

**8/6/79 [1]**

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo w/ att.	From Brzezinski to The President (4 pp.) re: Technological Relationship with China/enclosed in Hutcheson to Brzezinski 8/6/79	8/6/79	A
memo	From Saunders to Strauss (17pp.) re: UNSC Resolution on Palestinian Rights <i>2 PAGES OPENED 4/24/94</i> <i>8 pp. declared per RAC NLC-126-17-42-1-6, 10/24/13</i>	8/6/79	A
memo	From Brown to The President (3 pp.) re: Activities of Sec. of Defense/enclosed in Hutcheson to Brzezinski 8/6/79	8/3/79	A
memo	<del>From Young to The President (one page) Re: US Mission to UN Weekly Activities</del> <i>SANITIZED 4/12/94</i> <i>opened per RAC NLC-126-17-42-2-05 10/24/13</i>	8/3/79	A
memo w/att.	<del>From Lipshutz to The President (5 pp.) re: SEcurity Protection for Brzezinski/enclosed in Hutcheson to Lipshutz 8/6/79</del> <i>OPENED 4/12/94</i>	8/2/79	A

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Handwriting File 8/26/79[1] BOX 141

RESTRICTION CODES

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**WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)**

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	H. H. Saunders to The Secretary & Strauss 8pp re: Palestinian Rights  <i>3 pp. declared per RAC NLC-125-17-42-3-4, 10/24/13</i>	8/4/79	A

FILE LOCATION

8/6/79 [1]

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MEMORANDUM

August 3, 1979

TO: President Carter

THROUGH: Rick Hutcheson

FROM: Andrew Young

[redacted] appealed to me for an early and favorable Washington decision on the Arab draft resolution on Palestinian rights. Both stressed that the Arab world hopes the US will vote for a resolution endorsing Palestinian rights to self-determination and reaffirming UNSC Res. 242, which would lead to a US/PLO dialogue. If the US does not vote favorably, they warned of a strong anti-US backlash among all Arab states, including the moderates.

[redacted] noted press reports implying the US is considering insertion of Camp David language in the resolution, and warned against any US effort to impose the "straight jacket" of that language on UN resolutions. [redacted] stated that this was a dangerous game which ultimately would backfire on us.

NIGERIAN NATIONALIZATION OF BRITISH PETROLEUM

I recently spoke to [redacted] a close personal adviser of General Obasanjo [redacted] who informed me that prior to nationalization of British Petroleum (BP), Nigeria for several months had protested an oil-swap arrangement between BP and CONOCO [redacted].

[redacted] The protests were not taken seriously by BP. [redacted] stated that they had no bones to pick with CONOCO.

Although [redacted] didn't mention the recent Nigerian sale of £ 500 million which reduced the pound price, it is clear Nigeria is waging economic warfare against Britain, but not against the US. However, this Nigerian policy does raise the issue of US economic security in the face of political pressures impacting on the dollar.

SPEAKING ENGAGEMENT

I spoke July 29 in Atlanta to the National Dental Association. There was considerable discussion of black support for the Administration and I pointed out the continued backing of the Congressional Black Caucus and important black elected officials. I attempted to downplay fears that Nicaragua would "go communist" by stressing that this Administration will not drive the new government there into the Cuban/Soviet sphere.

CONFIDENTIAL/EXDIS

GDS 8/3/85 (Young, Andrew)

SANITIZED

E.O. 12356, Sec. 3.4

PER [redacted] RE [redacted]  
BY [redacted] NARS. DATE 7/26/93



SECRET

THE WHITE HOUSE  
WASHINGTON

8/2/79

Mr. President:

Hamilton concurs with  
Bob's recommendation.

Rick/Bill

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 -

ACTION  
FYI

ADMIN CONFID
CONFIDENTIAL
<input checked="" type="checkbox"/> SECRET
EYES ONLY

VICE PRESIDENT
EIZENSTAT
JORDAN
KRAFT
<input checked="" type="checkbox"/> 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

THE WHITE HOUSE

WASHINGTON

August 2, 1979

Bob  
J

~~SECRET~~

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ *RL*

SUBJECT: Security Protection for Dr. Brzezinski

With reference to the attached memorandum to you from the Secretary of State and the attached memorandum to you from David Aaron (which I have not initialed), I discussed this matter with Stuart Knight this afternoon and he advises as follows:

1. That he has checked their files as of today and has no record of threats against Dr. Brzezinski. He advises that there apparently was a purported threat several days ago, but that the FBI has closed its file as being only "rhetorical".
2. The Secret Service cannot be told how to furnish protection; therefore, if it is directed to furnish protection, it would be on a much more extensive basis than that suggested by Secretary Vance and David Aaron.
3. That if the type of limited protection still is desired, we obtain it from the State Department, which operates more of an "escort service" of this type in its normal operation, such as temporary visits of foreign dignitaries, etc.

Stu Knight also mentioned the apparently intense oversight being given to the question of Secret Service protection by the Congress and the tendency to reduce rather than expand such service.

~~SECRET~~

Derivative Classification  
by Secretary of State  
Review July 31, 1989  
Reason for Extension: RDS-3(State)

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
PER *11/19/93 NLS/HRE* *MP-NLC-92-143*  
BY *Jr* NARS DATE *4/5/94*

In view of the foregoing, I recommend that this request be denied, but that I act under my general authority from you and direct the State Department to furnish the kind of limited protection which is requested. Should there be any budgetary constraints, we can handle it on a reimbursable basis with White House funds.

Please advise your decision:

Option 1: Secret Service protection to be furnished Dr. Brzezinski on a temporary basis (until further ordered).

Approve

Recommended by Secretary Vance,  
David Aaron

Disapprove

Recommended by Stu Knight, Lipshutz

Option 2: State Department to furnish limited type of protection outlined by the Secretary of State on a temporary basis (until further ordered). This direction to be given by Bob Lipshutz on behalf of the President, rather than by the President personally.

Approve

Recommended by Stu Knight, Lipshutz

Disapprove \_\_\_\_\_

Option 3: No protection to be furnished in response to this request.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

MEMORANDUM

~~SECRET~~

THE WHITE HOUSE  
WASHINGTON

Q  
/

SECRET/SENSITIVE

MEMORANDUM FOR: THE PRESIDENT  
FROM: ROBERT LIPSHUTZ  
DAVID AARON *R Gates for*  
SUBJECT: Security Protection for Dr. Brzezinski

Secretary Vance has written to recommend (Tab A) that you authorize limited personal protection for Dr. Brzezinski by the Secret Service. The Secretary notes that in the past several months the Department has received reports through intelligence sources of alleged threats against Dr. Brzezinski. Several have been sufficiently serious as to warrant FBI investigation. While none of the reports has been fully substantiated, Secretary Vance expresses the view that more should be done to reduce Zbig's vulnerability and recommends that you authorize limited Secret Service protection for Zbig.

Because Dr. Brzezinski is in the White House complex most of the day and his schedule involving movements outside the White House is not publicly known, we believe he is most vulnerable while travelling between the White House and his isolated residence in Virginia. The location of his residence allows little variation in route and offers many ambush sites. It would be quite easy to stage either an assassination or kidnapping in the early morning or late evening hours as he departs and returns home.

Additionally, Zbig's vulnerability and lack of protection stands in marked contrast to your other principal national security advisors. Secretaries Vance, Brown and Miller, as well as Admiral Turner, have full personal protection. As a political target for terrorists, Dr. Brzezinski is at least as attractive a target as they.

In light of Secretary Vance's memorandum and recommendation that Zbig have limited Secret Service protection to reduce his

SECRET/SENSITIVE

Derivative Classification

by Secretary of State

Review July 31, 1989

Reason for Extension: RDS-3(State)

DECLASSIFIED

E.O. 12356, Sec. 3.4

PER 11/19/93 NY HY RE MR-NLC-92-143  
BY *JH* NARS, DATE 4/5/44

~~SECRET~~

vulnerability, we urge that you authorize Secret Service protection for Zbig on the way to and from work as well as random checks of his residence, the latter to be scheduled by the Secret Service.

RECOMMENDATION:

That you authorize Secret Service protection for Dr. Brzezinski while travelling between his residence and the White House as well as periodic spot checks of his residence (once or twice a day).

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_

A

THE SECRETARY OF STATE  
WASHINGTON

VIA ALPHA CHANNEL

July 30, 1979

S/S 79I3535

791

~~SECRET/SENSITIVE~~

NODIS

MEMORANDUM FOR: THE PRESIDENT  
FROM: Cyrus Vance *cv*  
SUBJECT: Security Protection for Dr. Brzezinski

In the past several months, we have received reports through intelligence sources of alleged threats against Zbig. While none of these reports have been fully substantiated, I believe that more should be done to reduce Zbig's vulnerability. The State Department's Office of Security does not have the resources to provide this coverage, and the Department has never furnished protection for members of the White House staff in Washington. Therefore, I recommend that you authorize limited Secret Service protection for Zbig. I understand that some preliminary conversations about the nature of such protection have taken place between Zbig's office and the Secret Service and that the Secret Service is ready to provide limited coverage for Zbig if you authorize it.

~~SECRET~~

RDS-3, 7/27/89

DECLASSIFIED

E.O. 12356, Sec. 3.4

PER 2/10/93 *Stk* BY *MR. NLC-42-142*

BY *[Signature]* NARS. DATE 4/5/94

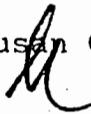
THE WHITE HOUSE  
WASHINGTON

8/6/79

Tom Watson --

President Carter asked me to send you the attached copy of your letter which includes his comments on both pages, with his best regards!

-- Susan Clough



RECEIVED

AUG 8

CENTRAL FILES

8

THE WHITE HOUSE  
WASHINGTON

8/6/79

Susan:

The attached letter from  
Tom Watson was sent c/o  
Landon Butler.

Karen Fizer  
ext. 2861

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

August 2, 1979

Dear Mr. President,

Now that the Senate has confirmed me as Ambassador-designate to the Soviet Union, I wanted to write and tell you how much your confidence means to me. I undertake the post with a great feeling of responsibility and with the hope that I can do something under your direction to move the relationships between the Soviet Union and the United States forward.

