as intended.

I recommend you take no action in this case, allowing the FMC order to stand.

Regarding OMB's concern that future FMC orders include some statement of the reasons for their actions, I agree that we should informally explore with FMC their inclusion of supporting material in future orders.

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

May 14, 1979

ACTION

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Federal Maritime Commission Decision: Rates of Far
Eastern
Shipping
Company

Docket No.
79-10

Under the provisions of the Ocean Shipping Act of 1978 (Public Law 95-483), the Federal Maritime Commission (FMC) has taken its first action to suspend certain commodity rates of a controlled carrier. On March 2, 1979, the Commission served a show cause order on the Far Eastern Shipping Company (FESCO), a carrier controlled by the government of the U.S.S.R., asking it to justify why its rates should not be found to be unjust or unreasonable and, therefore, should not be disapproved.

The Commission believes that FESCO's published freight tariffs for certain commodities may be unjust and unreasonable when compared with those of conference shippers and other independent carriers. Pursuant to the order, FESCO's rates were suspended effective May 7, 1979, for a period of 180 days, during which time the Commission will consider final action in the case.

Under the provisions of the Ocean Shipping Act of 1978, within ten days after the receipt or the effective date of such Commission order, whichever is later, you may request the Commission in writing to stay the effect of the order if you find that such stay is required for reasons of national defense or foreign policy.

In reviewing this particular case, we have been informed that FESCO has subsequently filed supplementary tariffs with the Commission to replace those which have been suspended and that the Commission is now examining those tariffs. Additionally, the State Department has indicated to us that it has learned, via diplomatic channels, that "the carrier is continuing its operations under the new tariffs and is in the midst of further and apparently satisfactory discussions with FMC staff on those matters which remain outstanding."

Agency Comments

Based on the above information, the State Department has concluded that the matters of controversy in this case, "...do not appear at this time to require Presidential action for reasons of national defense or foreign policy..." State therefore believes that it would be inappropriate to recommend that you exercise your option under the Act to stay the Commission's order.

The Commission's order was also circulated for comment to Justice, Treasury, Commerce, Transportation, Defense, COWPS, CEA, and the National Security Council. Only the Department of Transportation indicated any reservations concerning the Commission's order, and those related to the lack of a clear statement of reasons in the order to support the exercise of the Commission's authority.

The Office of Management and Budget also recommends that you take no action in this case and allow the Commission's order to stand. The suspension order becomes final unless you request a stay on or before May 17, 1979.

Statement of Reasons

Since this is the first case under the new Ocean Shipping Act of 1978, it does establish precedent for future cases. For that reason we have noted with particular attention the points raised by the Department of Transportation regarding the lack of a statement of reasons to support the Commission's action in its order. Unlike the Federal Aviation Act, which requires the CAB to state in writing its reasons for the suspension of U.S. or foreign air carrier tariffs, there is no such requirement in the Ocean Shipping Act. This creates a situation in which you are called upon to make an informed judgement as to whether or not to stay an order without having the benefit of the Commission's reasoning in support of its order.

While the above situation does not present itself in the FESCO case, it could certainly arise under subsequent Commission actions. We believe that the legal questions are at least complex enough to make further review desirable before you decide whether to request statements of reasons from the Commission. We also believe that this is important enough to warrant either the Attorney General or White House Counsel reviewing the options available for achieving the inclusion of such statements in future orders. We have asked, below, for your approval to explore the options.

Options and Implementation Actions

Suspension Order

1) Allow the Commission's order to stand by taking no action (State and OMB).

--No objections expressed by Justice, Defense, Commerce, Treasury, COWPS, CEA, or National Security Council.

2) Stay the Commission's order

--Appropriate implementation materials to be prepared.

3) See me

Statement of Reasons

1) Explore options for the inclusion of such statements in future Commission orders (DOT and OMB).

2) Take no action on statements of reasons.

3) See me.

W Bowman Cutter
W. Bowman Cutter
Executive Associate
Director for Budget

*I think
the should
include reasons*
J

Attachments:

FMC letter of transmittal
FMC order

THE WHITE HOUSE
WASHINGTON

17 May 79

Tim Kraft

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

May 15, 1979

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MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT *TK*

SUBJECT: Your Call to Pete O'Grady Between 3 - 5 Today

You told Speaker Vern Riffe (Ohio House) that you would call Pete O'Grady on Wednesday of this week. O'Grady was recommended by Riffe as one who could keep his pulse on the Cleveland situation and suggest ways to minimize the problem.

Pete O'Grady was:

Executive Director of Ohio Party from 1966-70.

State Chairman 1970-71.

Resigned the Chairmanship before his term expired to serve in Gilligan Administration.

1971-75 was Highway Safety Director for Gilligan.

1975 - Present heads a consulting firm - does legislative lobbying.