As Chairman of the General Advisory Committee for the last eighteen months, I have become acutely conscious of two basic facts. One, the Soviet Union and the United States are engaged in an inexorable arms race, and despite the constraints of SALT II this arms race will continue; and two, the only major realistic fear that either nation has is that of the other. When one couples the above two thoughts with the fact that each of us is grossly overarmed, I suppose one has part of the ingredients of the greatest intellectual problem ever posed to mankind.

I don't have the temerity to feel I can solve that problem, but I hope to make a very modest contribution toward its solution. Probably the ultimate answer will not come for many years, but I will feel happy if we are moving in the right direction in the future rather than circling each other like two very suspicious and often enraged dogs. I am sure you know I will do my best. It has been a great honor for me to serve you for the last eighteen months, and I am proud of that association. In the years ahead if anything seems to me to be of interest to you, I will write you directly about it.

cc Tom Watson  
I have complete  
confidence in you, &  
look forward to  
seeing you & Mrs.  
Watson before you  
leave  
J

**Electrostatic Copy Made  
for Preservation Purposes**

*Please  
do*

Meanwhile, may I give you my thanks and those of my wife for the confidence you repose in us. I hope very much to bring her to The White House before we depart so she may have the pleasure of meeting you.

Yours respectfully,



**Electrostatic Copy Made  
for Preservation Purposes**

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

THE WHITE HOUSE  
WASHINGTON  
06 Aug 79

FOR THE RECORD:

ANNE WEXLER RECEIVED A COPY  
OF THE ATTACHED

	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

THE WHITE HOUSE  
WASHINGTON

8-6-79

To Anne Wexler

Submit tentative list  
of recipients of Medal of  
Freedom. 15 → 20. 2/11  
Cut it down to a small  
number. Don't include those  
already honored.

J

**Electrostatic Copy Made  
for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON

06 Aug 79

Stu Eizenstat

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

Rick Hutcheson

Frank Moore

3321

	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
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	H. CARTER
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	COSTANZA
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	GAMMILL
	HARDEN
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	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

Congress of the United States  
House of Representatives

Washington, D.C. 20515

July 30, 1979

*Stu  
info  
J*

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

Dear Mr. President:

I am in receipt of your letter of July 26th with regard to your interest in the Department of Energy Authorization Act, particularly with regard to several provisions.

I know of your deep interest and value your opinion. This overall problem, of course, is one that concerns us all. On this, along with many other problems, I have had the Library of Congress to bring forward all the information available on all problems including rationing, both to refresh my memory and to learn more about it.

For your information, I managed to keep the Appropriations Committee from attempting to write an overall legislative program based on dealing with the budget on energy, both with the Subcommittees on Energy and Water Development and Interior. It was and is my belief that the enclosed provision would be most helpful to you to move off dead center immediately. I called this to the attention of Jim McIntyre, Budget Director, and presume by this time it has come to your attention.

Since the existing law expires at the end of September, I consider this worthy of your consideration. It would enable you to rely on the best and most experienced people in this area for an input into such plans as you have and that could start something now rather than go overboard with something that may materialize ten years from now and above all it would put you in the lead.

**Electrostatic Copy Made  
for Preservation Purposes**

The President  
Page 2  
July 30, 1979

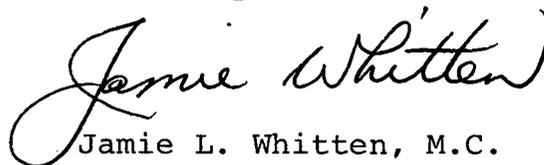
On gas rationing, a start with the former provisions in World War II, with regulations, with a request to Congress to bring them up to date, seems to be worth considering.

A study shows that none were satisfactory but they had the desired result.

Perhaps I am presumptuous but it is my view that a program will never be worked out by the Congress.

With all good wishes,

Cordially,

  
Jamie L. Whitten, M.C.

JLW:sa

There is hereby appropriated to the President of the United States \$50,000,000 for the development of programs ~~not to exceed \$25,000,000,000~~ to provide for the national security by making available additional supplies of energy from oil, coal, shale or other energy providing substances, materials, or sources, giving preference to those areas that would provide the earliest return, as authorized under Section 303(g) of the Defense Production Act of 1950 (50 U.S.C. Sec. 2093(g)) and by Section 711(a) of the Defense Production Act, and for the implementation of Section 303(f) of the Defense Production Act and under the Strategic and Critical Material Stockpiling Act (50 U.S.C. Sec. 98 et seq.) and to provide for such other or additional development of energy as may be authorized by law.

To: SRY

From: Mike

Re: Use of Defense Production Act for Synthetic  
Fuels Program

Authorization exists under present legislation for an appropriation to the President of such sums as may be necessary for the creation of a synthetic fuels production program as a substitute for crude oil. An appropriation for FY '80 would require passage by the House of H.R. 3930, the Moorhead bill, or S. 932, which was passed by the Senate on June 20, 1979, both of which extend the termination date of the Defense Production Act of 1950 (50 U.S.C. App. Sec. 2061 et seq.). The possibility also exists, however, that, should funds be appropriated for use in FY 1979, such sums would not be bound by the current September 30, 1979 termination date.

Section 303(g) of the Defense Production Act of 1950, (50 U.S.C. Sec. 2093(g)), provides:

When in his judgment it will aid the national defense, and upon a certification by the Secretary of Agriculture or the Secretary of the Interior that a particular strategic and critical material is likely to be in short supply in time of war or other national emergency, the President may make provision for the development or substitutes for such strategic and critical materials.

An October 12, 1973 memorandum from the Director of the Bureau of Mines states that historically, materials have been determined to be strategic and critical where

there is a dangerous and costly dependence on foreign supplies in time of national emergency. Section 303(a) also specifically authorizes the making of commitments to purchase metals, minerals, and other materials for Government use or resale. There is no dispute that, should petroleum be certified as a strategic and critical material likely to be in short supply, the President could then begin a program for the development of solid, liquid, and/or gaseous fuels as substitute materials.

Authorization of appropriations for this purpose is provided in two statutory provisions. Section 711(a) of the D.P.A. (50 U.S.C. ~~App~~ Sec. 2161(a) ) states:

There are hereby authorized to be appropriated such sums as may be necessary and appropriate for the carrying out of the provisions and purposes of this Act (including sections 302 and 303 and for payment of interest under subsection (b) of this section) by the President and such agencies as he may designate or create. Funds made available for the purposes of this Act may be allocated or transferred for any of the purposes of this Act, with the approval of the Bureau of the Budget, to any agency designated to assist in carrying out this Act. Funds so allocated or transferred shall remain available for such period as may be specified in the Acts making such funds available.

In addition, Section 303(f) of the D.P.A allows the President to transfer any excess materials acquired pursuant to the Act to the national stockpile created by the Strategic and Critical Material Stockpiling Act, 50 U.S.C. Sec. 98 et seq. 50 U.S.C. Sec. 98(g) provides:

For the procurement, transportation, maintenance, rotation, storage, and refining or processing of

the materials to be acquired under this subchapter, there is authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as the Congress, from time to time, may deem necessary to carry out the provisions of this subchapter. The funds so appropriated, including the funds heretofore appropriated, shall remain available to carry out the purposes for which appropriated until expended, and shall be expended under the direction of the Administrator of General Services.

The two authorization of appropriations sections should be sufficient to carry out a complete synthetic fuels program.

There remains some question with respect to the procedures to be followed in carrying out the terms of the Act. A preliminary step would be the designation by the President of crude petroleum as a "strategic and critical material." Although a number of energy functions of the Department of the Interior have been transferred to the Department of Energy (42 U.S.C. Sec. 7152) or to agencies which later became part of the Department of Energy (42 U.S.C. Sec. 5814(e) transferred certain research and development activities to the Energy Research and Development Administration. 15 U.S.C. Sec. 765(a) transferred other energy functions to the Federal Energy Administration), the Solicitor's Offices of both the Departments of Interior and Energy have informally advised that the Secretary of the Interior's Sec. 303(g) certification function has not been removed by statute.

It is also unclear which department would have lead responsibility in the procurement and development program, based upon differing interpretations of Executive Orders 10480 and 11790. An appropriation directly to the President

for the purpose of carrying out the authority granted him under Section 303(g) would remove the necessity of the Committee's resolving the conflict.

The Defense Production Act is presently scheduled to terminate on September 30, 1979. 50 U.S.C. App. Sec. 2166(a). S. 932, passed by the Senate on June 20, 1979, would extend the provisions of the D.P.A. to September 30, 1981. H.R. 3930, the Moorhead bill, would, among other things, extend the Act to September 30, 1980.

There appears to be a possibility that, should funds be appropriated in FY 1979, they would remain available beyond the September 30, 1979 termination.

50 U.S.C. App. Sec. 2166(a) provides that:

Title I (except section 104), title III, and title VIII (except sections 708, 714, and 719) of this Act (sections 2071-2073, 2091-2094, 2151-2163, and 2164-2166 of this Appendix), and all authority conferred thereunder, shall terminate at the close of September 30, 1979: Provided, that all authority hereby or hereafter extended under title III of this Act (sections 2091-2094 of this Appendix) shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts. Section 714 of this Act (section 2163a of this Appendix), and all authority conferred thereunder, shall terminate at the close of July 31, 1953. Section 104, title II, and title VI of this Act (sections 2074, 2081, and 2132-2137 of this Appendix), and all authority conferred thereunder, shall terminate at the close of June 30, 1953. Titles IV and V of this Act (sections 2101-2112 and 2121-2123, of this Appendix), and all authority conferred thereunder, shall terminate at the close of April 30, 1953.

Although the conference report indicates that the exemption of Title III was for the purpose of loan guarantees, the statutory language does not contain that limitation.



ASSISTANT SECRETARY OF STATE  
WASHINGTON, D.C. 20520

~~SECRET~~

NODIS

MR. SECRETARY:

Attached are the two messages which Evron delivered to me Sunday afternoon in lieu of asking to see you. He is still under instructions from the Cabinet to deliver this directly to you. I think you might solve that problem simply by buzzing him Monday morning, chatting for a moment on the phone and telling him that you have seen the messages.

In brief, I do not see how we can accept the proposition that any new resolution "changes 242." We will have to decide whether we want to reject that proposition in writing or orally or simply let it ride for the moment.

As for the Cabinet's declaration that it will no longer cooperate with UNTSO in the Sinai, this seems to remove the possibility of a de facto evolution of UNTSO's acceptance.

*Hal*

HAROLD H. SAUNDERS

~~SECRET~~  
GDS 8/5/85

DECLASSIFIED  
Per, Rac Project  
ESDN: RUC-126-17-42-3-4  
BY KS NARA DATE 10/21/13

## CABINET STATEMENT ON PALESTINIAN RESOLUTION

The Government of Israel has learned that the U.S. Government considers this to be a "propitious time" for the UN Security Council to adopt a new resolution regarding the Palestinian Arab inhabitants of Judea, Samaria, and the Gaza district. This is obviously tantamount to a material change in Resolution 242.

This intention of the U.S. Government contradicts the commitments towards the state of Israel of September 1, 1975 and the Camp David Framework of September 17, 1978.

A. The above-mentioned commitment stipulates: "The United States will oppose and if necessary vote against any initiative in the Security Council to alter adversely the Terms of Reference of the Geneva Peace Conference or to change Resolutions 242 and 338 in ways which are incompatible with their original purposes."

Should the possibility arise at any time of the nonfulfillment of this categorical commitment, it will inevitably give cause for serious concern with respect for morality in international relations.

B. In the preamble to the Camp David Framework it is stated, "The agreed basis for a peaceful settlement of the conflict between Israel and its neighbors is UN Security Council Resolution 242 in all its parts."

It is inconceivable that after the "agreed basis" has been established, the basis should be altered.

Therefore, the Israeli Government decided to empower the Foreign Minister to instruct the Israeli Ambassador in Washington to convey to the U.S. Government the following statement: "If the United States despite its unequivocal commitments shall not exercise its voting right in the Security Council opposing any initiative to change Resolutions 242 and 338--be it directly or indirectly, whether by change of a paragraph in the text of the resolutions or by an addition to the text or by any new resolution--the Government of Israel will view any such alteration of Resolutions 242 and 338 as leading per se to a situation whereby all the passages in the Camp David Framework in which references to these resolutions are made shall be null and void."

~~SECRET~~

DRAFT RESOLUTION

The Security Council,

- Reaffirming the urgent necessity of establishing a just and lasting peace in the Middle East through a comprehensive settlement of the Arab-Israeli conflict based on full respect for the purposes and principles of the Charter of the United Nations,
  - Having heard the representatives of concerned parties, including the representative of the Palestine Liberation Organization,
1. Reaffirms Security Council Resolutions 242 and 338;
  2. Affirms that establishment of a just and lasting peace also requires a resolution of the Palestinian problem in all its aspects that recognizes the rights of the Palestinian people;

ALTERNATIVE (fall-back)

2. Affirms that establishment of a just and lasting peace also requires a resolution of the Palestinian problem in all its aspects that secures the rights of the Palestinian people in a way that is fully consistent with the provisions of the Charter of the United Nations regarding self-determination and human rights;
3. Further affirms the right of Israel and other states in the area to live in peace within secure and recognized borders;
4. Calls upon the parties to the conflict, including the Palestinians, to pursue negotiations to define the circumstances for determining their future through peaceful means as described in the Charter of the United Nations, excluding all acts or threats of violence;
5. Urges prompt action to establish ~~an~~ agreed procedures for facilitating the return of those inhabitants who were displaced by hostilities in 1967 and for achieving a just and permanent resolution of the refugee problem taking into account individual choice on repatriation, compensation, and permanent settlement and the requirements of security.

~~SECRET~~

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E.O. 12356, Sec. 3A

PER 2/12/93 BY MR-ALL-92-K2  
BY [Signature] NARS, DATE 2/24/93

## CABINET STATEMENT ON PALESTINIAN RESOLUTION

The Government of Israel has learned that the U.S. Government considers this to be a "propitious time" for the UN Security Council to adopt a new resolution regarding the Palestinian Arab inhabitants of Judea, Samaria, and the Gaza district. This is obviously tantamount to a material change in Resolution 242.

This intention of the U.S. Government contradicts the commitments towards the state of Israel of September 1, 1975 and the Camp David Framework of September 17, 1978.

A. The above-mentioned commitment stipulates: "The United States will oppose and if necessary vote against any initiative in the Security Council to alter adversely the Terms of Reference of the Geneva Peace Conference or to change Resolutions 242 and 338 in ways which are incompatible with their original purposes."

Should the possibility arise at any time of the nonfulfillment of this categorical commitment, it will inevitably give cause for serious concern with respect for morality in international relations.

B. In the preamble to the Camp David Framework it is stated, "The agreed basis for a peaceful settlement of the conflict between Israel and its neighbors is UN Security Council Resolution 242 in all its parts."

It is inconceivable that after the "agreed basis" has been established, the basis should be altered.

Therefore, the Israeli Government decided to empower the Foreign Minister to instruct the Israeli Ambassador in Washington to convey to the U.S. Government the following statement: "If the United States despite its unequivocal commitments shall not exercise its voting right in the Security Council opposing any initiative to change Resolutions 242 and 338--be it directly or indirectly, whether by change of a paragraph in the text of the resolutions or by an addition to the text or by any new resolution--the Government of Israel will view any such alteration of Resolutions 242 and 338 as leading per se to a situation whereby all the passages in the Camp David Framework in which references to these resolutions are made shall be null and void."

MEMORANDUM

August 3, 1979

TO: President Carter  
THROUGH: Rick Hutcheson  
FROM: Andrew Young

C

MEETING WITH KUWAITI AND SYRIAN AMBASSADORS

Kuwaiti Perm Rep Bishara and Syrian Perm Rep El-Choufi appealed to me for an early and favorable Washington decision on the Arab draft resolution on Palestinian rights. Both stressed that the Arab world hopes the US will vote for a resolution endorsing Palestinian rights to self-determination and reaffirming UNSC Res. 242, which would lead to a US/PLO dialogue. If the US does not vote favorably, they warned of a strong anti-US backlash among all Arab states, including the moderates.

Bishara noted press reports implying the US is considering insertion of Camp David language in the resolution, and warned against any US effort to impose the "straight jacket" of that language on UN resolutions. Bishara stated that this was a dangerous game which ultimately would backfire on us.

NIGERIAN NATIONALIZATION OF BRITISH PETROLEUM

I recently spoke to Dr. Dele Cole, a close personal adviser of General Obasanjo and publisher of the Nigerian Daily Times, who informed me that prior to nationalization of British Petroleum (BP), Nigeria for several months had protested an oil-swap arrangement between BP and CONOCO resulting in Nigerian oil reaching South Africa. The protests were not taken seriously by BP. Cole stated that they had no bones to pick with CONOCO.

Although Cole didn't mention the recent Nigerian sale of £ 500 million which reduced the pound price, it is clear Nigeria is waging economic warfare against Britain, but not against the US. However, this Nigerian policy does raise the issue of US economic security in the face of political pressures impacting on the dollar.

SPEAKING ENGAGEMENT

I spoke July 29 in Atlanta to the National Dental Association. There was considerable discussion of black support for the Administration and I pointed out the continued backing of the Congressional Black Caucus and important black elected officials. I attempted to downplay fears that Nicaragua would "go communist" by stressing that this Administration will not drive the new government there into the Cuban/Soviet sphere.



DEPARTMENT OF STATE  
BRIEFING MEMORANDUM

S/S

*M/S Strauss  
8-6-79*

NODIS

To: The Secretary  
Ambassador Strauss

From: NEA - Harold H. Saunders *KS*

Subject: The UNSC Resolution on Palestinian Rights

The Issue

The purpose of this memorandum is to analyze the arguments regarding whether or not we should proceed to an active debate in New York by August 23-24 on a Palestinian resolution.

As you requested, a possible draft resolution is attached, since at least part of the decision depends on whether there could be a resolution that would produce a more positive attitude among Palestinian and other Arabs toward the negotiations while remaining consistent with past commitments. At this stage, our draft resolution contains an alternative formulation for discussion.

The Facts of the Situation

While Egypt, Israel, and the United States have been working since Camp David to conclude the treaty and begin the West Bank/Gaza negotiations, an Arab group in New York has been working to define the rights of the Palestinians. That group's deliberations put it in a position late this spring to ask for Security Council debate on Palestinian rights. The scheduling of the first Security Council meeting was put off until the end of June. At the end of June, we said we take the exercise seriously but needed until late July because of the absence of our senior policymakers from the country. When the debate resumed

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at the end of July, after the White House meeting on the subject, we requested further delay, and the debate has now been scheduled to resume August 23-24. The Arabs, including Arafat, insist this must be the last postponement.

The resolution circulated among key Security Council members by the Arab member of the Security Council was actually drafted by the PLO. It reflects a decision by the PLO to respond to statements by the President and other U.S. officials that the U.S. would not recognize or negotiate with the PLO unless they accepted Resolution 242 and Israel's right to exist and to the President's statements in August 1977 and again this spring that we would talk to the PLO if they did take those steps. This resolution is their response. Their representative in New York has made it clear to other members of the Security Council and to non-official Americans that their language is negotiable. We understand from their decision a week ago to postpone the debate that the Palestinians are more interested in an agreed resolution than in forcing the U.S. to veto.

The reason the Palestinians want the debate to resume August 23-24 is that they must leave shortly thereafter for the Havana meeting of the Non-aligned Movement. If they see no prospect of agreement on a Security Council resolution, they will seek endorsement in Havana for calling a Special Session of the United Nations General Assembly just prior to the regular General Assembly in mid-September to deal with the Palestinian question.

The Arab world is looking at our action responding to this PLO initiative as a test of the credibility of U.S. commitment to resolving the Palestinian question. The Israelis object fiercely to any resolution, however reasonable, that would open the door for a U.S. dialogue with the PLO. The strong statement by the Israeli Cabinet on August 5 is attached.

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The Two Main Options

There are two well-reasoned points of view which must be addressed in making the decision on how we should proceed:

-- One is that we should seek further delay in the Security Council debate and vote in order to give the Sadat-Begin meeting a chance to produce progress and to make progress in the autonomy talks.

-- The other is that, while this is not a good time to have to deal with this issue, we do not have control over the timing and it is difficult to see how we could gain further delay in a way that would preserve U.S. credibility on the Palestinian issue.