I've talked to O'Grady who supports you as strongly as Riffe, and wants to help. You might suggest that he monitor the Cleveland situation and keep both Riffe and myself informed. To the extent that they can marshall 'friendly fire' at that meeting, they should be encouraged to do so.

Express your appreciation of the solid support given you by Paul Tipps and let O'Grady know that we want to keep him in the loop.

*O'Grady recommended that ^{a)} Kraft call Kucinich for his help
b) I call in oil executives & others to discuss energy
c) He, wife & 12 children come to Wash to visit Tim & to meet me*

Also said he will help - Doesn't think Kennedy will destroy party unity by running in '80

THE WHITE HOUSE
WASHINGTON
17 May 79

Secretary Vance
Zbig Brzezinski
Jim McIntyre

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

Rick Hutcheson

Note: Please comment in
one memo rather than three.



FOR STAFFING
FOR INFORMATION
<input checked="" type="checkbox"/> FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND
NO DEADLINE
LAST DAY FOR ACTION -

add note from me: please comment in one memo rather than three

ACTION
FYI

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

<input type="checkbox"/>	VICE PRESIDENT
<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON
<input type="checkbox"/>	WEXLER
<input checked="" type="checkbox"/>	BRZEZINSKI
<input checked="" type="checkbox"/>	MCINTYRE
<input type="checkbox"/>	SCHULTZE

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<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	CRUIKSHANK
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	GAMMILL
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	RAFSHOON
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN
<input type="checkbox"/>	WISE

<input type="checkbox"/>	ADAMS
<input type="checkbox"/>	ANDRUS
<input type="checkbox"/>	BELL
<input type="checkbox"/>	BERGLAND
<input type="checkbox"/>	BLUMENTHAL
<input type="checkbox"/>	BROWN
<input type="checkbox"/>	CALIFANO
<input type="checkbox"/>	HARRIS
<input type="checkbox"/>	KREPS
<input type="checkbox"/>	MARSHALL
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	STRAUSS
<input checked="" type="checkbox"/>	VANCE



EMBASSY OF THE
UNITED STATES OF AMERICA
BERN MAY 15, 1979

cc Cy, H. Owen,
J Mc Intyre.
Marvin is a competent
businessman, especially int-
rested in trade and
management. Please comment
to me on his major points
J

The President
The White House

Dear Mr. President:

Please consider this letter as my notice of resignation as United States Ambassador to Switzerland effective on or about July 15, 1979.

Compelling personal considerations have prompted this decision.

My especial appreciation to Secretary Vance and the State Department for the full cooperation accorded me in the discharge of my duties.

As a result of my experiences in Switzerland, attached are observations and opinions which I feel it my responsibility to express.

Thank you sincerely for the signal honor to which you appointed me, and for the opportunity you provided me to serve our beloved country. I hope I have served well our republic and you, Mr. President.

Respectfully,

Marvin L. Warner
Ambassador

Attachment
As stated (3 pages)

cc: Secretary Vance

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My observations and opinions are respectfully submitted on the following:

I. Financial

I believe our financial reporting has been discerning and timely. My letter to you February 3, 1978 underscored the dollar crisis and urged at that early date issuance of U.S. foreign denomination bonds.

I respectfully make another suggestion which also may be unpopular for the moment but will increase substantially capital flows (both debt and equity) to the U.S., i.e., legislation eliminating withholding tax on interest and dividend income from U.S. securities purchased by foreigners. This tax particularly adversely affects treasury bonds and diverts investment to the Eurodollar bond market where there is no withholding.

I. Economic (Exports)

The action you took November 1, 1978 in support of the dollar has been successful. The continuance of that success, in my humble opinion, Mr. President, is dependent on a balanced budget, on which you are diligently working and elimination of our trade deficit.

My prime recommendation is the appointment of a Presidential Assistant to be your coordinator, expediter, and alter ego on exports; this appointment and positive action are badly needed because of the urgency of the export deficit problem, and the present divisive responsibilities involved. Such an assistant, reflecting your prestige and involvement, could work closely and effectively with the various Government Departments, Congress and the business community to encourage exports.

check on this L An aggressive, imaginative export program was submitted to State via Bern cable 1926 dated April 25, 1978. I respectfully urge its implementation. It concurs with State 051862 dated March 3, 1979 emphasizing the critical position of the Ambassador as the prime mover in the host country for American exports.

During my tour, in addition to normal embassy activities, especial emphasis was given U.S. exports and to U.S. tourist promotion with encouraging results.

In 1978 U.S. exports of manufactured goods to Switzerland increased by over 40%.

On exports, our approach in Bern is essentially a people-to-people program, wherein we invite U.S. exporting firms to meet with Swiss importers in the same room at the same time -- all under the auspices of the Embassy. It works. The program is simple, inexpensive and should be done on a worldwide basis.

Tourism to the U.S. increased from 90,000 in 1977 to over 120,000 in 1978 or 33%. Especially effective in this promotion were personalized letters from the embassy inviting the Swiss to visit the U.S.A.