In greater detail, the reasoning for trying to delay goes like this:

-- This is the worst time imaginable to have to deal with this issue. U.S.-Israeli relations are already in a high state of tension, partly over this issue. The Israeli Government is at least for the moment fragmented and disorganized. A U.S. move seen as a U.S. opening to the PLO would cause an intense crisis of confidence in U.S.-Israeli relations.

-- A Security Council resolution will not produce concrete results for the Palestinians. The only fora available where that is possible are the negotiation on autonomy and the Sadat-Begin talks. We should concentrate all our efforts in the next 60-90 days to achieve progress in those talks and through the Sadat-Begin relationship. Sadat seems to be biding his time for a move of some sort later in the fall. A crisis of confidence with Israel over a Security Council resolution will in the short term make the Israelis less able to negotiate seriously and in the longer term more resistant to providing real autonomy for the Palestinians because they will feel justified in their view that the U.S. is aiming at setting up an independent Palestinian state.

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-- Proponents of this view argue that we should try to persuade the Palestinians to give us more time to produce serious progress for them in the negotiations and that we should do so by reiterating the positive positions that this Administration has taken toward the Palestinian issue, as well as toward Israel's interests and security.

-- Some people have advised that the Administration should not take on a major disagreement with Israel at this time while the country is still sorting out the recent changes in the Administration.

-- Finally, proponents of this view argue that this opportunity will not disappear simply because we have asked for further delay: unhappy as the Palestinians may be, if there is a serious trend toward moderation in the Movement, they will again pick up the opportunity to negotiate a resolution when circumstances are more favorable for us.

The reasoning for going ahead in August goes like this:

-- There will never be a right time for such a move on our part; this may be the best time in the foreseeable future. For the argument for delay to be convincing, we have to ask how precisely conditions are likely to be better at any time in the future than they are in August. While Sadat has spoken of doing something "decisive" in two or three months, we see no sign that any of the ideas he is toying with--Gaza-first deal, or something in Jerusalem--have real prospects of being accepted by Israel. In the autonomy talks as well, it is likely to become harder with the passage of time to persuade the Palestinians to join the process as the Palestinians realize how little--compared with their expectations--they are going to have to settle for. The argument can thus be made that if we are to take this step at all, the time to do it is before negative trends set in that could set Palestinian attitudes even more firmly against the peace process.

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-- We need to examine what we stand to gain with a resolution of this nature--and conversely what we stand to lose if the opportunity passes. What we do in New York will have a critical bearing on our efforts to draw Palestinians into the autonomy negotiations. Even if Palestinians do not join the negotiations as a result of achieving an agreed resolution, our chances of inducing a constructive, or at least neutral, attitude on the part of the PLO toward West Bankers and Gazans eventually joining the talks, or eventually participating in the elections, will be much greater. We almost certainly stand no chance of achieving this objective if the PLO turns firmly against the peace process because we have rebuffed their effort to respond to us in New York. And along with Palestinian attitudes, we will also suffer a setback in our efforts to gain Saudi and other moderate Arab support for the autonomy talks and their results. We will also contribute to growing Egyptian international isolation as it appears to everyone that we are unable to respond to a moderate Arab initiative.

-- The Carter Administration since its beginning has made a series of commitments to deal with the Palestinian aspects of the Arab-Israeli conflict. These began when, in his first speech after the inauguration dealing in any detail with the Middle East, the President said, "There has to be a homeland provided for the Palestinian refugees who have suffered for many, many years." The President has also said that we would begin a dialogue with the Palestinians if they accept Resolution 242 and Israel's right to exist. The PLO has now taken an initiative which could result in its acceptance of 242. Arabs will see the credibility of the U.S. commitments as tested in our response.

-- It may not be possible to delay. In any case we would have to pay a substantial price for delay (see below). The Arabs will ask what the U.S. sees being gained by delay. They do not regard progress in the autonomy talks as sufficient because they do not believe the autonomy will be real if the negotiators do not seem committed to addressing the basic issues. They would see delay as further evidence that the U.S. is not able to come to grips with those issues.

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-- The Israeli Government will oppose this move whenever it takes place. The issue is not just this resolution. The issue is that both in this debate and in the autonomy talks Israel is being asked to face up to the question whether it is willing to withdraw its military occupation from the West Bank and to give real autonomy to the Palestinians. If the PLO has accepted 242 and Israel's right to exist, those in Israel who argue that now is the time to deal with the Palestinians will be strengthened.

-- As long as this issue is alive in New York the Israeli's will be apprehensive about our intentions, and they will tend to develop leverage on us in the autonomy talks to pry out assurances that we will not dicker with the PLO. The argument can therefore be made that even from the standpoint of our relations with Israel (short of a guarantee that we will veto any resolution whenever it comes up), trying to reach speedy agreement on a reasonable resolution is better than letting the issue hang over our heads. Further arguing for dealing with the issue in the August timeframe if we can is the fact that Congress will be out of session through this period, and Israel's supporters will have a more difficult time building a backfire against us.

Could We Arrange A Delay?

A key question is what the U.S. might have to do to win Palestinian acceptance of further delay. The possibilities seems to fall into two categories:

-- We do not think it will be possible to gain acceptance by the Arab group for a request for further delay without providing some kind of credible assurance as to what we are prepared to do at the later date. Without this, the Arabs are likely to conclude that we are stalling them--and proceed at Havana to set in motion the wheels for a special UNGA session.

-- We might, however, get them to hold in place with an approach along the following lines:

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- We would go to the Arab group in New York in the next few days (and not at the last minute) and tell them that we are prepared to enter into a substantive dialogue, but that we feel it in no one's interest to be tied to artificial deadlines.
- We would present our views on what a resolution should contain, rather than the text of an actual resolution. We would suggest that at this initial stage the Arabs, as well, put aside their fixed text. This would introduce some flexibility into the negotiations, and obviously would require a postponement of action in the Security Council.
- Discussions could resume after the Havana Summit, and perhaps come to fruition during the General Assembly in late September.
- If this approach does not satisfy the Arabs, we could say we would be willing to give them a draft now, say we are serious about negotiating something we can agree on, but that the matter is too complicated to complete by August 24. This would carry us the Havana Conference, the Begin-Sadat Summit, and Bob Strauss' trip to the area in early September, but the Arabs would expect us to complete the negotiations shortly thereafter.

#### Issues in a Resolution

The attached draft resolution attempts to stay as brief and simple as possible. It must be borne in mind, however, that the discussions the Palestinians have had with others in New York indicate that they feel that an adequate resolution would have to cover the following points:

- the idea of self-determination in some form;
- some mention of the refugee problem; and
- a response to the U.S. need for some acknowledgment of 242, although they remain reluctant to mention it because it does not adequately deal with the Palestinian question.

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It would be wise for the U.S., in anticipation of Israel's position, to include both 242 and Israel's right to exist.

Attachments:

1. Draft Resolution
2. Israeli Cabinet Statement on Palestinian Resolution

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THE WHITE HOUSE  
WASHINGTON  
06 Aug 79

FOR THE RECORD:

ANNE WEXLER RECEIVED A COPY  
OF THE ATTACHED.

3322

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

ACTION  
FYI

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
/	WEXLER
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	ADAMS
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	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	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

THE WHITE HOUSE  
WASHINGTON

August 4, 1979

Anne -  
I agree as consent -  
I am to more specific -  
J

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

**Electrostatic Copy Made  
for Preservation Purposes**

FROM: ANNE WEXLER *Anne*

SUBJECT: Energy Issues

Over the past 2 weeks, I have met with many groups on our energy program. One point that has come up over and over is that we need to give more emphasis to conservation: (1) telling people what they can do to conserve; and (2) telling people what the government is doing to help them.

Many have made the same three points:

→ First, people want to know what they can do after your Sunday night speech. Governor Bill Clinton said that he went on state-wide television telling people specifically how to save energy, and the response was overwhelming and positive. People want to make a contribution to the effort.

Second, the furor for syn-fuels arose during gas lines, and Congress responded. Now that the gas lines are gone, the pressure to do something is off and the syn-fuels program is slowing down.

Third, during the recess, Congressmen will hear concerns about home heating oil and gas lines and that syn-fuels are too far in the future. As quickly as they became advocates for syn-fuels, they could return as advocates for energy conservation and more help for the poor. Most of all, they will be looking for actions having an impact in 1980.

→ We should lead the conservation fight. It's the only thing we have going for us in the short term.

→ Two points need to be made repeatedly: The specific things people can do to conserve energy and exactly what the Federal Government has available (and what you have proposed) to help them.

7 You have a strong role to play in conservation. So does the First Lady, the Vice President and the Cabinet. We're working with all the staff to make information available for speeches, trips, briefings and the like.

9 I think the Congress will come back preaching conservation. I hope we will get ahead of that curve in August.

THE WHITE HOUSE  
WASHINGTON  
06 Aug 79

Secretary-Designate Duncan

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

Rick Hutcheson

Hamilton Jordan

ADMINISTRATIVELY  
CONFIDENTIAL

THE WHITE HOUSE  
WASHINGTON

8-6-79

To Charles Duncan

You have the lead  
on this. We are all  
eager to move  
together. Make  
assignments through  
Hamilton to others.

J. C.

cc Ham

THE WHITE HOUSE  
WASHINGTON

July 30, 1979

MEMORANDUM FOR HAMILTON JORDAN

FROM: Eliot Cutler *EC*  
SUBJECT: Enactment of the President's Energy Program

This memorandum sets out a strategy and the basic elements of a work plan for achieving three goals:

- The enactment of the Windfall Profits Tax and the rest of the President's April 5/July 16 energy program in this session of the Congress.
- The demonstration of vigorous Presidential leadership and Administration competence in the process of gaining enactment.
- Presidential leadership in restoring the nation's confidence in itself through a concerted energy effort.

We have less than five months to gain Congressional enactment of a program which is at least as complex as that which the last Congress took two years to enact only in part. It can be done, but it will require intense work, cooperation and discipline.

I. BASIC STRATEGY

1. Before the August recess, gain enactment of one major part of the President's program--rationing and state conservation plans authority (S. 1030).
2. During August and September, generate substantial public understanding and support of the President's program as a whole and the Windfall Profits Tax in particular. Concentrate on key Senators, key States and key interest groups.
3. In early September, gain approval of the key elements of the program (e.g., tax and corporation) by the House and Senate Budget Committees in their markups of the Second FY 1980 Congressional Budget Resolution.
4. Through September, October and early November, gain enactment of key elements of the program which depend on the tax (e.g., corporation, EMB, mass transit, aid to the poor, etc.), holding the position throughout that the funding and implementation of them is contingent on the tax.

5. Through the fall, continue to build public interest and support-- increasingly through involvement in new conservation programs-- and demonstrate Presidential leadership by gaining private financing of the Alaska Gas Pipeline, closing a Mexican gas deal and implementing oil import quotas.
6. In late October, win or escape a major Senate floor battle over the Windfall Profits Tax.
7. In late November, gain enactment of the tax and enactment of other remaining proposals.
8. In early December, submit a supplemental appropriations request to fund the new energy programs with revenues from the windfall tax. Establish the Energy Mobilization Board and the Energy Security Corporation.

The timing of the foregoing events could slip by as much as a month in each step, but the order in which they occur is fairly important if we are to establish and maintain momentum and maximize our leverage with the Congress.

The early and continuing cooperation of the Speaker and the Majority Leader of the Senate is absolutely necessary to the success of this strategy. Because this approach depends upon rapid and positive Congressional consideration of a large number of complex issues, it could flounder in the face of scheduling problems, jurisdictional wrangles among committees or simple lack of leadership.

## II. A "LEAD UNIT" APPROACH

In light of the fact that we only have five months to accomplish our goals, we do not have time for task forces and lengthy consideration by committees of key tasks and key issues. Instead, I propose that Department of Energy or EOP units be assigned the primary responsibility for seeing that various objectives are accomplished. Each "lead unit" will be responsible for following a general workplan and refining it; undertaking appropriate consultations; involving those additional DOE, EOP and other agency units that should be involved; getting Presidential policy clearance through Stu and OMB, CL assignments through DOE CL and Frank, organizing public support through Anne, etc.; and reporting to Secretary Duncan and you on progress and problems.

This "lead unit" approach will require delegation, disciplined follow-through and accountability, and we will need Secretary Duncan's and your support of it.

## III. KEY OBJECTIVES, LEAD UNITS AND GENERAL WORKPLANS

### A. Enactment of S. 1030: Rationing and State Conservation Plans

The House plans to take up S. 1030 on Tuesday, July 31. The Senate has conferees ready to meet, and the conference could begin on

Tuesday afternoon or Wednesday morning. Final enactment of S. 1030 before the August recess could provide an initial demonstration of the President's ability to get the Congress to respond to his leadership and an opportunity to kick off our August and September activities with a signing ceremony with members of Congress and Governors.

Lead Unit: [ ]

[ ]

- July 31 -- House floor action
- before August 3 -- conference report and final passage
- week of August 6 -- bill-signing ceremony (coordinate planning with Wexler and Watson)

B. Development and Implementation of Energy Conservation Program

Anne Wexler's and Jack Watson's offices are working with DOE and other agencies to respond to public inquiries, generate voluntary conservation efforts, and coordinate public and private sector conservation activities.

A major campaign for voluntary and government-assisted conservation efforts should be prepared for a Labor Day announcement. Through the fall, this campaign could help sustain public interest in meeting the nation's energy challenge, provide a legislative impetus for the conservation elements of the President's program, and demonstrate Presidential leadership and Administration imagination and competence.

Lead Unit: [ ]

[ ]

- August 6 -- complete strategy paper and workplan.
- by August 15 -- develop with DOE a catalog of what the Administration has done and expects to achieve in the area of energy conservation-- a rebuttal to the Kennedy-Durkin bill.
- by August 15 -- develop with DOE, DPS and OMB a decision paper on nationwide implementation of Energy Extension Service.
- by August 31 -- have weatherization and ride-sharing programs prepared for Labor Day announcement.
- by Sept. 7 -- ready to begin speakers program and town meetings on energy conservation to continue through fall, as well as a paid advertising program on the energy problem and what Americans can do to overcome it.

C. Budget Committee Approval of Tax and Program

In the second concurrent budget resolution for FY 1980, the Congress will decide whether or not to assume revenues from a Windfall Profits Tax; if so, at what level; and whether to provide for the start-up of the Energy Security program.

This means that the first meaningful votes on the guts of the President's program will take place in the House and Senate Budget Committees. (Each Committee must complete its markup early in September; the House Committee will not begin its work until after the recess, while the Senate Committee begins the week of July 30.) Affirmative action by the Budget Committees can bring some pressure to bear on the Senate Finance Committee and would start Congressional consideration down the right track. Negative action, on the other hand, would send a bad signal and create an almost insurmountable barrier for us, since it would provide opponents of the President's program (e.g., Long, Kennedy, et al.) with just the right kind of excuse not to enact it.

Lead Unit: [ ]

- July 30-31 -- persuade Muskie to postpone action on energy taxes until after the recess, perhaps synfuels as well.
- Aug. 3 -- brief staffs of budget committees, CBO, and members.
- Aug. 6 -- complete strategy paper and workplan.
- by Sept. 1 -- complete individual briefings of each member of the two committees. Work closely with Sen. Hart and his Budget Committee Task Force.
- by Sept. 15-- Have windfall tax receipts and President's program expenditures included in both House and Senate versions of second concurrent resolution.

D. Energy Mobilization Board

We should push for enactment of an EMB bill in September. It can be done, and it would help maintain momentum in the first weeks following Congress' return from the August recess. In order to do so, however, we need to settle a host of potential jurisdictional tangles that could tie this bill up until Christmas.

Lead Unit: [ ]

- by Aug. 3 -- get a good EMB bill approved by the Senate Energy Committee and try to win improvements to Dingell bill in full committee in House.
- August 6 -- complete strategy paper and workplan.

- by Sept. 1 -- work with Speaker O'Neill and Senator Byrd to resolve issues concerning jurisdiction of other House and Senate committees. Get Rules Committee consideration scheduled early in September, followed by House floor action on Dingell and for Udall bills and Senate floor action on Jackson bill.
- during Aug.-- target work of business, industry and labor groups on key members of House and Senate. Develop editorial support for fast-track legislation. Distribute materials describing one or two "horror stories" (e.g., Sohio pipeline).
- by Sept. 30-- House and Senate action, conference, final action and signing of EMB.

E. Energy Security Corporation

Ideally, the ESC should be enacted before the Windfall Profits Tax, but with a contingent authorization. (In any event, we would not request an appropriation of borrowing authority for the Corporation until after an acceptable tax had been enacted.) Having approval of the ESC mechanism for synthetic fuels and unconventional gas development will increase our leverage for the tax.

The two big hurdles for the ESC are the second budget resolution and multiple committee jurisdiction. The Senate Budget Committee Task Force chaired by Gary Hart will have a lot to say about the second resolution, even though it isn't scheduled to make its report until after the Committee completes markup on the resolution.

Resolving the jurisdictional mess is even more important to the ESC than to the EMB; not only are more committees potentially involved, more of them are likely to be hostile (e.g., Senate Banking).

Assuming these two hurdles can be overcome, the likeliest route to quick approval of the ESC would be for (1) the Senate Energy Committee to amend the House-passed Moorhead bill now pending before it with the closest approximation of the ESC that we can get, (2) the full Senate to pass it and send it back to the House, where (3) either the House agreed to the Senate amendments on a Wright/Moorhead motion or they asked for a conference.

Lead Unit: [ ] [ ]

- August 3 -- briefing of Budget Committee and CBO staffs.
- August 6 -- complete strategy paper and workplan.
- during Aug.-- develop support for ESC approach among trade, industry, business and finance, and labor groups. Thoroughly work business press.

- by Sept. 1 -- eliminate as many Senate jurisdictional issues as possible by working with the Majority Leader.
- by Oct. 30 -- final enactment of ESC.

F. Windfall Profits Tax

In part at least, all of the work we do in support of the other elements of the President's program should be designed to increase our leverage for an acceptable Windfall Profits Tax. Thus, the inclusion of windfall tax receipts in the second budget resolution improves our position, and enactment of programs (like the ESC or a Foley-Bedell gasohol bill) that depend for funding on the tax makes it more likely that we will have support for a tax.

In my judgment, we need to focus our efforts as much on the Senate and House Budget Committees as on the Senate Finance Committee; those committees will vote first. Then we need to direct our efforts at the full Senate; every member of the Senate should be fully and personally briefed on the tax and its relationship to the whole program before September 15. We need to show Senator Long in September that there is a majority of the Senate that favors a strong windfall tax, we may need to muster a majority of the Senate to improve the second concurrent resolution reported by the Budget Committee, and we need to be prepared for a showdown vote on the Senate floor on the windfall tax later in the fall.

It will require an extraordinary effort on behalf of the Administration to accomplish this goal by Labor Day. It will mean traveling to visit most Senators in their home States. We will need not only the time of people who can do the one-on-one briefings; we will also need a special staff effort to arrange this briefing schedule and coordinate it with other August support development activities (see Section IV).

Lead Unit: [ ] [ ]

- by Aug. 6 -- develop special windfall tax briefing materials for August use.
- by Aug. 6 -- Arrange briefings of all Senators during August.
- by Aug. 15 -- complete detailed legislative strategy for Senate Finance Committee and full Senate.
- during Aug.-- develop public support for tax as part of overall program (see Section IV).
- by Sept. 15-- complete briefings of all Senators. Prepare for Senate floor vote on budget resolution.

- Sept/Oct. -- Senate Finance Committee consideration of tax. House Ways and Means Committee consideration of tax credits and uses of tax revenues. Preparation for Senate floor vote.
- by Oct. 30 -- Senate floor action on tax.
- by Nov. 30 -- Final action on tax, credits and uses.

G. Low Income Assistance and Heating Oil Rebates

Whatever new programs there are to be, the earlier they are enacted but not funded, the more leverage we will have for the windfall tax.

Lead Unit: [ ]

[ ]

- July 31 -- final decision on program specs and budget estimates.
- Aug. 6 -- complete strategy paper and workplan.
- Aug. 6 -- final decision on heating oil rebates or decision memo to President if necessary.
- Aug. 10 -- final decision on general shape of any new weatherization initiatives (work with Gilson) or decision memo to President.
- Aug. 15 -- ready to announce full array of low and middle income assistance programs and to send specs to Hill (committee staffs).
- during Aug.-- build public support for tax.
- by Oct. 30 -- final enactment of new authorizations.