III. American Industry Representatives Abroad

The loss of Americans abroad representing American business is serious to our exports and the loss is getting worse. Seventy-five percent of U.S. firms in Switzerland are headed by foreigners and many U.S. firms here do not have a single American employee. It is the same all over Europe. Our priority being to increase exports, we should not treat our working Americans abroad differently than our export competitors treat their nationals abroad. Japan, West Germany, France, Britain, and Switzerland do not tax their nationals on income received away from their shores. They view their industry representatives as frontiersmen for their national products and exports.

IV. Embassy Personnel

Embassies can be reduced in size effectuating substantial savings without effecting operations. They are overstaffed, if my small embassy is typical. Accordingly, larger embassies could be much more overstaffed. I recommended (Bern cable 6343 dated December 27, 1978) substantial reductions even though activity at the embassy is up in all sections, particularly Commercial and Consular. Action on that recommendation is pending.

Incentive and reform as in Civil Service is recommended.

Efficiency reports are written generally very favorably, with omissions being used for criticism instead of the written word. The cumbersome appeal procedure discourages realistic appraisal of performance.

V. Embassy Additional Authority and Function

Embassies can perform more functions than they are called upon to perform. Special USG individuals and groups travelling out of Washington for various matters in the host countries could be reduced if the embassies were given the authority and the information to handle such activities on an in-house basis. This would reduce travel expenses, enhance the importance and the prestige of the embassy and would provide good results. No one knows the host country and its leadership better than permanently stationed U.S. diplomats.

VI. USG Departments and our Embassies

Department of State cable 051862, outlining the authority of Chiefs of Mission, is clear. A supplement is respectfully suggested directing U.S. Government Departments with business in host countries to deal through our embassies.

THE WHITE HOUSE
WASHINGTON

5/17/79

Jerry Rafshoon

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

Rick Hutcheson

*Jerry
info
J*

May 15, 1979

MEMORANDUM TO: President Jimmy Carter

To my amazement, I have discovered that many people, particularly women, are confused about the capabilities of the nuclear plants. They believe that they are used to produce electricity and also to produce bombs.

I don't know how widespread this is, but I believe it would be worthwhile in some manner to educate the people as to the real use. To the extent that popular support is a factor, it could be very important.

CHK/b

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THE WHITE HOUSE

WASHINGTON

May 16, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: GORDON STEWART

SUBJECT: Talking Points for Dropby at the
25th Anniversary of Brown v. Board of
Education

I. The accompanying short speech was prepared at the request and with the assistance of those who felt a possible release text should be available. Please skim it for points or phrases. A condensed version follows.

II. Louis Martin will have brought together about three hundred black appointees. The total is more than in any previous Administration.

III. You might wish to describe your own experience with the immediate aftermath of Brown and its gradual acceptance by the South, which is now in greater compliance than many Northern cities.

Good (IV. For example in 1968 75% of minority students attended essentially segregated schools in the South. By 1976, that number had dropped to 12%. Yet in the North, the figure has barely budged at all (36% to 31% for six industrial states).

V. The most essential point however is to celebrate the spirit of Brown with what Louis Martin calls "The Family," and to reaffirm the commitment of this Administration to the letter of Brown -- in housing through cease and desist powers for HUD, in education through funding and enforcement, and in employment through affirmative action.

VI. A sample of programs follows the short speech text.

VII. Speech points:

1. Twenty-five years ago the basis in law for segregation by race was finally struck down in this republic by Brown vs. The Board of Education. Twenty-five years later the basis in reality for racial segregation still exists in our schools. So does discrimination in our housing.

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god (2. Three hundred and sixty years ago, the first enslaved people were unloaded on the shores of Virginia. One year later the first Pilgrims stepped onto Plymouth Rock to found a free world. In a real sense the story of America ever since has been our struggle to resolve this horrible contradiction.

3. On May 17, 1954 something changed forever. Black people themselves had appeared before the courts to win their own rights.

4. The Court was unanimous. All nine members spoke as one conscience of one country.

5. I don't have to tell you change is tough. You certainly don't have to tell me. Too many doors are still locked. I have urged the Congress to give HUD the power to resolve complaints directly by providing Secretary Harris with cease and desist authority -- and I propose we do it now.

6. The first great campaign of the war for equality was the emancipation from slavery. The second was the elimination of legalized social oppression, in which Brown was the decisive victory. The third campaign -- for equal opportunity in the economic structure of our country -- may be the most difficult of all. Victory here will demand both determination and sensitivity.

7. The Court's question 25 years ago: "Does segregation of children in public schools solely on the basis of race ... deprive the children of the minority group of equal education opportunities? We believe that it does."

god (8. Our question today: Doesn't any deficiency in the quality of education also deprive a child of equal opportunity to enter the mainstream of the American economy? Doesn't discrimination in housing which preserves old patterns of segregation also deprive our children of equal opportunities? Doesn't any practice of racial exclusion from employment or advancement also result in depriving our children of their rights to equal opportunities?