H. Transportation Initiatives

As with many other elements of the overall program, we have an opportunity to use these initiatives to build support for the overall program, including the tax. Without the tax, they cannot be funded.

Lead Unit: [ ]

[ ]

- Aug. 6 -- Final policy decision on mass transit and auto fuel efficiency elements of program, or decision memo ready for President.
- Aug. 6 -- complete strategy paper and workplan.

- Aug. 15 -- ready to announce details of program and to send specs to Hill.
- during Aug.-- build public support for tax.
- by Oct. 30 -- final enactment of new authorizations.

I. Utility Oil Backout Program

Chairman Dingell appears eager to begin consideration of this proposal in September. Utilities need to be consulted, and the legislation or specs drafted. It is key to gaining support of the overall program from the coal industry and, conceivably, from elements of the utility industry.

Lead Unit: [ ] [ ]

- Aug. 6 -- Complete decision memo in indemnification issue and submit to OMB/DPS.
- Aug. 6 -- complete strategy paper and workplan.
- Aug. 15 -- submit draft legislation and specs to OMB.
- Aug. 21 -- ready to announce details of program and transmit language to Hill.
- by Oct. 30 -- Final enactment.

J. Residential and Commercial Conservation Program

A number of unresolved questions remain to be answered, including whether conversion to gas ought to be subsidized (as proposed) and--more importantly--whether it is possible to provide incentives and subsidies to the owners of oil-heated homes and businesses which are equivalent to those to be provided to the owners of homes heated by gas and electricity.

Lead Unit: [ ] [ ]

- Aug. 3 -- complete decision memos on conversion and equivalency issues and submit to OMB/DPS.
- Aug. 6 -- complete strategy paper and workplan.
- Aug. 15 -- submit draft legislation and specs to OMB.
- Aug. 21 -- ready to announce details of program and transmit to Hill.
- by Oct. 30 -- final enactment.

K. Solar Bank

Early enactment of a Solar Bank which is funded only from revenues from a windfall tax can help us gain support from the tax from "soft-path" advocates and others. The Administration bill has been submitted, and hearings will be held on it this week.

Lead Unit: [ ]

[ ]

- August 6 -- complete strategy paper and workplan.
- during Aug.--Build support for Bank and tax.
- Oct. 30 -- final enactment.

L. Import Quotas

Along with the Mexican and Alaskan gas issues discussed in the next two parts of this section, implementation of the import quotas gives the President an opportunity to demonstrate continued leadership and action while the Congress considers the program.

Lead Unit: [ ]

[ ]

- Aug. 3 -- receive 1979 and 1980 import estimates from DOE (Alm).
- Aug. 6 -- complete strategy paper and workplan.
- Aug. 30 -- receive implementation options and analysis from DOE, State and Treasury.
- Sept. 15 -- decision memo ready for President.
- by Sept. 30-- ready to announce implementation scheme.

M. Mexican Gas

We should try to be in a position to announce at least an agreement in principle by early September.

Lead Unit: [ ]

[ ]

- Aug. 6 -- complete strategy paper.
- by early Sept. -- announcement of agreement by President.

N. Alaska Gas Pipeline

Every effort should be made to put the President in a position this fall to announce that private financing has been arranged.

Lead Unit: [ ] [ ]

- August 6 -- complete strategy paper and workplan.
- by Oct. 1 -- announcement by President.

IV. AUGUST/SEPTEMBER SUPPORT-BUILDING

The six weeks between now and September 15 comprise the most critical period of time in this five-month effort. The extent to which we succeed in building public and Congressional support for the President's program in general and windfall tax in particular during this period probably will determine how much--if any--of the program will be enacted by the Congress before it goes home in December.

The importance of briefing every member of the Senate on the windfall tax and the rest of the energy proposals was emphasized in the previous section of this memo. That effort will be the responsibility of the Lead Unit for the tax, working closely with White House and Treasury CL. It should be closely linked to the broader program outlined here, which should be directed jointly by a skilled person working out of one office in the EOB with a full-time secretary.

This Unit's responsibility will be to develop and implement a six-week plan for generating public and targeted support through the use of Presidential, Vice Presidential and First Family events; speaking and radio and television appearances by Administration spokespersons; town meetings and briefings in and outside Washington of key business, industry and labor groups; and meetings with Governors and other State and local leaders. The focus should be threefold: broad public understanding and support, support from key interest groups, and support from key members of the Senate and the Budget Committees. Thus, for example, this Unit would work with the windfall tax Lead Unit to target activities in a State or district represented by a key member of the Senate or the House Budget Committee.

This Unit will work closely with the DOE public and intergovernmental affairs offices; Anne Wexler and the rest of her staff; Rafshoon and his staff; Pat Bario and Jim Purks; Presidential, Vice Presidential and First Family scheduling offices; White House, OMB, Treasury and DOE CL offices; and Jack Watson and Gene Eidenberg.

Lead Unit: [ ] [ ]

- August 3 -- complete strategy paper and workplan.
- Wk. of Aug. 6-- kickoff effort with signing ceremony for S. 1030, swearing-in of Duncan, and/or announcement and meeting of President's Advisory Committee.

ADMINISTRATIVELY CONFIDENTIAL

- by Sept. 15 -- one-2-3 day Presidential trip focused entirely on energy.
- through Sept. 15 -- weekly Presidential event outside Washington with energy focus.
- Aug. 15-17 -- two to three-day VP energy trip, focusing on States and districts with key members of Congress.
- through Sept. 15 -- organized speaking trips by First Lady, members of First Family and other Administration officials.
- through Sept. 15 -- Six regional meetings with Governors and key State and local officials.
- through Sept. 15 -- White House and outside briefings of key interest groups.

V. Materials Preparation

The effort to build support for the President's energy proposals has been plagued thus far by the inadequacy of our briefing materials. We need to prepare, at once, a set of briefing materials that set forth in a clearly understandable fashion (1) the nature of the energy crisis we face, (2) the President's energy proposals of April 5 and July 16 as an integrated program for achieving energy security, (3) the essential role of the Windfall Profits Tax, and (4) the relationship of voluntary conservation efforts to the rest of the program.

These materials need to be designed using a common and attractive format and should be prepared in a way that makes them convenient for travel and shipment.

An OMB Lead Unit, working closely with Pat Bario and Jim Purks and other White House offices, will undertake the immediate preparation of (1) an overall briefing book covering the four points above which will be the core set of materials, and (2) a consolidated, boiled-down presentation of the overall set of materials which can be used as a contextual introduction for separate, in-depth briefing books on each of the principal initiatives (e.g., EMB, ESC, windfall tax, etc.). Each Lead Unit will develop in-depth briefing books for the program element for which it has responsibility, using the common format and introduction developed by the OMB team.

Lead Unit: [ ] [ ]

- Aug. 3 -- complete draft briefing book and format design.
- Aug. 7 -- final briefing book ready for production.

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE  
WASHINGTON

August 1, 1979

1:45 PM  
C

**Electrostatic Copy Made  
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MEMORANDUM FOR THE PRESIDENT

FROM: LOUIS MARTIN

SUBJECT: Meeting with the Program Committee of the  
General Conference of the African Methodist  
Episcopal Zion Church, Cabinet Room,  
Monday, August 6, 1979, 1:45 P. M.

I. PURPOSE

To meet with the leadership of the African Methodist  
Episcopal Zion Church.

II. BACKGROUND, PARTICIPATION, AND PRESS

A. Background: The African Methodist Episcopal Zion  
Church was founded in 1796 by James Varrick in  
New York City. Among its members have been  
crusaders for human rights, such as Sojourner Truth,  
Harriet Tubman, Frederick Douglas, Bishop Alexander  
Walters, a cofounder of the NAACP and Bishop  
Stephen Spottswood, former Executive Director  
of the NAACP.

The Church is today divided into twelve episcopal  
districts in the United States, the Caribbean, South  
America, England, and Africa. It has a membership  
of over 1.2 million. The principal governing bodies  
are the General Conference and the Board of Bishops.

Bishop Herbert B. Shaw is the senior bishop.

B. PARTICIPANTS: See attached list.

White House Staff: Louis Martin

Talking Points: See attached.

C. PRESS: White House Press Opportunity

PARTICIPANTS FOR MEETING - MONDAY, AUGUST 6, 1979  
CABINET ROOM - 1:45 P. M.

Reverend Cecil Bishop  
Washington, D. C.

Mrs. Alcestis Coleman  
St. Albans, New York

Bishop Clinton Coleman  
Batimore, Maryland

Mr. William E. Douthit  
St. Louis, Missouri

Bishop Aldred G. Dunston, Jr.  
Philadelphia, Pennsylvania

Reverend Vaughn T. Eason  
Greensboro, North Carolina

Bishop Charles H. Foggie  
Pittsburgh, Pennsylvania

Bishop William A. Hilliard  
Detroit, Michigan

Bishop J. Clinton Hoggard  
Indianapolis, Indiana

Mrs. Grace Holmes  
Knoxville, Tennessee

Reverend Cameron Jackson  
Columbus, Ohio

Reverend Frank E. Jones  
Newburg, New York

Dr. Lem Long  
Charlotte, North Carolina

Bishop Arthur Marshall, Jr.  
Atlanta, Georgia

Reverend James McCoy  
Charlotte, North Carolina

Bishop Herbert B. Shaw  
Wilmington, North Carolina

Mr. Gregory Smith  
Mt. Vernon, New York

Bishop William M. Smith  
Mobile, Alabama

Bishop Ruben L. Speaks  
Roosevelt, New York

Mr. Thaddeus Steele  
Tuscaloosa, Alabama

TALKING POINTS FOR MEETING - MONDAY, AUGUST 6, 1979  
CABINET ROOM - 1:45 P.M.

CIVIL RIGHTS

1. The Office of Federal Contract Compliance Programs (OFCCP) and the Equal Employment Opportunity Commission (EEOC) have been reorganized and granted increased authority. The OFCCP will vigorously enforce the guidelines which prohibit employment discrimination by Federal contractors and require affirmative action. In the first two years of this Administration OFCCP has debarred eight companies from doing business with the Federal government because they refused to take affirmative action to hire women and minorities. Prior to this Administration, only twelve companies had been debarred in the twelve year history of the program. In addition, the EEOC will continue to provide an effective central mechanism to enforce compliance with the equal opportunity laws.
2. The Justice Department filed an amicus brief in the Wilmington Ten case. The Justice Department also intervened in the "reverse discrimination" suit brought by Brian Weber against the Kaiser Aluminum Company in Louisiana. The Justice Department's argument in support of voluntary affirmative action was recently upheld by the Supreme Court.

An amicus brief was also filed in the Bakke case in support of affirmative action programs. Following the Bakke decision, all departments of the government were directed to continue vigorous implementation of affirmative action programs.

APPOINTMENTS

1. President Carter has named more Blacks to the Federal judiciary than all other Presidents combined. Thus far, twenty-one Black Federal judges have been appointed in the North and South. These appointments resulted from the Administration supported Omnibus Judgeship Act of 1978 and are bound to have an important impact on the nation's criminal justice system which has been assailed as "racist" for over a century.
2. President Carter has also named more Blacks to regulatory boards and commissions than any other President: Interstate Commerce Commission (ICC), Civil Aeronautics Board (CAB), Overseas Private Investment Corporation (OPIC), Federal Energy Regulatory Commission (FERC), Merit Systems Protection Board, National Transportation Safety Board, Federal Communications Commission (FCC), Federal National Mortgage Association (FNMA), Equal Employment Opportunity Commission (EEOC), and Federal Reserve Board of Governors. Many of these powerful regulatory bodies have never had Black commissioners or members prior to this Administration.

3. In the military establishment, President Carter has appointed the first Black woman Army General and the first Black Marine General. In addition, he has named five of the eight Black Air Force Generals and 12 of the 22 Black Army Generals. Thus far he has also named two Navy Admirals.

#### EDUCATION

1. The Carter Administration has increased funding for education programs in the Office of Education, HEW, by 50 percent from 1977 to 1980. Greater emphasis has been placed on programs for disadvantaged children including proposals for large increases in the Headstart program, the Title I program of compensatory education, and bilingual education.
2. On January 17, 1979 President Carter issued a memorandum to every agency and department directing them to use all available resources to strengthen and enhance historically Black colleges. In addition, full funding for the HEW program designed to assist Black colleges has been proposed to continue at \$120 million.

#### SOCIAL SERVICES

1. The Administration moved early to support the financially troubled social security system which was on the verge of bankruptcy. As a result of the President's action, the nearly 30 million elderly, disabled, and needy Americans who depend on social security benefits can continue to receive these benefits from a now financially-sound system.
2. The food stamp program has been simplified and retargeted toward those most in need. It is no longer necessary to purchase food stamps. It is estimated that this change alone will enable an additional 3 million low income people to take advantage of the program.

#### ECONOMIC DEVELOPMENT

1. President Carter personally lobbied Congress for the passage of the Humphrey-Hawkins Full Employment Act.
2. President Carter has created 7.5 million more jobs during his Administration and as a result there are more Blacks employed than at anytime in history. Black teenage employment which stood in January 1977 at 575,000 jobs rose to 714,000 by February 1979, a 27% increase.

3. To combat unemployment the President created a comprehensive \$21 billion package of economic stimulation legislation: \$4 billion in public works programs creating 200,000 jobs, \$7 billion in tax reductions for low and moderate income families, a \$1 billion increase in countercyclical revenue sharing, CETA Job Corps, and tax credits for employers of youth job seekers. Partly as a result of this stimulus package, the unemployment rate dropped nearly 25% to 5.6 in June 1979.
4. The President has asked Vice President Mondale to head up a Youth Employment Task Force. The task force is conducting a comprehensive review of federal youth employment programs in order to develop legislative recommendations for the next session of Congress.
5. The Department of Housing and Urban Development Urban Development Action Grants have generated \$4.5 billion in private reinvestment in distressed cities. This has resulted in the creation of more than 170,000 new jobs and the retention of 78,000 jobs in distressed communities.
6. The Administration is moving dramatically to stimulate Black economic development. President Carter has set a goal of tripling Federal procurement from minority suppliers and vendors by 1980, bringing the total to \$3 billion annually. The private sector Minority Purchasing Council has been encouraged to match the \$3 billion goal. Thus, combined government and private sector procurement is targeted for \$6 billion. Approximately 40,000 jobs are generated for each billion dollars of procurement.
7. The Administration is putting over \$145 million of Federal deposits in minority banks and recently set up a minority bank development program to provide technical and managerial assistance as well as capital to minority banks. In addition, Black savings and loan institutions will be assisted by a new MESBIC set up by the Federal Home Loan Bank Board.

#### FOREIGN POLICY

1. Under the leadership of President Carter, Ambassador Andy Young and Don McHenry, this Administration has developed a positive and cooperative working relationship with Africa. This new policy constitutes a reversal of previous American policy and allows for the establishment of new trade and diplomatic ties with African nations.

2. Despite substantial opposition, the President will maintain economic sanctions on Zimbabwe-Rhodesia until the new government demonstrates that it is truly representative of the people and embodies the principles of majority rule and self-determination.

#### LEGISLATIVE AGENDA

1. Cease and Desist

President Carter in the 1979 State of the Union message to Congress called for "cease and desist" powers for the Secretary of Housing and Urban Development. Title VIII which prohibits discrimination in housing is largely an empty promise because of the lack of an adequate enforcement mechanism. A White House Task Force has been formed to help pass legislation to strengthen HUD's enforcement powers.

2. D. C. Voting Rights

President Carter has given full support to the Voting Rights Amendment for the District of Columbia. The amendment is now before the States for ratification.

3. Department of Education

President Carter proposed a Cabinet-level Department of Education which has been approved by the Senate and the House of Representatives. The establishment of a Cabinet-level Department reflects the Administration's high priority on education and issues such as equal educational opportunity.

4. Welfare Reform

The President has submitted a Welfare Reform Program to Congress which will increase employment and training opportunities and incentives for those receiving welfare; increase cash benefits to needy families with children; mandate coverage of two-parent families; and improve the administration of the program.

5. SALT

The President is vigorously advocating ratification of the SALT treaty. Nothing is more vital to our national security. The consequences of nuclear war are almost too awesome to contemplate. Weapons with intercontinental ranges and previously unimagined explosive power can destroy in minutes what it has taken centuries to build. The SALT treaty would enable us to maintain a military strong enough to deter attack and to defend ourselves should

deterrence fail and at the same time, decrease the risk of a nuclear holocaust.

6. Hospital Cost Containment

Between 1975 and 1977 hospital costs increased between 14% and 20% annually, faster than any other essential product or service. If this is allowed to continue, hospital care will become a luxury for the very rich. The President has proposed legislation which would sharply limit the rate of increase.

In addition to attacking rising hospital costs, the President has proposed legislation which would provide federal health insurance for the aged, the disabled, and the poor, and require employers to provide insurance for employees.

7. Energy

The President has proposed a comprehensive energy program designed to reduce our dependence on foreign oil by 50% by the end of the next decade through conservation and the development of alternate sources of fuel. Alternate fuel development will require an expenditure of over \$100 billion and will result in the creation of hundreds of thousands of jobs. In the short run, an increase in the cost of home heating oil will be unavoidable. To compensate, the energy program provides for \$2.4 billion annually for aid to low income households. This is three times the figure that had originally been suggested.

3:00 PM

THE WHITE HOUSE  
WASHINGTON

August 3, 1979

MEMORANDUM FOR THE PRESIDENT

**Electrostatic Copy Made  
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FROM: JACK WATSON *Jack*

SUBJECT: Swearing-In Ceremony for G. William Miller  
as Secretary of the Department of Treasury  
and A. Paul Volcker as Chairman of the  
Federal Reserve Board - Monday, August 6th  
at 3:00 p.m. (East Room)

---

Bill Miller will be accompanied by his wife, Ariadna, and Paul Volcker's wife, Barbara, will accompany him. Mr. Volcker's children will be seated in the first row of the audience. You will make opening remarks and then Judge Leon Higginbotham will administer the oaths of office. As you will recall, you appointed Judge Higginbotham as U. S. Circuit Judge for the Third Circuit Court of Appeals (Philadelphia) last year.

After taking the oath, Messrs. Miller and Volcker will make remarks. You will be receiving separately a memorandum from Gretchen outlining the scenario. In addition, Rick Hertzberg will be sending you talking points, and Frank Moore a list of the Congressional members who will be attending the ceremony and reception. Members of your Cabinet and a broad range of business and financial leaders, including

- Dick Shinn (Metropolitan Life)
- Lewis Foy (Bethlehem Steel)
- Maurice Granville (Texaco)
- Irving Shapiro (duPont)
- Krome George (ALCOA)
- Robert McNamara (World Bank)
- Don Platten (Chemical Bank)
- John Riccardo (Chrysler)

will also be present.

The ceremony will be open to the press.

(Mike Blumenthal is in New York City and was planning to be there through Monday for some meetings. I have talked to him by telephone and told him that you would like very much for him to be at the swearing-in, if at all possible. Mike will let me know tomorrow whether or not he will be there.)