9. We are all here today because we know that that is so. We are together in this government to see that there will be equal opportunity in every aspect of American life. We will not be pushed back. We will not be turned away. And we will see to it that some day no one is left outside.

THE WHITE HOUSE
WASHINGTON

Phil has
Seen

THE WHITE HOUSE
WASHINGTON

4/27/79

Mr. President:

Do you want a 15 min.
meeting with William Scranton
as soon as possible per Zbig?

yes no

Phil

5/1/79

11am

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THE WHITE HOUSE
WASHINGTON

4/27/79

Mr. President:

President Ford will be
in town this coming monday
and tuesday. Do you want to
meet with him concerning
SALT or anything else?

yes no

Phil

5:15 pm

4/30/79

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11 am 4/30

THE WHITE HOUSE
WASHINGTON

4/26/79

Mr. President:

Sec. Adams would like to
meet with you on monday to
discuss the railroad situation.
Stu recommends you approve.

approve disapprove

Phil

J
Send to
ps this
time

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THE WHITE HOUSE
WASHINGTON

5/17/79

Frank Moore

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

May 15, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM*

SUBJECT: SENATOR JACOB JAVITS

Senator Javits has had two "milestones" this month. On May 4 he became the longest serving Senator from the state of New York. On May 18 (Thursday) he celebrates his 75th birthday. His staff is holding a party in his honor and would like to present him with a collection of taped messages from noted individuals. They have requested a taped message for this occasion from you. They assure us it will not be used for political purposes; it will be a personal memento only.

Javits has voted with us more often than 50% of the Democrats in the Senate, and is important to us on a number of key issues, including SALT.

The Vice President has done a similar taping.

The script is attached.

5/15/79

DRAFT

TAPING IN HONOR OF SENATOR JAVITS' 75th BIRTHDAY

I am pleased to have this opportunity to send my best wishes and congratulations (~~to you,~~ Jack,) as you celebrate your 75th birthday.

For 32 years you have served ~~the citizens of~~ New York, and ~~the citizens of~~ this nation, as a ~~statesman~~ ^{leader} and as a ~~leader~~ ^{statesman}. During that time, you have earned the respect of your colleagues in the Senate on both sides of the aisle, ~~not just~~ ^{and} for your legislative ability, ~~but~~ also for your special sensitivity to the needs and concerns of the American people. I especially appreciate your ^{personal} advice and counsel over the last 2½ years. ~~The greatness~~ ^{of your fine} career can be measured by the impressive list of legislation, both domestic and international, which bears your name, your involvement, and your influence. But your career is also measured by the special affection, respect, and love which so many Americans feel for you today.

I am grateful to have ~~had~~ the privilege of working with you. ~~and~~ Rosalynn and I wish you every happiness in the coming years.

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A. Nesmith
5/16/79

Ferry

Stu Pat Caddell
Jesse Jackson

a) This is my only 1979
Commencement address - a major
opportunity

Cheyney State College Commencement 5/20/79

- b) Have you, Jody, Andy, John Lewis, etc. worked on it? (read it?)
- c) These are tough, modern day young people - They want to be part of what we're trying to do - not listen to me brag.
- d) No humor
- e) No human interest
- f) What will be the lead?
- g) Refer to Andy, John Lewis, others now
- h) Racism still prevalent in America - An army (?) needs to fight it.
- i) Talking points for Brown vs Bd of Ed are good.
- j) Glance through "A Govt as Good as its People" - Plagiarize from me p17ff, 18, 22, 24, 25, 26, 29, 30 etc just one or two
- k) So far, it's mostly a dead speech.

Detectable trend
in congress

shaping U.S. policy in Govt
An army (?) needs to fight it.

J

I have come here today to congratulate you on your achievements -- and to speak of the hopes we share for our country and our world.

You have a special responsibility. For yours is the generation that Dr. Martin Luther King Jr. was thinking of when he so eloquently expressed his dream for America.

Yours is the first generation of Americans to have been born into a time in our country when racism could no longer cloak itself in the majestic raiment of the law.

all accurate

The Supreme Court's decision in Brown vs. Board of Education, that great victory for human freedom, came just a few short years before the members of this year's graduating class were born. In the perspective of history, that decision is still very recent. President^(first name) Wilson and I had lived more than half our lives before it was handed down.

When you were still small children, other legal barriers began to come tumbling down, one after another. America began to learn that equality must mean equality -- not just in principle, not just in theory, but in the particulars of life: going to school, eating at a restaurant, stopping at a hotel, riding a bus or train, voting in an election.

Getting from the principle to the particular has never been easy. Those who mean evil often pay lip service to principles that are good. It is in the particulars that both good and evil reveal themselves.

The Civil Rights movement was based on principle. But

all accurate

it was a movement of particulars.

It made our nation look at particular actions in the light of hallowed principle. It made our institutions look at particular people and see them not as stereotypes but as individual human beings capable of love and patience, anger and courage. It made us look at ourselves. It made us look into our own hearts and examine our own actions.

all accurate

We can tick off the particulars that have changed because of the courage and sacrifice of those who brought America face to face with its own conscience. The signs came down, the laws were changed. Schools, polling booths, places of public accomodation were opened. Part of Dr. King's dream has come true. We have passed many a milestone on freedom's road.

But much of the dream remains to be realized. Dr. King was struck down trying to make the principle of economic opportunity a reality in the lives of particular garbage workers in Memphis. Although his sacrifice and the sacrifices

of others have opened up opportunities in every aspect of our national life, too many are still left out.

Our task remains to spread the dream to all.

Part of the answer is to get our economy moving again, and we have done that in the past two years. More than seven million Americans -- including 1.7 million black Americans -- who were not working when I came to office now have jobs.

That is still not enough. Too many of our people still cannot find work. Too many have no skills to bring to a job. Too many children are still growing up outside the world of work, not knowing how to get in.

We cannot overcome centuries of injustice only by writing the promise of justice into the laws of our land. We must fulfill that promise with vigorous affirmative action. The only way to overcome unequal history is to promote and defend and enforce opportunities for all.

With the help of President Wilson and thousands of others

*What was
problem. What
has been
done in 2 years.
What needs to be
done. This is
one of the finest
accomplishments
we've had -*

who care about education in America, I am fighting for the
largest increase in aid to education in our nation's history,
greatly expanding help for college students and training in
basic skills for disadvantaged children. We cannot wait on
another generation. We must overcome the gap left by the
bitter legacy of discrimination -- and we will.

One of the tools we are using is the Graduate and Profes-
sional Opportunity Program, which will enable many more
members of minorities, and also women, to enter graduate and
professional schools in fields where they are underrepresented.
I have recommended creating 1,700 fellowships for the 1980-81
school year -- double next year's total. Half of these
fellowships will go to black graduates.

I have fought for aid to traditionally black colleges
and have directed all federal agencies to help them partici-
pate in federal programs and increase their research

opportunities. The traditionally black institutions have not only a proud history, but a unique contribution to make, now and in the future, and I intend to see that they are strong enough to make that contribution.

*Problem --
What we've done --
Still needed --*

I have increased aid to minority businesses. Black people should not be just job holders but job providers as well. Lack of capital and expertise have long held back the growth of minority business. I intend to see that both are available to black businessmen and women so they can participate fully in our economy.

Let there be no doubt where I stand. I am committed to civil rights. I am committed to equal opportunity. I am committed to equal justice under the law. As President of the United States I pledge to you: I will continue to enforce the civil rights laws of this land, in letter and in spirit, firmly and without equivocation.

We are fighting
[And where need be] I will fight to strengthen those laws.

One of the major gaps in the civil rights record is the continuing, documented discrimination against minority Americans in the purchase and rental of housing. Discrimination in housing denies people equal access to jobs. It perpetuates segregated schools. It is contrary to the law of the land. It is morally wrong.

In my State of the Union Message I called on the Congress to amend the Fair Housing Act to provide truly effective enforcement powers. [I renew that call today.] It is time for this nation to stop preaching equal opportunity in housing -- and to start practicing it.

Many of you are trained as teachers. The hopes of the children you teach will be in your hands. Many destructive forces will work against you. You will have to struggle to awaken your students to the excitement of learning and the rewards of achievement. You will always help fewer than you would like. But you must fight for every one.

cease & desist

Role of teachers & preachers in past - continue

Some of you are training for the health professions.

*dead
language*

You too will fight for the future. Your generation of medical technicians, nurses and doctors must help see to it that those who most need care get it.

Some of you are trained in urban problems. Many of you

*Somnolent
language*

have experienced the problems of our cities at first hand.

You understand them in ways no textbook can teach. You can

be one of the keys to turning around urban blight, making

our neighborhoods good places to live, getting the jobs where the people are.

Here at Cheney you have learned to apply a social

d. l

conscience to your studies and your work. I hope you will

also apply that conscience in your roles as citizens.

The decisions our nation makes now on issues like

d. l

energy and inflation will affect the individual futures of everyone here.

If we mortgage our economy for a diminishing supply of foreign oil, if we are unable to control our inflation because we are unable to control our appetites, then opportunities for all will diminish. You, and all the graduates of this spring, have a great stake in these issues. The advancement you have worked for so hard, that others before you sacrificed so much to make possible, can vanish if our Nation fails to seize control of its economic destiny.

inflation robs the poor

d. p.

In many ways America is stronger than it has ever been, but it has discovered that it has limits. That discovery seems to have immobilized some of our people. Too many prefer to inhabit the myths of unlimited possibility or unlimited hopelessness instead of starting where they are to correct the problems they find.

must reorder priorities - people most in need - bureaucrats waste robs the poor

The answers are not simple. There is no single answer but many. All of those answers ultimately depend not on some magic cure but on our individual willingness to make

our own actions count.

Let's take a little poll right here to show you what I mean.

All of you who care about our country, raise your hands.

All of your who care about justice for all men and women,

black and white, raise your hands.

*MLK (was
willing to give) or
gave his*

Now -- and be honest -- all of you who voted in the last

life that Congressional election, the 1978 election, raise your hands.

*you may have the
right to vote - to shape*

the actions of That gap is part of the problem -- a large part. And

Congress. Incumbents

must eliminating it is part of the solution -- a large part.

*know that you
will vote.*

All of you understand the meaning of individual respon-
sibility. You have shown you are not intimidated by hard
work. You have shown you can ride out the difficult times
until you achieve your goal.

Many of you are the first in your family to go to college.

As the first male in my family to graduate from college, I know
the pride that brings. I know the hardship that went into this
achievement for many of you.

We must attack our national problems with that same spirit of self-discipline and with a true sense of our own priorities.

We cannot retreat within our borders. Our nation is too powerful for that. Our world is too small for that.

In a moving address made exactly one year before he died, Martin Luther King spoke out against what he saw as the tragic moral error of the Vietnam war. He went beyond advocating an end to that war to demand what he called "a true revolution of values." He urged a world revolution he felt America was uniquely qualified to lead. He insisted that we look at both our political and our economic relations with other nations and hold to the standard of both domestic and international justice.

As President I have sought to hold our nation to that kind of standard, to restore America's leadership in a peaceful revolution of values that demands freedom and justice and self-determination for all people in a world of peace.

Peace -
SALT -
Racism,
apartheid
in Africa

Andy
Young

I am thankful that after you march down this aisle to receive your diplomas you will not then march off to die in battle. I am thankful that instead of fighting a war we are debating a new step toward limiting the nuclear arms race. This, too, was one of the great hopes of Dr. King.

I am grateful that we were able to help two ancient enemies -- Israel and Egypt -- reach a treaty of peace. I am proud that our nation has shown the world -- with the Panama Canal Treaties, with our insistence on full participation for black majorities in Southern Africa, and with our championing of human rights everywhere -- that our foreign policy can reflect the high ideals of our people and that we can do what is right because it is right.

On that basis we can again lead a revolution -- a peaceful revolution for the rights of all people, a revolution that will take the best we have to offer.

In his Nobel Prize acceptance speech Dr. King said: " I have the audacity to believe that peoples everywhere can have three meals a day for their bodies, education and culture for their minds, and dignity, equality and freedom for their spirits."

As he, I want to make that dream come true.

I share that audacious dream. I ask you to join me. More important, I ask you to join each other in the struggle to make that dream come true.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

5/17/79

Frank Moore

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

Rick Hutcheson

cc: Jerry Rafshoon
Jody Powell
Anne Wexler

THE WHITE HOUSE
WASHINGTON

May 17, 1979
11:50 A.M.

MR. PRESIDENT

The Senate Energy Committee just
de-authorized the Clinch River
Breeder Reactor. The vote on
the Bumpers Amendment was 10 to 8
in our favor. A tough floor
fight will follow.

BOB THOMSON

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for Preservation Purposes

Frank
Good!
Go all out
with our
interest
groups &
PR

J



Office of the Attorney General
Washington, D. C. 20530

May 17, 1979

MEMORANDUM TO THE PRESIDENT:

Re: Black Judges in the South

From time to time we have discussed your efforts to make the Federal Bench in the South more representative from the standpoint of our black citizens. The black population in the South is much more substantial than the percentage of black lawyers to the total lawyer population. Nonetheless, no systematic effort has ever been made before your Administration to seek out meritorious black lawyers for appointment to the Federal Bench.

It now appears that by the end of this year we can have black federal judges in each of the southern states except one and possibly there. In each instance the numbers will exceed the black lawyer share of the total lawyer population. This means that you will have corrected the historical imbalance through the use of just your appointments. The following table is illustrative:

State	No. District Judges to be Appointed	No. Black Judges
Alabama	5	2 in process*
Arkansas	2	1 possible (a)
Florida	9	1 in process
Georgia	6	1 in process
Louisiana	6	1 confirmed
Mississippi	1	1 possible (b)
North Carolina	3	1 possible (c)
South Carolina	3	1 in process
Tennessee	2	1 possible (d)
Texas	10	1 confirmed
Virginia	4	1 possible (e)

Note: Kentucky, Maryland (1 black judge in process), and West Virginia treated as border states.

* In process means in process of being selected by Senator or Senators, being investigated by the Department of Justice, or in Senate for confirmation.

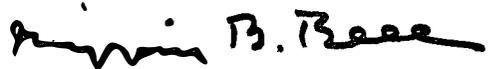
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- Fn. (a) There is a good black lawyer in Arkansas. Served a partial term on Arkansas Supreme Court. His name is George Howard of Pine Bluff. The Senators have not agreed to send his name to you.
- Fn. (b) The only black lawyer in Mississippi qualified for appointment, in my judgment, is Fred Banks. He resides in the Southern District and the vacancy is in the Northern District. We should have a vacancy in the Southern District before you leave office and Senator Stennis has agreed to give real consideration to Banks.
- Fn. (c) Senator Morgan and I are having serious discussions over the appointment of North Carolina Court of Appeals Judge Richard Erwin to a District judgeship in the Middle District of North Carolina.
- Fn. (d) Bankruptcy Judge Horton of Memphis is an excellent candidate of the District Court. Senator Sasser is hesitant to move but there will be no vacancy until June when Judge Bailey Brown moves up to the Sixth Circuit Court of Appeals. His confirmation is pending in the Senate.
- Fn. (e) Judge Sheffield is beginning to appear as our last hope in Virginia. This is possible, and I will discuss it with you.

With respect to the Courts of Appeals, you wish to focus on the Fourth and Fifth Circuits. The Fourth Circuit is hopeless unless Judge Donald Russell of South Carolina (age 74) should retire. He is eligible to retire and I believe that to be a possibility before you leave office.

You are appointing Justice Hatchet of Florida to the Fifth Circuit (now pending in the Senate) and you have instructed me to seek one other black judge (Texas). I am working on that.

Respectfully,



Griffin B. Bell

cc Mr. Lipshutz

THE WHITE HOUSE

WASHINGTON

May 17, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

BOB LIPSHUTZ 

RE:

Black Judges in the South

I have the following comments concerning the Attorney General's May 17 memo on this subject:

CIRCUIT COURTS

Fourth and Fifth Circuits. Judge Bell notes that the Fifth Circuit situation should be resolved satisfactorily with the appointment of Justice Hatchett of Florida and the possible appointment of another black (probably Andrew Jefferson) from Texas. He also says that "the Fourth Circuit is hopeless unless Judge Donald Russell of South Carolina (age 74) should retire."

I disagree that the Fourth Circuit situation is hopeless. As I observed in my memo of May 2, there are now at least two qualified black lawyers available--Julius Chambers of North Carolina and Franklin Cleckley of West Virginia. You have already tentatively decided to appoint Jim Sprouse to the West Virginia seat, although that decision could still be reversed. In any event, Julius Chambers is the more qualified of the two and is strongly supported by black groups because of his civil rights litigation activities.

As I noted in my earlier memo to you, there are two problems with appointing Chambers:

First, although his name appeared on an earlier North Carolina list, the panel failed to include him on the present list, sending instead five white males. (This may have been due in part to the Chairman's failure to inform the panelists of your February 5 letter urging active consideration of minority and female candidates.) The second problem is that Senators Morgan and Helms are both opposed to Chambers.

Addressing both problems: I believe first that a good argument can be made that merit principles would not be violated by Chambers' nomination, even though he is not on the present North Carolina list, since he had earlier been

certified as being qualified by the same panel. Second, while Helms' opposition is a given, Morgan is perhaps more flexible. In a recent article Morgan is reported to have said that he would have backed Chambers had he been on the present list. That statement may have been made simply for public consumption, but it could give us some leverage.

It would not be easy to appoint either Chambers or Cleckley, but it could be done. I believe it makes sense to concentrate on Chambers, who is a truly exceptional lawyer.

DISTRICT COURTS

Alabama. The Attorney General's memo notes that two black judges are in process. I hope this is true but the commission set up by Senators Heflin and Stewart has yet to report any names to the Senators.

Arkansas. In addition to George Howard, there are two other possible black candidates. One is Wylie Branton, Dean of Howard Law School here in Washington. Branton is from Arkansas--he represented the children who integrated Little Rock's Central High School in 1957--and I understand that he still maintains close ties with the state. There is no doubt about Branton's qualifications; his name appeared on one of the lists submitted by the D.C. Nominating Commission for a D.C. district court vacancy, although he was not ultimately chosen. Another possibility is John Walker of Little Rock, a good black lawyer who is somewhat controversial because of his civil rights activities.

Florida. No comment.

Georgia. Although there is probably nothing that can be done about this, there could be two black judges from Georgia. The one who will not be selected is Jack Ruffin, who ranked high on the nominating commission's list for the seat from the Southern District and who was passed over in favor of a lower ranked lawyer backed by Senator Nunn. This story is generally known, as it has been carried in the Atlanta press.

Louisiana. The one black who was confirmed was appointed last year. There are no black candidates for the six new judgeships arising in Louisiana under the Omnibus Judgeship Act.

Mississippi. I agree that Fred Banks deserves consideration. You should also know that the candidate recommended by Senator Stennis to fill the pending vacancy in the Northern

District, Lionel Senter, has been accused by blacks of having led a gang of white youths which attacked and castrated a black man accused of rape in 1946. We learned of this allegation shortly after you gave tentative approval to Senter last Thursday, and I called the Attorney General to put a "hold" on that process. Judge Bell agrees that the allegation is serious and Justice is investigating it.

North Carolina. No comment.

South Carolina. No comment.

Tennessee. There should be no doubt about Judge Horton being appointed in Memphis. You conditioned the elevation of Bailey Brown to the circuit court upon Senator Sasser's agreeing to appoint a black to replace Brown. Sasser definitely committed to do this but now--at least in some quarters--he is denying ever having made such a commitment. We should be prepared simply to appoint Judge Horton to Brown's seat, with Sasser's blessing if possible but without it if necessary.

Texas. You should be aware that controversy is brewing because David Belew, a recently confirmed white judge, was quoted two weeks ago in a Fort Worth newspaper as twice using the word "nigger." Black groups are beginning to demand his resignation or impeachment. Apparently Belew did not deny using the term and so far has made no serious attempt at apologizing.

Virginia. Bill Robinson, a black lawyer from Norfolk who was the first black Assistant Attorney General in Virginia, has been under consideration along with Judge Sheffield.

* * * * *

I think it would be a mistake publicly to conclude that we have overcome historical discrimination simply because the percentage of black judges is equal to or greater than the percentage of black lawyers in a given southern state. Civil rights groups would argue that this premise perpetuates discrimination, since until recently blacks were discriminatorily denied access to the legal profession itself in the South.

The conclusion also suggests that it is sufficient to place one black judge in each of the district courts in the South. In some states that may be enough; in others there may be more qualified blacks available, and we should continue to search them out.

We should emphasize that a good start has been made in the South and across the country--not that we have reached the end of the road.

THE WHITE HOUSE
WASHINGTON

5/17/79

Bob Lipshutz

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

Rick Hutcheson

cc: Tim Kraft

2077

THE WHITE HOUSE
WASHINGTON

5/16/79

Mr. President:

Tim Kraft concurs with
Lipshutz and the Attorney
General.

Rick

THE WHITE HOUSE

WASHINGTON

May 16, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

BOB LIPSHUTZ *BL*

RE:

District of Columbia Court of Appeals

*ok -
Heward the
letter - He had
not requested me
to appoint him
J*

A vacancy has arisen in the local court of appeals, which is equivalent to a state supreme court. Of the three candidates whose names have been submitted by the statutory nominating commission, we recommend Judge Paul Webber.

Webber is black and is a judge on the D.C. Superior Court, to which you appointed him two years ago. He has achieved a reputation for fairness and is also a good writer, something which is particularly important for an appellate judge.

The Attorney General concurs with this recommendation. The deadline for submitting the nomination is Monday, May 21.

You should know that another candidate, Lawrence Speiser, was also under serious consideration for this position. Speiser is white and is now in private practice but for many years directed the Washington office of the ACLU. Because of his active involvement in civil rights activities over the years, he has the support of several prominent blacks, including Clarence Mitchell and Chief Judge William Bryant of the United States District Court. Speiser is also seen as being fair; even those who disagree with him philosophically volunteer that they believe he would be unbiased in deciding cases.

Speiser learned on Monday of this week that he has lymphoma, a form of cancer, and he promptly informed us of the diagnosis. With his permission, we have talked to his physician. The doctor simply cannot make any predictions, although he is hopeful that Speiser will respond well to chemotherapy.

Under Justice Department guidelines applying to lifetime judgeships, the existence of this or other forms of cancer is disqualifying. We believe it is sensible to use the same guidelines for District of Columbia judgeships, where the term of appointment is for 15 years.

THE WHITE HOUSE
WASHINGTON

To Larry Speiser

I was saddened to learn that you have lymphoma. I know this is a difficult time for you and your family, and I sincerely hope that you respond quickly to treatment.

Under longstanding and I believe sensible guidelines developed in connection with judicial appointments, nominees must be free of serious question about their health. For that reason, I regret that it is not possible to consider you for the existing vacancy on the District of Columbia Court of Appeals. 7

You have a distinguished record of service to the less powerful in our society, a record which has brought high praise from all who know you. I know that you will continue to act in the same exemplary manner.

My prayers are with you.

Sincerely,

X

Mr. Lawrence Speiser
Speiser & Kolker, P.C.
11 Dupont Circle, N.W.
Washington, D.C. 20036

THE WHITE HOUSE
WASHINGTON

> ~~SU grain purchase - summit~~
~~Turkey aid if bankrupt?~~

> ~~Tom Watson's letters~~

~~Energy meeting Tom/Ste~~

~~News Summary~~

~~MCI - embassies~~

~~Kirba - Morocco?~~

~~Arnell - WH~~

~~Neta Jones~~

~~Tom speech~~

~~Scranton~~

~~Cott Don Stewart, Cranston, wt~~

~~Culver, Hefflin ^{lt}~~

~~David Fish~~