THE WHITE HOUSE

WASHINGTON

August 5, 1979

MEMORANDUM TO THE PRESIDENT

FROM: RICK HERTZBERG *Rick*  
WALTER SHAPIRO

SUBJECT: Talking Points: Swearing-In of Paul Volcker  
and William Miller -- 8/6/79

1. The two positions that we are filling today -- the Secretary of the Treasury and the Chairman of the Federal Reserve Board -- are the two most important economic posts in our government. In searching for the best people to fill these positions, my first concern was to find individuals who could steer our economy through some of the most troubled waters in our history. Inflation has been eating away at the strength of our economy for more than a decade. The energy crisis has contributed to these inflationary pressures with the enormous increase in energy prices since the first of this year. Unemployment, particularly among minorities and teenagers, is still an extremely serious problem for our country. In filling these two posts, therefore, I first sought to find two individuals of unquestioned competence and ability to shape and guide the economic policies of our nation.
2. My second concern was to find candidates who would inspire confidence around the world in the leadership that this Administration is providing in the conduct of our economic affairs. When I spoke to the nation three weeks ago, I made clear that this Administration would follow a steady course in economic policy so that we could realize our hopes and expectations of controlling inflation. In selecting Bill Miller to be Secretary of the Treasury and Paul Volcker to serve as Chairman of the Federal Reserve Board, I have found two men who will inspire confidence both at home and abroad in the soundness of our economic policies.
3. There is little I need to say about the credentials of either of these two men, since both have been at the forefront of economic policy over the last decade. I have come to know Bill Miller well during his tenure as Chairman of the Federal Reserve Board. I have been enormously impressed with his mental toughness, with the forthright way in which he states his views, both publicly

and privately, with his capacity for leadership, and with his dedication to the fight against inflation. Economic policy in this Administration has not always been as well coordinated as I would have liked. In selecting Bill Miller to serve as the Administration's chief economic spokesman, I have placed my trust in a man who can ensure that our economic policies are coherent, consistent, carefully designed and properly implemented. Bill Miller will do a great job as Secretary of Treasury and I am proud to have him on my team. *Ch. of Econ. by [unclear]*

4. Paul Volcker has spent his entire professional career dealing with the complexities of monetary policy and international finance. He is highly respected by his colleagues in the Federal Reserve System and recognized as a man of great competence by the financial leaders of our country and the entire world. I expect to work closely with Paul Volcker in the months ahead, just as I did with Bill Miller when he was Chairman of the Fed. I know, however, that Paul Volcker is dedicated to maintaining the independence of the Federal Reserve System in charting monetary policy and we both understand the logic for this separation of powers. Paul Volcker is deeply committed to fighting inflation and to maintaining the strength of the dollar in the international economy. He is equally resolute in his commitment to maintaining a strong economy and to solving our unemployment problems. We share the same goals. For these and so many other reasons, I am delighted that he has accepted the difficult task of serving as Chairman of the Federal Reserve Board.

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THE WHITE HOUSE

WASHINGTON

August 4, 1979

MEMORANDUM TO:

PRESIDENT AND MRS. CARTER

FROM:

GRETCHEN POSTON *GP-m*

SUBJECT:

SCENARIO - SWEARING-IN/RECEPTION FOR  
G. WILLIAM MILLER AND PAUL VOLCKER ON  
MONDAY, AUGUST 6, 1979 IN THE EAST ROOM

2:30 PM

Mr. and Mrs. Miller, Mr. and Mrs. Volcker, the Volcker children and Judge Leon Higginbotham arrive Northwest Gate and enter through North Portico and proceed to Blue Room.

Members of Congress proceed to Blue Room.

2:45 PM

Guests arrive Southwest Gate and proceed to East Room via Diplomatic Reception Room.

2:50 PM

PRESIDENT AND MRS. CARTER enter Blue Room and greet guests.

3:00 PM

Members of Congress and MRS. CARTER are escorted to special seating area of East Room.

Mrs. Volcker and children are escorted to platform in East Room.

Mrs. Miller is escorted to platform in East Room.

Mr. Volcker is escorted to platform in East Room.

Mr. Miller is escorted to platform in East Room.

Judge Higginbotham is escorted to platform in East Room.

THE PRESIDENT is announced into the East Room and proceeds to podium.

THE PRESIDENT makes Remarks about Mr. Miller, introduces Judge Higginbotham and steps back.

Mrs. Miller, Mr. Miller and Judge Higginbotham step forward and proceed with Swearing-In ceremony.

THE PRESIDENT returns to podium and makes Remarks about Mr. Volcker.

Mr. and Mrs. Volcker and children and Judge Higginbotham step forward and proceed with Swearing-In ceremony.

Reception follows at conclusion of ceremony in State Dining Room.

The String Quartet will play in the Cross Hall.

PRESS COVERAGE.

CONGRESSIONAL  
PARTICIPANTS

ACCEPTANCES STILL BEING COMPILED



3:00 p.m.

The following Congressmen have confirmed that they will be attending the Swearing-In for G. William Miller:

Rep. Clarence Brown ✓

Rep. Sam Gibbons ✓

Rep. Jon Hinson ✓

Rep. Carroll Hubbard ✓

Rep. Jim Leach ✓

Rep. Stephen Neal ✓

Rep. Paul Simon ✓

**Electrostatic Copy Made  
for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON

8/6/79

Zbig Brzezinski

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

Rick Hutcheson

cc: Frank Moore/Ev Small

## THE WHITE HOUSE

ACTION

WASHINGTON

August 6, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI *ZB*

SUBJECT: Response to Senator Stone's Letter

You noted on your mail log that you wanted Cy and me to prepare a response to Senator Stone's letter (TAB A) for your signature. Cy had already responded in your name before we got your instructions.

We do not believe that it is necessary for you to respond further. In fact, because of Stone's recent belligerent behavior, it might even have an undesired effect.

Stone's line of questioning throughout the SFRC hearings has been to show that the Soviets do not live up to their agreements. He has chosen Soviet activities in Cuba as his prime example.

When Cy appeared before the Committee on July 10, Stone requested full public disclosure of the details of the 1962 U.S.-USSR understanding and subsequent diplomacy. On July 17, Stone issued a statement to the press charging numerous Soviet violations of the understandings.

In his letter to you, and publicly, Stone has charged that you failed to honor your written commitment to him of January 27, 1978, "to oppose any efforts, direct or indirect, by the Soviet Union to establish military bases in the Western Hemisphere" (TAB B).

In an attempt to deflect some of these charges by telling him what we know about Soviet activities in Cuba, we set up several intelligence briefings for Stone. The Vice President also met with him.

Stone's letter to you arrived in the middle of these briefings and while Cy was working on his response to Stone's queries. Cy used the opportunity of his explanation to respond to Stone's letter to you (TAB C). Immediately upon receiving the letter, in a press conference Stone termed the Vance letter a "whitewash" (TAB D).

I believe, and Lloyd Cutler and CL agree, that there is no point in getting into a shouting match with Stone. He misuses your letters, viz the Panama one. He is having serious problems with his Cuban constituents and uses every bit of information we give him to beat us over the head.

In addition, Cy is having breakfast with Stone on Tuesday and can respond further if necessary.

For your diversion, I am attaching a copy of Izvestia's analysis of Stone's behavior; especially note the last paragraph (Tab E).

RECOMMENDATION

That you agree that Cy's response fulfills any obligations you feel to respond to Stone personally.

                     Agree



                     Disagree, still want to respond personally

*Ev Small (2755)*

*M*

SUMMARY OF CONGRESSIONAL MAIL TO THE PRESIDENT

DATE: JULY 25, 1979

PAGE: - 1-

DM

SUBJECT

DISPOSITION

COMMENTS

N. DICK STONE  
(D) - FLORIDA

CONCERNED ABOUT CONTINUING, UNDENIED REPORTS OF SOVIET PRESENCE AND ACTIVITIES IN CUBA; REQUESTS THAT THE STILL-SECRET AGREEMENT BETWEEN THE U.S. AND THE SOVIET UNION WHICH ENDED THE CUBAN MISSILE CRISIS BE MADE PUBLIC, SINCE IT IS IMPORTANT DURING THE SALT II DEBATE TO KNOW WHETHER THE SOVIETS LIVED UP TO THESE COMMITMENTS CONCERNING CUBA; BELIEVES THE CONTINUATION OF A SOVIET COMMAND STRUCTURE IN CUBA CONSTITUTES AN EFFORT TO ESTABLISH A MILITARY BASE; URGES YOU TO EFFECT ITS REMOVAL.

ACKNOWLEDGED BY FM  
REFERRED TO NSC  
CC:THOMSON

*3619 & Cg  
draft answer  
for me*

*C*

P. JIM SANTINI  
(D) - NEVADA

SUPPORTS THE MX MISSILE PROGRAM; ASSURES YOU OF THE SUPPORT FOR MX OF THE PEOPLE OF NEVADA; CONCERNED ABOUT THE CHOICE OF BASING MODES FOR THE MISSILE; BELIEVES THAT THE VERTICAL AND HORIZONTAL BASING MODES ARE CLEARLY PREFERABLE TO THE TRENCH BASED ON ENVIRONMENTAL AND LAND USE CRITERIA.

ACKNOWLEDGED BY FM  
REFERRED TO NSC

THE WHITE HOUSE

WASHINGTON

Mr. President:

The attached may be  
helpful to you for your  
appearance on the South Lawn -  
I'll be there if you need  
me -

Jack

THE WHITE HOUSE

WASHINGTON

August 4, 1979

MEMORANDUM FOR JACK WATSON

FROM: BERRY CRAWFORD *Berry*

SUBJECT: Your Welcoming Remarks at the National Indian Youth Leadership Conference  
(Monday, August 6; South Lawn; 10:45-11:30 a.m.)

You and Chip are participating in this opening event (on the South Lawn) of the four-day Indian and Native American Youth Leadership Conference. Chip's appearance will be a surprise. He will work the crowd for 5-10 minutes beginning at 10:45 and make approximately 5 minutes of opening/welcoming remarks. Your 15-20 minute presentation--followed, if you want, by 5-10 minutes of Qs & As--will begin at approximately 11:00. A reception--with Indian dancing--will follow.

The conference is being held at George Washington University and is co-sponsored by DOL's Office of National Programs (Lamond Godwin, Director), the National Indian Activities Association (NIAA), and the United National Indian Tribal Youth (UNITY) Organization. Its basic objectives are to promote career exploration, serve as a motivational device, and serve as an organizational meeting for the formation of a new national federation of local Indian and Native American youth councils. Participants will include approximately 400 Indian CETA Summer Youth Program participants and supervisors, tribal officials, and national organization leaders. Over 100 Indian tribes and Native Alaskan groups will be present. Among the conference speakers are Veronica Murdock, President of the National Congress of American Indians; Kenneth Black, Executive Director of the National Tribal Chairmen's Association; Peter Mc Donald, Chairman of the Navajo Nation; and Billy Mills, 10,000 meter champion at the 1964 Tokyo Olympics (a Sioux) and a friend and former teammate of mine at the University of Kansas; Joseph Running Fox, star of the movie "Ishi"; and Susan Arkeketa, Miss Indian America of 1979. Other notables will be participating, including Billy Kilmer and several members of the Washington Redskins.

Talking points--directed primarily toward the Indian and Native American youth who are attending the conference but also to the tribal leaders--are attached: