

**9/4/79 [1]**

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: 9/4/79  
[1]; Container 128

To See Complete Finding Aid:

[http://www.jimmycarterlibrary.gov/library/findingaids/Staff\\_Secretary.pdf](http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf)

THE WHITE HOUSE  
WASHINGTON  
04 Sep 79

The Vice President  
Hamilton Jordan  
Stu Eizenstat  
Bob Lipshutz  
Al McDonald  
Frank Moore  
Jody Powell  
Jack Watson  
Sarah WEDDINGTON  
Anne WEXLER  
Jim McIntyre

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

Rick Hutcheson

EYES ONLY

ADMINISTRATIVELY CONFIDENTIAL

3591

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

*weekly reports*

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION  
FYI

/	VICE PRESIDENT
/	JORDAN
/	CUTLER <i>Bob L</i>
	DONOVAN
/	EIZENSTAT
/	MCDONALD → <i>(ATT)</i>
/	MOORE
/	POWELL <i>do "in" only</i>
/	WATSON <i>rate</i>
/	WEDDINGTON
/	WEXLER
	BRZEZINSKI
/	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

	MILLER
	VANCE
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	FRANCIS
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

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

*[Handwritten signatures and scribbles]*

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

ACTION  
FYI

	VICE PRESIDENT
	JORDAN
	CUTLER
	DONOVAN
	EIZENSTAT
	MCDONALD
	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

	MILLER
	VANCE
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	FRANCIS
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

cc Speth rpt → To Speth ✓

EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL ON ENVIRONMENTAL QUALITY  
722 JACKSON PLACE, N. W.  
WASHINGTON, D. C. 20006

*Gus - Stu  
Discuss  
for future use  
J*

August 31, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: GUS SPETH  
JANE YARN

*Gus Speth*

SUBJECT: Weekly Report

Storm and Flood Damage Protection. Hurricane "David" has killed at least 19 people in the Caribbean and may be approaching the U.S. mainland, threatening the southeastern coast. The National Weather Service rates this storm as possibly one of the most destructive of the century. The storm's potential for causing death and property damage is great, largely because of the extensive coastal and floodplain development of the last two decades, which was a relatively storm-free period.

At least eight federal agencies provide disaster assistance. In the past billions of dollars in federal aid has gone into on-site restoration or replacement of damaged property, thereby reestablishing the same, or even higher, risk of loss from subsequent storms. Environmental damages have also resulted from overuse of post-storm construction of artificial channels, dams, levees and erosion structures.

Your 1977 Floodplain Management Executive Order and 1978 Water Policy Reform Message initiated changes in federal water resource related programs. When implemented, these directives should cause most federal agencies to reduce their support for construction in flood hazard areas, and to develop more "nonstructural," damage avoidance alternatives as part of their assistance programs. However, compliance has been very slow.

In order to avoid the mistakes of the past, you could at this time issue guidance to the appropriate federal agencies concerning the type of federal assistance that should be preferred in rebuilding damaged areas after the storm, if Hurricane "David" does hit. They could be instructed, for example, to move quickly to provide all appropriate emergency measures in storm-damaged areas, but to give special priority to those measures which will help establish or advance sound coastal and floodplain management practices, and to avoid wherever possible providing support for inappropriate construction in damage-prone areas.

If you agree, we will immediately consult with Stu and Jack and prepare an appropriate memorandum for you to send to the head of the Federal Emergency Management Agency, the Small Business Administration, and other key agencies.



VETERANS ADMINISTRATION  
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS  
WASHINGTON, D.C. 20420  
August 30, 1979

TO : The President  
THRU : Rick Hutcheson, Staff Secretary  
FROM : Administrator of Veterans Affairs  
VA Presidential Update

*Max Baugh*

Convention Windup - I've just concluded appearances at national conventions of the American Legion, the VFW and AMVETS.

At the Legion meeting, where my remarks were well received, Senator Alan Cranston spoke of his recent correspondence with you, and released the full texts of his 7/18/79 letter and your response of 8/17/79. He praised your support of "an independent and progressive system of VA health care facilities," and also your assurance that "there are absolutely no plans to reduce VA hospital beds to any arbitrary number, nor to require VA to operate under a straight-line or shrinking budget." The Senator characterized your message as "a strong statement and long overdue." The National Commander did complain that you had not interrupted your Delta Queen trip to speak at the convention.

At the VFW convention delegates voted to establish a first-time-ever political action committee. VFW leaders said the action resulted from VFW discontent with such Administration policies as the recognition of China, the withdrawal of troops from South Korea, the Panama Canal treaties, the SALT agreement and retrenchments in the VA medical program.

The new Commander, Howard E. Vander Clute, strongly endorsed the PAC action, but made clear in an earlier interview he didn't expect the PAC to actively support any one candidate for President. "The VFW is too diversified racially, religiously, economically and politically for such an attempt to succeed," he added.

Speaking shortly after the PAC was voted, I noted the many Administration accomplishments and received a standing ovation from the rank-and-file delegates. Later that day, however, the convention adopted a resolution calling for my resignation unless I became more of an "advocate for veterans and veterans' rights." The resolution charged I had "acquiesced in OMB budget cuts," and had "become a tool in the hands of the present Administration."

At the AMVETS convention I was well received and heard no criticism of the Administration.



VETERANS ADMINISTRATION  
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS  
WASHINGTON, D.C. 20420  
August 14, 1979

C

TO : The President .  
THRU : Rick Hutcheson, Staff Secretary  
FROM : Administrator of Veterans Affairs

VA Presidential Update

FY 1980 Appropriations - House and Senate conferees have cleared the measure. The total budget is \$20.3 billion . . . \$84.9 million over your original budget request. A nearly \$89 million increase in medical care - for an extra 3,800 employees and the funding of new programs - is partly offset by decreases in other programs. However, the conferees action does not take into account your \$64.4 million amendment to the budget as an increase in medical care, which was transmitted after committee action by both Houses. The actual increase over your total budget request is \$20.5 million - a difference of only about one-tenth of one percent.

Collecting Overpayments - We continue to explore every avenue. To enhance our collections, the names of nearly 141,000 veterans who owe VA have been referred to Internal Revenue Service for updated addresses. Under the IRS agreement, we will be sending about 3,000 additional names each month. We have also started matching GI home loan applications against our overpayment records. In the early going, 1,587 veterans seeking loans paid \$601,738 to settle their accounts in full, and we have set up plans with another 412 veterans to repay nearly \$184,000 in indebtedness.

**Electrostatic Copy Made  
for Preservation Purposes**



Department of Energy  
Washington, D.C. 20585

August 31, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: CHARLES W. DUNCAN, JR.

SUBJECT: Weekly Activity Report  
August 27 - 31, 1979

1. Home heating oil stocks: As of last week, distillate oil (home heating oil and diesel fuel) stocks were building at a rate slightly ahead of what is necessary to meet the Administration's target of 240 million barrels by the end of October.
2. Extension of the home heating oil entitlement: The extension of the \$5 per barrel entitlement for home heating oil (due to expire today) through October 31 has been effected and announced. Per your request, I called Governors Grasso and Gallen; the Energy Secretaries of all other concerned Governors were called by my associates in my name, as were concerned Congressmen.
3. Conference with New England Governors: I met with nine North Eastern Governors on August 28, 1979 to discuss the home heating oil supply situation and other subjects of regional interest. They were sufficiently worried about distribution of stocks to urge that the 240 million barrel target be abandoned in order to move heating oil stocks from primary to secondary and tertiary storage. They also urged use of existing welfare programs to distribute low income assistance to meet fuel bills this winter; cutting through federal regulations hampering the weatherization of homes; federal "jawboning" with oil companies on credit policies with respect to jobbers; and beginning the planning process now for next summer's gas crunch. I will be meeting with the Southern Governors on October 1 and the Midwest Governors on November 1. We are putting improved liaison mechanisms in place.

A handwritten signature in cursive script, reading "C. W. Duncan, Jr.", written in black ink.

**Electrostatic Copy Made  
for Preservation Purposes**

**Community** WASHINGTON, D.C. 20506  
**Services Administration**



AUG 17 1979

MEMORANDUM TO THE PRESIDENT

Attention: Rick Hutcheson  
Staff Secretary

FROM: Graciela (Grace) Olivarez *GO*  
Director  
Community Services Administration

SUBJECT: Weekly Report of Significant Agency Activities  
(August 13 - 17, 1979)

Energy Crisis Assistance Program

On August 14, 1979, a draft rule for the Energy Crisis Assistance Program was submitted to OMB for their comment. We are awaiting response. On August 17, 1979, copies of the draft regulation were also sent to the Domestic Policy Staff and to Jack Watson's office. On Monday, we will meet with representatives from the National Governor's Association to discuss the implementation of the program. Next week, we will also meet with representatives from HEW, SBA, and DOE to discuss the draft regulation. Upon receipt of OMB's approval we will circulate the regulation to interested groups and individuals to provide them an opportunity to have input into the final regulation. At this time, we still feel it will be possible to accomplish this in time to meet our goal of an early September publication.

**Electrostatic Copy Made  
for Preservation Purposes**

Patty pls  
call them  
w weekly  
report

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

EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL ON ENVIRONMENTAL QUALITY  
722 JACKSON PLACE, N. W.  
WASHINGTON, D. C. 20006

August 17, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Gus Speth  
Jane Yarn

*Gus Speth*

SUBJECT: Weekly Report

Toxic Substances Strategy Committee Draft Report

The Toxic Substances Strategy Committee, which you established in 1977 and which I chair, released its draft Report Tuesday for public review and comment. The Report provides the first systematic assessment of federal efforts to protect the public from hazardous substances. The Report is the result of two years of study by an 18-agency committee, which includes representatives of all federal agencies with major research, regulatory or other responsibilities for toxic chemicals control.

Man-made toxic chemicals are a significant source of death and disease in the United States. In the workplace alone, more than 100,000 workers are believed to die each year as a result of physical and chemical hazards, and occupational exposure to carcinogens is a factor in an estimated 20 to 38 percent of cancers.

Among the major findings and recommendations of the Report are:

- ° A government-wide data network should be established to insure ready access to all types of information on chemical substances. This information is stored in more than 220 separate data systems.
- ° Federal agencies should employ and seek wider public understanding of a common set of principles for assessing the cancer risks posed by chemicals.
- ° Prevention is the key to controlling diseases and environmental problems caused by toxic chemicals, and effective prevention requires government action to regulate releases and exposures.
- ° The basic approach and structure of existing laws is sound, but additional legislation is needed in several areas, including removing barriers to sharing trade secrets and confidential data and strengthening federal authority over cosmetics.

*I enjoyed our meeting. Thank you for taking the time, and have a good trip. Best, Gus*

THE WHITE HOUSE  
WASHINGTON

9/4/79

Secretary Duncan  
Stu Eizenstat

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

Rick Hutcheson

cc: Eliot Cutler  
Phil Wise



Department of Energy  
Washington, D.C. 20585

cc: Duncan  
Ejenshat

Set up an early  
(small) meeting to  
discuss strategy.

August 23, 1979

J.C.

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM SCHLESINGER *JS*

SUBJECT:

Unfinished Business

As I depart, I urge you to give your attention to a number of energy issues that should be addressed in the relatively near future. These issues go beyond the work of refining and gaining enactment of your April 5 and July 15 proposals. Resolution of the first four issues will, in my judgment, determine whether or not this Nation in practice will be able to hold oil imports to no more than 8.5 MMBD without, at the same time, severely disrupting the economy. The other issues are more general and deal with the execution of your announced program. I call particular attention to Issue 5, imposition of quotas, for that is a potentially dangerous tool which, at best, should be avoided and, at worst, implemented with utmost caution.

The issues are:

- A. Unresolved issues bearing on the efficacy of the long-term objective to reduce oil imports:
  - 1. Gasoline Decontrol
  - 2. Nuclear Power
  - 3. Coal and the Clean Air Act
  - 4. Other Environmental Conflicts
  
- B. More general problems in working out your program:
  - 5. Import Quotas
  - 6. Synthetic Fuels and the Windfall Profits Tax
  - 7. Refinery Policy
  - 8. Conservation.

**Electrostatic Copy Made  
for Preservation Purposes**

## 1. Gasoline Decontrol

The gasoline lines and disruption experienced this summer could have been avoided if gasoline prices had been decontrolled. Once this summer's driving peak is over, it would be a good time to remove price controls on gasoline. Since demand will be down and the higher prices resulting from OPEC price increases will have taken hold (as provided under the price control rules), the price impacts of gasoline decontrol should be limited. If gasoline demand is greater than supply next summer, the price mechanism should allocate supplies smoothly as compared with the inevitable dislocations arising from an allocation system based on historic use.

You may wish to consider tying decontrol to a gasoline tax, using the proceeds to offset Social Security payments. Whether or not a tax is proposed, decontrol makes good sense and will avoid the frustrating delays and political fall-out of likely gasoline shortages next summer.

## 2. Nuclear Power

Even before the Three Mile Island accident, the U.S. nuclear industry was at a standstill. Orders for new reactors were virtually nonexistent, a number of States either had or were contemplating nuclear moratoriums, the licensing process became increasingly unpredictable and cumbersome, the industry was having serious doubts about continuing its involvement in nuclear energy and the press and the public were raising questions about whether the nuclear option was viable. The Three Mile Island incident has only exacerbated these concerns.

If actions are not forthcoming soon, the U.S. may find itself without a nuclear option, with the following serious implications for the future. First, since coal cannot be burned in some regions of the country, the amount of oil imports used for electricity generation would increase, an eventuality not included in our estimates of oil use. Nuclear energy is currently displacing the equivalent of 1.5 million barrels of oil a day, and this could increase to 3 million barrels by 1985 and 4 million barrels by 1990. Second, the U.S.

would be putting an undue reliance on coal use, even with some increased oil imports. If carbon dioxide accumulation were to adversely affect climate patterns, the lack of a nuclear option would severely disrupt the U.S. electric energy system. The concern over carbon dioxide is shared by the Germans and other U.S. trading partners.

The following steps are necessary to regain momentum on the nuclear issue:

- o A public statement that clearly indicates the importance of nuclear energy as part of the Nation's total energy strategy.
- o Continued pressure to gain enactment of a nuclear waste management program.
- o Resubmittal of the Nuclear Siting and Licensing legislation after receipt of the Kemeny Report.

## 2. Coal and the Clean Air Act

The goal in the original National Energy Plan of achieving coal use of 1.2 billion tons by 1985 has slipped substantially. In fact, since April 1977, coal use has barely increased and the industry is currently experiencing over 100 million tons of excess capacity. Although there are many reasons for the failure of coal to achieve a larger market share, such as lagging productivity and perceived unpredictable labor conditions, rising rail rates, higher capital costs, and the difficulty in handling coal, the Clean Air Act and other environmental requirements predominate.

The issue has become increasingly polarized in emotional terms. Few responsible people in government or industry advocate a wholesale rollback in the environmental progress that has been made over the last decade. Rather, the issue is how adjustments can occur to make coal attractive for new facilities and to allow coal to be used in existing facilities while continuing to protect public health. The U.S. is at a point where either adjustments are made or we explicitly lower our coal goals, plan on importing more oil, and state that environmental quality takes precedence over the effort

to enhance coal utilization. The worst situation is to temporize, increase uncertainty, and create concern about our resolve to deal with either energy or environmental problems in a straight-forward manner.

I believe an objective and thorough Administration review of the impact of environmental requirements on coal use, particularly the Clean Air Act, is overdue. Particular focus should be placed on State standards which may be more stringent than necessary to meet public health requirements, the methods used to calculate environmental damages, and the feasibility and desirability of using intermittent control systems.

#### 4. Other Environmental Conflicts

In addition to the problems of environmental controls inhibiting coal use, a number of other environmental obstacles adversely affect energy development. These include:

- o inability to use the energy waiver provisions of the Clean Air Act to increase availability of distillates.
- o multiple Federal, State and local permits that have precluded construction of pipelines and refineries in the U.S. for years.
- o water discharge requirements that practically terminated the Seabrook facility and have delayed other electric power facilities.
- o uncertainty over new regulatory requirements of the Resource Conservation and Recovery Act, the Surface Mining Control and Reclamation Act and upcoming regulatory actions under the Clean Air Act.

The Energy Mobilization Board (EMB) will help somewhat to expedite critical energy facilities. But, the EMB proposal does not deal with conflicts in substantive law. Moreover, as currently structured, the proposal may encourage State and local governments to deny a permit, rather than allow the EMB to preempt State or local authority.

I recommend that you create a mechanism to determine progress in reconciling these energy and environmental conflicts. The Energy Coordinating Committee or some other entity (perhaps the EMB) could report to you periodically on such progress. Unless this occurs, I fear that delays, confusion, and political buck-passing will continue.

## 5. Import Quotas

Long-term, the only economically effective means of limiting oil imports is to constrain demand, i.e., through increased efficiency, more effective use of the barrel of crude or replacement of oil by coal, nuclear etc. Direct limits on supply can prove economically disruptive. Import quotas are, therefore, a dangerous tool. They could not only disrupt the economy but lead to a substantial and spreading intrusion by the Government into the economy. Therefore, you may want to redefine the objective in such a way as to avoid the necessity of implementing a quota mechanism.

The Department of Energy, working with the Treasury Department has been working on ways of implementing the 8.5 million barrels per day limit on imports announced in your July 15th message. Three options are under active consideration:

- o Regulatory Allocation. Shortfalls in petroleum supply would be allocated by the Federal Government to refiners and end-users of petroleum products. Price controls would be instituted to prevent price increases due to the increased demand.
- o Market Allocation Systems. Available oil supplies would be allocated by tickets. In periods of scarcity, the value of the tickets would increase. The value of both imported and domestic oil (assuming decontrol) would rise above the world oil price. The government could auction the tickets and collect the economic rents or the tickets could be given to importers, allowing the private sector to capture the rents from higher prices.

- o Import Fee or Tickets with Equal Value. Under this option, a fee or price for tickets would be determined in advance. The value of the fee or ticket would be set at a level sufficient to achieve the desired import level.

All the options have severe drawbacks. The regulatory option would result in a level of Federal control over the economy and individual prerogatives unprecedented in peace time. The quota auction and ticket system options would result in stock-piling of oil and production cut-backs, driving prices even higher during periods of shortage. The fee option would be the most easiest to administer but would also be the most obvious way of raising U.S. oil prices above the world oil price.

Because of the economic, energy and political implications of imposing a quota on U.S. imports, it would be wise to consider measures to define this commitment more flexibly. For example, if import volumes for the strategic petroleum reserve were exempted, or if higher than anticipated growth in economic activity or other factors were conditions for adjustment of the quota, a more flexible (and viable) system might emerge. Avoiding the necessity for import quotas should be a continuing though unstated goal.

#### 6. Synthetic Fuels and the Windfall Profits Tax

There is growing skepticism regarding the Administration's estimates for the synthetic fuels program. The \$88 billion estimate has a number of extremely conservative assumptions, including:

- o Real oil prices increase by only 2.4 percent annually and reach only \$29 a barrel by 1990 (only a \$7 increase over current landed prices).
- o All the projects are financed by price guarantees. The outlays are the difference between future costs of synthetic fuels and future world oil prices. This tends to inflate costs if nominal rather than real

dollars are the basis of the calculations. Most of the "payments" made from the fund under the \$88 billion figure occur in the 1990's at prices which are double current prices.

- o None of the projects are financed by loan guarantees, which involve virtually no outlays.

Using more realistic world oil prices, and assuming that projects would use financial incentives other than price guarantees, Department of Energy staff estimated program costs of less than \$20 billion in nominal dollars for the same level of production. In constant dollars, the costs would be less than \$10 billion.

The Administration should defend program costs on a more realistic basis. The chances of gaining congressional understanding, acceptance, and passage would be substantially enhanced if we showed a range of possible costs of the program, acknowledging the wide range of uncertainties in the estimates. Such new estimates would be much lower than those used in the July 15th message.

## 7. Refinery Policy

Your decision to decontrol crude oil prices raises another issue that must be dealt with in the next year or so--the issue of U.S. refinery policy. During the period that U.S. price controls were in affect, U.S. refineries had a competitive advantage over imported refined products. Full decontrol of crude oil will remove the competitive advantage enjoyed by U.S. refineries, driving some of the more inefficient, small refineries out of business.

In addition to the competition issue, there is an issue of new refinery capacity in the U.S. There has not been a large, new U.S. refinery constructed since 1973.

Further, refinery capacity will need to be upgraded in the future to meet demands for lighter products that will be refined from increasingly heavier crudes.

Senator Johnston and others have advocated a stiff tariff on refined products and encourage expansion and upgrading of U.S. refining capacity. The costs of such a tariff on prices and competition raise substantial political and substantive issues. Yet, in their absence the U.S. refiners would be exposed to the lower costs and excess capacity of refineries abroad.

## 8. Conservation

Your proposals for a U.S. commitment to synthetic fuels has raised the question of whether the Administration has tapped fully the potential for conservation, which is a less costly answer to reducing reliance on foreign oil and can be implemented more quickly. In your July 15th message, you proposed conservation initiatives that would achieve savings of 750 thousand barrels of oil a day. Coupled with the demand restraint impacts of crude oil decontrol and the conservation programs in the National Energy Act, the total savings in conservation from actions taken by your Administration are over 3.5 million barrels of oil a day. ]

Most of the obvious conservation measures have already been taken or are underway, i.e., mandatory fuel efficiency, buildings, appliance standards, and incentives for residential, commercial and industrial retrofits. Moreover, the higher OPEC prices will have a large and direct impact on the efficiency of the future stock of capital goods. Finally, conservation is taking hold to the extent that the energy/GNP ratio has dropped from 1 to 1 down to .6 to 1.0. Despite this progress, further possibilities for conservation actions should be analyzed and considered for possible implementation.

The Department of Energy is pursuing further conservation efforts along the following lines:

- o A number of conservation initiatives that could be proposed in answer to criticisms or as an Administration answer to the proposals of Senator Kennedy and others.
- o A larger study of energy productivity as you requested in your April 5, 1979 message.

THE WHITE HOUSE  
WASHINGTON  
04 Sep 79

Stu Eizenstat  
Phil Wise

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

Rick Hutcheson

Frank Press

3603

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

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION  
FYI

	VICE PRESIDENT
	JORDAN
	CUTLER
	DONOVAN
<input checked="" type="checkbox"/>	EIZENSTAT
	MCDONALD
	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	KREPS
	LANDRIEU
	MARSHALL

	MILLER
	VANCE
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	FRANCIS
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
<input checked="" type="checkbox"/>	PRESS
	SANDERS
	SPETH
	STRAUSS
	TORRES
	VOORDE
<input checked="" type="checkbox"/>	WISE

Electrostatic Copy Made  
for Preservation Purposes

Stu  
ok

8-30-79  
Co Tech  
Energy Seminar

Doug Balcomb's presentation on passive solar was excellent and includes some of the best slides of homes and other building applications of passive solar techniques that I have seen.

I strongly recommend that arrangements be made for you to view it -- perhaps in the family theater. Stu also agrees w/ me and we will pursue this w/ Frank Puse and Phil Wise.

I hope that you will be receptive.

Orni Walden

THE WHITE HOUSE

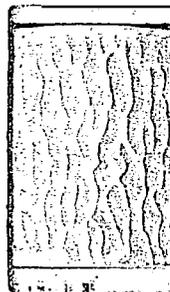
WASHINGTON

04 Sep 79

Ambassador-Designate Askew  
Ambassador McDonald  
Zbig Brzezinski  
Jim McIntyre

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

Rick Hutcheson



THE WHITE HOUSE  
WASHINGTON

9/4/79

Mr. President:

Eizenstat, Brzezinski and  
Schultze concur with Option  
I.

Rick/Bill

THE SPECIAL REPRESENTATIVE FOR  
TRADE NEGOTIATIONS  
WASHINGTON  
20506

August 20, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Ambassador McDonald *DM*

SUBJECT: Recommended Presidential Action on the Exclusion of Certain Novelty Glasses Which Copy a Domestic Product's "Trade Dress" Under Section 337 of the Tariff Act of 1930, as Amended

Section 337 of the Tariff Act of 1930, as amended, authorizes the United States International Trade Commission to order remedies for unfair practices in import trade. Under that authority the Commission has ordered the exclusion from importation into the United States of certain novelty glasses which copy the "trade dress" of a domestically produced product. Section 337 is used to seek relief from such unfair trade practices.

Section 337 contains Presidential authority to disapprove the ordered remedy for policy reasons by informing the Commission of disapproval within 60 days of receipt of the Commission's determination and order. Representatives of the agencies of the Trade Policy Staff Committee (The Special Representative, the Department of Agriculture, Commerce, Defense, Interior, Labor, State, Treasury, and the United States International Trade Commission) unanimously recommended that you exercise Option 1 below and take no action on this case. This will allow the exclusion order to become final after September 10, 1979. There is no provision for Congressional override of the President's action in 337 cases.

There are no known economic or political policy reasons favoring disapproval of the exclusion order. The novelty glasses are a gift item with a short product life cycle. The market is highly competitive, including both domestic and foreign manufacturers. The foreign manufacturer of the products being excluded may still market products of other designs in the U.S. market.

**Electrostatic Copy Made  
for Preservation Purposes**

The President's Options are:

<u>Option 1</u> (recommended)	<u>Presidential Action Required</u>
Approval (automatic)	None, the exclusion order automatically becomes final after September 10, 1979.
<u>Option 2</u>	<u>Presidential Action Required</u>
Approval (specific)	President informs U.S. International Trade Commission of approval of the exclusion order prior to September 10, 1979.
<u>Option 3</u>	<u>Presidential Action Required</u>
Disapproval	President informs the U.S. International Trade Commission of disapproval of the exclusion order prior to September 10, 1979.

Decision

Option 1 \_\_\_\_\_ ✓

Option 2 \_\_\_\_\_

Option 3 \_\_\_\_\_

Enclosure

**Electrostatic Copy Made  
for Preservation Purposes**

**TRADE POLICY STAFF COMMITTEE**

**ACTION RECORD**

**DATE:** August 8, 1979  
**DOCUMENT:** 79-98  
**SUBJECT:** Section 337 Case on Certain Novelty Glasses

**SUBMITTED BY:** Office of the Special Representative  
for Trade Negotiations

~~ATTENDANCE~~ / TELEPHONE CLEARANCE:

<u>Agency</u>	<u>Member or Alternate</u>	<u>Other</u>
STR	Doris Whitnack, Acting Chairman; Alice Zalik	
Agriculture		
Commerce	William Cavitt	Judy Davis
Defense		
Interior	Howard Andersen	
Labor	David Parker	
State	Joel Spiro	William Diroll
Treasury	James Murphy	
USITC	William Hart	

**COMMITTEE DECISION:**  
Paper approved.

**COMMITTEE COMMENT:**

C7  
Carolyn Frank  
Secretary

# LIMITED OFFICIAL USE

## PROBLEM

The President now has for disposition the determination (Chairman Parker dissenting) and order of the United States International Trade Commission on Investigation No. 337-TA-55, Certain Novelty Glasses. The investigation was initiated under section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), on a complaint filed on behalf of How Manufacturing, Inc. and Plus Four, Inc. of Carol Stream, Illinois. The amended complaint alleged that unfair methods of competition and unfair acts existed in the importation into the United States, or in the subsequent sale, of novelty glasses by reason of infringement of common law trademarks, unlawful copying of complainants' trade dress, bearing false designation of origin, and disparagement of complainants' products.

The Commission has found a violation of section 337 in the unlawful copying by respondents of complainants' trade dress, the effect or tendency of which is to injure substantially an industry, efficiently and economically operated, in the United States. The Commission, therefore, has ordered that novelty glasses which copy the trade dress of complainants' glasses be excluded from entry into the United States.

The President may approve or disapprove the exclusion order by so notifying the Commission within 60 days after the date on which he received the Commission report. If the order is not approved expressly or disapproved by the President, it will become effective on September 10, 1979. The President does not have the authority to alter the remedy or delay the action beyond the sixty day period. There is no provision for the Congress to override the action taken by the President.

## RECOMMENDATION

The President should take no action on this case, allowing the exclusion order to become effective after September 10, 1979.

## DISCUSSION

RATIONALE SUPPORTING RECOMMENDATION: The USITC found that respondents were copying complainants' trade dress and that the importation of the imitative products caused injury within the meaning of section 337.

The product is a non-essential novelty item the production of which is subcontracted to manufacturers who produce the product using complainants' molds. There are sufficient manufacturers in the United States who can produce the product so the demand for the product can be met. Complainant also stated during the Commission hearing that the product would have a definite life cycle. As there is considerable cross elasticity of demand in the novelty market, price competition is always present. Exclusion of the copying product, therefore, would not appear to have any adverse effects upon the public or upon competition in the U.S.

POLICY REASONS FAVORING APPROVAL OR DISAPPROVAL: The Commission is required by section 337 to make a determination that there is, or is not, a violation of section 337. If the Commission determines that there is a violation, it is required to issue a remedy in the form of an exclusion order or a cease and desist order, unless, after considering the effect of the chosen remedy on the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers, it determines that a remedy should not be ordered. Section 337(g)(2) provides that the President may disapprove of a Commission determination for "policy reasons". The legislative history states that the basis upon which the President determines whether to implement a remedy includes, in addition to foreign policy reasons, the same factors considered by the Commission when deciding whether to implement a remedy. Senate Finance Committee Report No. 93-1298 on the Trade Reform Act of 1974 states at page 199:

"It is recognized by the Committee that the granting of relief against imports could have a very direct and substantial impact on United States foreign relations, economic and political. Further, the President would often be able to best see the impact which the relief ordered by the Commission may have upon the public health and welfare, competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers."

The foreign manufacturer can continue exporting novelty glasses to this country merely by using different "dress", ie. changing the graphics and packaging of the product, so there would appear to be no foreign policy reason for disapproving the ITC order. As stated in the rationale for the recommendation, there would not appear to be any adverse effects upon the public sufficient to require disapproval of the exclusion order.

In addition to giving express support for the ITC action, express approval would put other countries on notice of the seriousness with which the United States regards its unfair trade practice laws. Tacit approval of course will have a similar effect.

#### PROCEDURAL HISTORY

On July 5, 1978, How Manufacturing, Inc. and Plus Four, Inc. filed a complaint with the Commission under Section 337. The complaint alleged that unfair methods of competition and unfair acts existed in the importation into the United States, or in the subsequent sale, of novelty glasses, by reason of infringement of common law trademarks, unlawful copying of complainants' trade dress, false designation of origin, and disparagement of complainants' products. The effect or tendency of such importation or sales was alleged to destroy or injure substantially an industry, efficiently and economically operated, in the United States. Notice of the investigation appeared in the Federal Register of July 11, 1978 (43 F.R. 29846). Respondents named in the notice of investigation were:

Yau Tak Inc. Ltd.  
Kowloon, Hong Kong

C.Y. Trading Company  
Kowloon, Hong Kong

Neither respondent filed an answer to the complaint within the required time period nor did they participate at any other time during the investigation. Complainants and the Commission investigative attorney participated in the preliminary hearing before the Administrative Law Judge and in the later Commission hearing.

The Administrative Law Judge recommended that complainants' request for default judgement filed November 17, 1978, and supported by the Commission investigative attorney, be granted by the Commission as to all issues and parties and that they determine there is a violation of section 337 in the unauthorized importation and sale in the United States of the imported novelty glasses.

LIMITED OFFICIAL USE

The Commission determined based upon the transcript of the oral argument before them, the recommendations of the Administrative Law Judge and the available record, that there was a violation of section 337 in the importation into the United States, and subsequent sale, of the novelty glasses, the effect tendency of which was to injure substantially an industry, efficiently and economically operated, in the United States. (Chairman Parker dissented.) The basis of their finding was that respondents had copied unlawfully complainants' "trade dress" consisting of a false bottom in a plastic or acrylic glass containing pebbles or a colorful facsimile of a gambling game. Glasses containing pebbles were labeled "On the Rocks." Those containing games were labeled either "Craps", "Big Six", "Roulette" or "Jackpot", as appropriate. Respondents also copied complainants' packaging graphics including actual pictures of complainants' products.

The Commission did not find any other violations alleged in the complaint, as amended, ie. infringement of common law trademarks, false designation of origin, or commercial disparagement.

The Commission accepted the A.L.J. finding of injury to a domestic industry, efficiently and economically operated, in the United States, which was based upon the pleadings.

The exclusion order will continue so long as complainants use the trade dress at issue. Complainants must report every six months whether they are using such trade dress.

The oral arguments on public interest factors indicated that this was a non-essential novelty item with a limited life-cycle, and that the only public interest consideration, ie. the pictures of complainants' higher quality product used on respondents' packaging misleading the customer, favored the exclusion order.

Provision was made in the exclusion order for entry of respondents' product, during the 60 day period pending Presidential action, upon payment of a bond offsetting any unfair competitive advantage.

Dissenting Opinion of Chairman Joseph O. Parker. Chairman Parker found no violations of section 337 with respect to any of the allegations in complainants' petition because he found insufficient evidence in the record of "secondary meaning" having been acquired by complainants' novelty glasses. Absent proof of "secondary meaning" (a showing that the public associated the trade dress in question specifically with complainant so that confusion is likely to occur if that trade dress is used by others) acquired by complainants' products, the record cannot support a finding of unlawful copying of complainants' "trade dress".

THE WHITE HOUSE  
WASHINGTON

04 Sep 79

Secretary Kreps

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

Rick Hutcheson

cc: Arnie Miller



1 cup

cc. Arnica

THE WHITE HOUSE  
WASHINGTON

9/1/79

Mr. President:

Arnie Miller concurs with  
Secretary Kreps' recommenda-  
tion.

Approve       Disapprove

Rick/Bill

*J*

Electrostatic Copy Made  
for Preservation Purposes



THE SECRETARY OF COMMERCE  
Washington, D.C. 20230

20 AUG 1979

"ACTION"

*ok*  
*J*

*RL*

054310

Dear Mr. President:

This letter supplements my letter to you dated July 12 by recommending that you designate Dr. Evelyn F. Murphy as Chairperson of the National Advisory Committee on Oceans and Atmosphere (NACOA) for an eighteen-month term.

I am also submitting a revised draft press release covering my announcement of Dr. Murphy's appointment and reflecting the length of her term.

Respectfully,

*Juanita M. Kreps*  
Juanita M. Kreps

Enclosure

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

**Electrostatic Copy Made  
for Preservation Purposes**

DRAFT

**Electrostatic Copy Made  
for Preservation Purposes**

The Secretary of Commerce Juanita M. Kreps, today announced the President's appointment of Dr. Evelyn F. Murphy of Boston, a Fellow at the Institute of Politics, Kennedy School of Government, Harvard University, and a consultant in public affairs, educator, and former Secretary of Environmental Affairs for Massachusetts, for an eighteen-month term as Chariman of the National Advisory Committee on Oceans and Atmosphere (NACOA).

Dr. Murphy, who has been serving as NACOA's vice-chairman, succeeds the late Dr. Donald McKernan. Her term will run until 1981.

The Committee (NACOA) advises the President and the Congress on the Nation's oceanic and atmospheric programs, and the Secretary of Commerce on the programs of the National Oceanic and Atmospheric Administration (NOAA).

Prior to becoming a Fellow of the Institute of Politics, Dr. Murphy served from 1975 to 1979 as Secretary of Environmental Affairs for Massachusetts. In that position, Dr. Murphy administered five major state departments with 5000 employees and an \$80 million operating budget. Programs under her direction included the supply of water and sewage to metropolitan Boston communities; operation of state forests and parks, beaches and recreation facilities; fish and wildlife; environmental regulation enforcement; and land use planning.

She served on the senior staff of the Organization for Social and Technical Innovation, Cambridge, Massachusetts, from 1966 to 1969, and as its general manager until 1971. She then founded Ancon Associates, Boston, advising non-profit firms on management and operations.

In 1974, Dr. Murphy became a partner in Llewelyn-Davies Associates, New York, and Llewelyn-Davies, Weeks, Forrestier-Walker and Bor, London. She was in charge of social and health planning practices for the organization, which specializes in planning for communities, hospitals and medical schools. Among her projects were a comprehensive plan for a city in upstate New York, and a plan for location and design of multi-service centers in Tucson, Arizona.

She was graduated from Duke University with an A.B. in mathematics in 1961; received a Master's degree from Columbia University in monetary economics in 1963; and received a doctorate in fiscal economics from Duke University in 1965.

Dr. Murphy is the author of several articles on technical and social change. She has taught housing policy at Brandeis University, and has lectured at Massachusetts Institute of Technology, Duke University, the London School of Economics and University College, London.

8/29/79

PLEASE NOTE OTHER COMMENTS BELOW:

ACTION REQUESTED: YOUR COMMENTS  
STAFF RESPONSE: ( ) I CONCUR, ( ) NO COMMENT, ( ) HOLD.

-----

+ BY: 1200 PM WEDNESDAY 29 AUG 79 +

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

-----

AS CHAIRPERSON OF NAQA

SUBJECT: KREPS MEMO RE RECOMMENDATION OF EVELYN F. MURPHY

INFO ONLY:

DATE: 27 AUG 79

FOR ACTION: ARNIE MILLER

WASHINGTON

THE WHITE HOUSE

ID 793558

ID 793558

THE WHITE HOUSE

04

WASHINGTON

DATE: 27 AUG 79

*concur*

FOR ACTION: ARNIE MILLER

INFO ONLY:

SUBJECT: KREPS MEMO RE RECOMMENDATION OF EVELYN F. MURPHY  
AS CHAIRPERSON OF NACOA

+++++

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

+ BY: 1200 PM WEDNESDAY 29 AUG 79 +

+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE  
WASHINGTON

9-4-78

Fritz

Send Bob Byrd a  
memo re PRC leaders  
~~re~~ wanting him to  
visit

J

Electrostatic Copy Made  
for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

9/4/79

Sarah Weddington

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

Rick Hutcheson

cc: The First Lady  
Arnie Miller

Mary Frances Thomas  
133 Taylor Street  
Americus, Georgia 31709  
(912) 924-7902

cc hos.  
Electrostatic Copy Made  
for Preservation Purposes

Sarah, a fine  
young woman & a  
brilliant student.

J

Education:

Kenyon College, Gambier, Ohio. A.B. in Political Science, May 1979.  
summa cum laude, G.P.A. 3.79.

Kenyon is a small liberal arts college which stresses academic excellence and requires the active development of informed and critical thought.

Emory University Summer Writing Institute, Atlanta, Georgia. 1978.  
A creative writing program taught for college credit by working writers.

Americus High School, Americus, Georgia. 1972-1975.

Scholastic Honors:

Elected to Phi Beta Kappa, May 1979.

Diamond-Storing Memorial Award, May 1979. This award is given by Kenyon College to acknowledge student excellence in political science and advanced work done to further the student's understanding of the American regime.

Awarded High Honors in Political Science, Kenyon College, May 1979. Reading for honors is a two year program of independent study in which selected students research, write and present a major thesis.

Awarded Distinction on the Kenyon College Senior Exercise in Political Science, April 1979. This exercise tests the students' knowledge and understanding of the ideas and work studied in their major discipline.

Recipient of the NCTE Achievement Award in Writing, 1974. This award is given by the National Council of Teachers of English to acknowledge superior performance in writing by high school students.

Georgia Governor's Honors Program, English, summer 1974. This program offers gifted high school students the opportunity to study and further their understanding of the humanities, sciences and arts with special emphasis in one discipline.

Experience:

Employed by The Plains Georgia Monitor, Plains, Georgia, summer 1979. Worked as a staff writer and proofreader for this weekly newspaper.

Student coordinator and guide at the 1978 Public Affairs Conference Center held at Kenyon College, spring 1978. The PACC is a public affairs forum which brings distinguished guests together to discuss topical and significant political issues. Selected students are invited to be a part of this annual conference.

Waitress, Sheraton by the Sea, Jekyll Island, Georgia, summer 1977.

Employed by Americus, Georgia businessmen during the summer of 1976 to collect and document signatures in order that a mixed drink referendum could be held. Referendum held August 1976.

Part-time clerk in Americus, Georgia clothing store, 1970-1975.

References:

Will be provided upon request.

Frances Thomas  
133 Taylor St.  
Americus, Ga.  
August 30, 1979

President Jimmy Carter  
White House  
Washington, D.C.

Dear President Carter,

One piece of advice my father has always given me is when in doubt go straight to the top. I hope you will not think me presumptuous, but I am seeking employment and hope you will be able to give me some advice.

While I realize jobs in Washington are not easy to come by, I am very interested in following up my A.B. in political science with work in government. As an honors student at Kenyon College, I spent two years researching and writing a major thesis, and I have continued to improve my writing skills as a staff writer for the Plains Georgia Monitor. I believe these skills would be valuable in an administrative or research position. I would be grateful of the names of those you believe would be willing to consider my resume and my potential, in lieu of previous experience.

Thank you for taking time to read this letter and peruse the enclosed resume. My mother and father send their regards to you and Mrs. Carter.

Sincerely,

*Frances Thomas*

P

THE WHITE HOUSE  
WASHINGTON  
04 Sep 79

Bob Lipshutz

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

Rick Hutcheson

original to B. Lipshutz

3621



Speaking at the summer meeting of the American Association of Political Consultants in suburban Baltimore, Jim Friedman noted, "Every campaign must have a centralized authority to coordinate needs with the cash flow. There must be no right of appeal. A campaign run democratically is a campaign that will fail."

Friedman said the reason Carter's effort went so smoothly through the Presidential primaries and on into the general election three years ago was because of Bob Lipshutz, who was given the exact authority the controller of the campaign budget must have.

"Campaign expenditures aren't a patronage tool," Friedman pointed out. "You'll always have somebody running up and saying, 'We've got to have sandwich boards in Cincinnati, hang everything else.' If this kind of thinking pervades the campaign, you lose your direction."

Friedman passed along these tips for developing a budget that can serve as a campaign guidelines in major efforts:

- Order the head of each campaign element to develop his or her requirements and needs on paper, along with projected costs, by a given deadline.
- Bring these various heads to a central meeting place and have them make a direct presentation to all other campaign leaders, justifying their part of the program and the costs.
- Make final, irrevokable decisions at that meeting. There may be changes as the campaign goes, but the effort will at least head off in the right direction.

Friedman says the budgets he develops are heavily detailed and usually divided into two phases:

- A line item section with required cash flow and given execution dates, so the project in question doesn't lose momentum.
- A program description of each item (for example, "The satellite headquarters should comprise at least 1,500 square feet, have four desks, three typewriters, a water cooler, etc.).

Friedman, now with the Washington-based firm of Guren, Merritt, Sogg and Cohen, admonished consultants present to get written contracts from vendors, suppliers and anyone else providing services to the campaign:

"Media consultants bear particular watching. Who is going to pay for gobs of original production? These are the kinds of questions that must be answered up front, before emotions take over. When there is no ideological tie to the candidate, or even friendship involved -- we're talking about pure business. Treat the campaign as such."

#### WOMEN WHO WANT TO BE CONVENTION DELEGATES URGED TO START EARLY, DO 'GARBAGE' JOBS

Start early and do the "garbage jobs" if you want to be a woman delegate to either of the Presidential nominating conventions next year.

This was the main nugget of wisdom passed to delegates at the biannual convention of the National Women's Political Caucus last month in Cincinnati.

Delegates present realized they have the best chance ever to input into the selection of the nominees -- since the Democrats agreed that 50 percent of the delegates at their convention in New York will be women. The Republicans

Bob  
← This  
is true!  
Thanks, again  
JC

# Campaigning Reports

Hank Parkinson

Volume 1 Number 6, August 9, 1979

**POLITICAL FOCUS:** Most political consultants say they'd rather work with a candidate who's been through at least one campaign, rather than a newcomer. And the most workable clients are those who've dropped a race. Makes them more suspicious of amateur advice, keeps them sharper . . . . Comes now re-search to back that opinion. Experience -- whether it was a win or a loss -- pays off, according to a post 1978 election study by the Republican Congressional Campaign Committee. The research showed 90 percent of GOP winners last year in 29 sample districts had been involved in a primary contest. Conclusion: Experience racked up in initial outings shapes better candidates . . . . In this post "Woodward-Bernstein era," it's important to protect credibility with the press. Illinois state Rep. Harold Byers is a for instance. He fired out a release claiming he testified at an Illinois Commerce Commission hearing. The information surprised those who sat through four hours of testimony, because they heard not one peep from Harold. Caught redhanded by a reporter, he explained: "Technically I didn't give the testimony, but I dug up the facts and made the trip up there." After the hearing, he telephoned his secretary, who forwarded a pre-prepared release on Harold's "testimony." It made little splash, but his trick received statewide coverage, doing irreparable political harm.

## MAJOR STORIES IN THIS ISSUE

Spread of Presidential Primaries May Bring Regional Plan. . . . .	4
<del>Campaign Key May Be Treasurer Who Says 'No' Often . . . . .</del>	<del>1</del>
District Races Less Affected By National, World Events. . . . .	5
Would-be Female Delegates Urged To Do 'Garbage' Jobs. . . . .	2
Kennedy Supporters Start Fund For Direct-Mail List. . . . .	5
Carter Energy Speech Shows Value of Speech Tutor . . . . .	3
Scholar Explains Rigidity In Voters' Thinking. . . . .	6
Successful Fund Chairman Seen as 'Committed' Person. . . . .	3
Entertainers Donate 'Time,' Not Money, to Candidates . . . . .	6

## PLUS THESE SPECIAL FEATURES

Trends: When Voters Decide . . . 7	Materials: The California Poll .11
PAC News: Secrets of Success . 8	'You Heard It Here' Insight. . .12

## GET AN 'ABOMINABLE NO-MAN' FOR CAMPAIGN TREASURER

"The campaign treasurer must be an 'Abominable No-Man,' or the entire campaign will fall apart," according to the consultant who has raised funds for former Ohio Gov. John Gilligan and the Bayh for President Committee in '76.

Campaigning Reports is published bi-weekly, 24 times a year. Correspondence: Campaigning Reports, 2025 Pennsylvania Ave., N.W., Washington, D.C. 20036. Copyright 1979. Plus Publications, Inc. Contents of this publication may not be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without prior written permission of the publisher. Violators risk criminal penalties and \$40,000 damages.

THE WHITE HOUSE  
WASHINGTON

Phil has  
seen

THE WHITE HOUSE  
WASHINGTON

9/4/79

Mr. President:

Bob Strauss has asked to see you for 30 minutes today. Hamilton recommends you see him. It could be scheduled after the Sen. Byrd meeting at 2:15 pm.

approve     disapprove

Phil

**Electrostatic Copy Made  
for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON

04 Sep 79

Secretary Vance

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

Rick Hutcheson

FOR THE RECORD:  
ORIGINAL to Vance

3590

# Georgia State University

university plaza  
atlanta, georgia 30303

August 30, 1979

Mr. Charles H. Kirbo  
King and Spalding  
2500 Trust Company Tower  
Atlanta, Georgia 30303

Dear Mr. Kirbo:

Thank you very much for the privilege of visiting with you Tuesday afternoon.

I would like to recapitulate in writing the essence of my conversation with you. My recent visit to Korea was prompted by President Park's concerns about the possible damage to the American-Korean relationship on account of an incident that came to be widely known as "The Y.H. Incident." I am quite certain that President Carter is familiar with this incident, but I would like to provide you with some salient facts.

This episode was occasioned by the decision to close down a textile company known as "Y.H." by its owner and the prospects of its approximately two hundred employees (mostly young girls) having to seek employment opportunities elsewhere. The matter was actually simple enough, except for the fact that there were people who tried to exploit the situation to their political advantages. The government took proper actions to insure that each worker is given all the backpays and severance pays and offered to find employments elsewhere going beyond the usual government responsibilities. Nevertheless, the workers demanded that the government take whatever measures necessary to prevent the company from folding up. At this point, the government was rendered completely helpless in the face of the workers' adamant demands. In the meantime, some union leaders, to embarrass the government, began to contact the leaders of the Opposition Party with the intention of staging protests inside the headquarters of the Opposition Party. The situation would not have gotten out of control even after the YH workers commenced their protests there, had it not been for the pernicious influence of a group known as the Urban Industrial Mission (UIM).

This group (UIM), purportedly evangelical in its claim, actually espouses a revolutionary doctrine of class warfare (an essential element of communism) among workers, in keeping with its commitment to "liberation theology." With the

cy  
info  
J

Two:

ideological and financial support from leftist organizations in Western Europe, members of the UIM try to permeate discontent and unrest among workers by preaching the "evils" of the capitalist system. Their success has been amply demonstrated as many workers view their employers as class enemies and impute their misfortunes to the social system. Many enterprises in Korea have suffered much losses as a result of their activities. It is commonly accepted today in Korea that once the UIM penetrates an enterprise, it will eventually falter. The UIM-dominated workers frequently assume characteristics common among religious cults such as Jim Jones' (whose members committed mass suicide in Guiana).

In fact, the threats to commit mass suicides by the protesting workers inside opposition party headquarters prompted the police to enter the building to rescue those workers. That eventually led to the scuffles that attracted publicity in this country. This development, as you know, led the State Department to issue a statement condemning police "excesses" in Korea, which, in turn, invited the Korean government to denounce it as "an interference with domestic affairs." This exchange of words between the two governments must have caused President Park to be concerned. He does not want to see a dent in the freshly restored relationship between the two governments. He wanted it communicated to President Carter that the "Y.H. Incident" was not intended to be a callous move to disparage President Carter's human rights policy.

On the contrary, he keeps trying to liberalize the politics as much as possible, especially in the months ahead, to honor his personal pledge to President Carter during his visit. But he seemed to be somewhat worried that the Korean politics in the foreseeable future is likely to be very rocky. Workers' demands for higher wages will not be easily satisfied, as they are already suffering in the international market from very rapid increases in wages in Korea (please refer to the newspaper clippings). And his political opponents, emboldened by the misreading of the American political scene, are seizing every opportunity to jockey for a prominent position that will hopefully pave the way for the assumption of power within a year or two.

All those obstacles notwithstanding, I am hopeful that he will try his best to bridge the gaps in the area of human rights.

I have presented the foregoing facts to you in the hope that President Carter become more familiar with the realities in Korea.

Very sincerely yours,

Nack Young An

# The Korea Herald

SEOUL, WEDNESDAY, AUGUST 15, 1979

— 53 Decree Violators —

## *871 Model Prisoners To Be Released Today*

The government will release 871 prisoners, including 53 violators of the Presidential Emergency Decree No. 9, today on the 34th anniversary of Liberation Day, the Ministry of Justice announced yesterday.

Of the 53 decree violators to be freed, 50 will be released with their terms suspended. The other three will be paroled.

Among the 53 will be Song Rae-un, 53, former Yonsei University professor, minister Lim Tae-pyong, 39, 44 college students, a teacher and a member of the Democratic Unification Party.

The announcement said the remaining 818 prisoners to be paroled include 16 life-termers and 46 serving long terms.

Minister of Justice Kim Chi-yol said those to be freed on parole will be those who repented their wrongdoings and showed exemplary behavior in prison.

Minister Kim asked social organizations and company authorities to help those paroled, especially persons who obtained their skill licenses while in prison, lead new lives in the society.

The large-scale special release is expected to encourage other prisoners to repent their wrongdoings and behave themselves, the minister added.

The habitual criminals or prisoners who fail to repent will not be eligible for pardoning, he said.

Meanwhile, the 44 former students to be released will include 14 students of Seoul National University, including Pak Chan-woo, 22, senior majoring in history, eight from Korea University, including Kim Song-man, 22, sophomore majoring in sociology, four from Yonsei University, and three from Sogang University.

## KTA Survey Report

# Int'l Mart Position Challenged

The comparative advantageous position of commodities thus far enjoyed by Korea in the major international markets is being challenged by Hongkong, Singapore and Mexico these days.

According to a survey report released by the Korean Traders Association (KTA) yesterday, the share of Korea's export items in the international markets increased from 0.3 per cent in 1971 to 1.1 per cent last year.

The number of Korean-made products, which are listed in the world's top 20 places in terms of the global export market share, also increased from 69 in 1977 to 81 last year.

Of 81 Korean-made items which enjoyed the comparative advantage, however, 34 items have already lost their competitive edge to their counterparts from Hongkong, Singapore and Mexico, the KTA report insisted.

Commoditywise, only seven out of 16 primary industrial products are still enjoying the comparative advantageous position over those from other countries.

Only eight out of 13 Korean-made textile products still managed to enjoy the competitive edge over their counterparts from Hongkong, Singapore and Mexico.

Among other commodities which are inferior to their counterparts from Hongkong, Singapore and Mexico in terms of comparative advantage include office supplies, optical goods, machine tools and organic chemical dye goods.

Taking into consideration these facts, the KTA recommended that the government expedite the switch of industrial structure from the current light industry-oriented pattern to the heavy and chemical industry.

It also underscored the need for the concentrated export

promotion measures on those Korean-made products which are still enjoying comparative advantageous position over their counterparts.

The economic diplomacy designed to lower the tariff rates for such commodities by import countries should also be stepped up, it stressed.

## Prospective Alien Buyers Turn to ROC; H'kong

Foreign buyers are increasingly turning from Korean products to Taiwan and Hongkong markets. Such trend is mainly attributed to the comparatively high price of the Korean products.

Such an unfavorable move was significantly reflected in recent statistics of business inquiries reaching the Korea Chamber of Commerce and Industry (KCCI) from foreign exporters and importers during last month.

According to the statistics, total foreign business inquiries related with imports from Korea stood at 286 cases, a drop of 21 cases from the average monthly figure of 307 cases for the first half of this year.

The KCCI analyzed that such a trend is mainly due to the relatively high price of locally exported products compared to those of Taiwan

and Hongkong which have long been traditional competing countries with Korea in foreign exports markets.

The inquiries from foreign companies concerning joint venture investment or technical ties with the local concerns decreased to a one-fifth level compared to the average monthly figure of 48 cases for the first six months of the year.

Meanwhile, the inquiries related to exports to the nation reached 83 cases, showing an increase of 10 cases from the average monthly levels for the first six months of the year.

According to the statistics, the total business inquiries from foreign companies in July amounted to 464 cases, a drop of 78 cases from the average monthly figure of 542 cases for the first half of the year.

## Alien Firms In ROK Down 35.7% in July

More alien firms move to withdraw their investments from Korea these days apparently discouraged by the increasing labor costs and other unfavorable market climate here, it was learned yesterday.

According to statistics available at the Economic Planning Board (EPB), the number of foreign invested firms in Korea as of the end of last month stood at 874 with their combined equity investments totaling \$1,058 million.

The figure represents a decrease of 35.7 per cent from 1,358 alien firms for \$1,399 million registered at the end of June, the EPB sources explained.

Alien firms withdraw their equity investments by selling off their stakes to Korean business interests or remitting their equity shares back home, they said.

THE WHITE HOUSE  
WASHINGTON  
04 Sep 79

Frank Moore

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

Rick Hutcheson

THE Vice President  
Hamilton Jordan  
Stu Eizenstat  
Jack Watson

*Administratively Confidential*

---

3593

Franch has

---

return orig to me  
to read

THE WHITE HOUSE  
WASHINGTON

August 31, 1979

*Frank -  
Discouraging  
lot of work  
to be done  
J*

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Weekly Legislative Report

I. DOMESTIC POLICY ISSUES

1. Energy

Windfall Profits Tax

**Electrostatic Copy Made  
for Preservation Purposes**

Senate Finance Committee consideration of the House-passed bill is likely to continue throughout the month of September. Chairman Long's schedule for reporting a bill probably depends on his perception of his current strength on the Senate Floor. We are not able to accurately gauge that sentiment until Senators return after Labor Day.

There is a distinct possibility that the oil companies may have piled up strength in the Senate during August. If that were the case, we could expect Long to move more quickly -- perhaps by the end of September. He may be willing to let a relatively tough bill out of Committee in the expectation that it would be weakened on the Senate Floor. Under this scenario, Long would get a stronger bill, but protect his Committee members from charges that they are in the pockets of the oil industry.

If Long perceives that his position currently is weak in the Senate as a whole, it is possible that our staff will be working the windfall profits tax conference on Christmas Eve. Under this scenario, Long will follow his usual tactic of delaying until the very last minute, so he can use our desperation to get a bill to his advantage.

Energy Mobilization Board

Thus far, we do not have serious problems with timing on the EMB. A bill, which could include both the EMB and

Energy Security Corporation, may reach the Senate Floor as early as mid-September. However, there are substantive problems.

The Energy Committee staff is giving us far more trouble than we anticipated. They have drafted a bill over the recess weaker even than the Committee itself contemplated. The major problem remains Congressional review of Board decisions to override state procedural law. The staff draft could require affirmative two-House approval of any such decision.

Our trouble in the Senate increases the need for a very strong bill in the House. We must continue to support Chairman Dingell, even though his bill provides for override of substantive state law as well as procedural. We would be better off going into conference if the House has substantive override to trade in return for Senate abandonment of weakening amendments.

In the Senate, the Environment and Public Works Committee and Government Operations will probably have amendments that we will oppose.

#### Energy Security Corporation (Synthetic Fuels)

The House may not deal with an additional synthetic fuels bill. Moorhead's bill has already passed, and the inclination now seems to be to bargain in conference on whatever the Senate produces.

In the Senate, the synthetic fuels program is in trouble. The Banking Committee will report out a bill authorizing much smaller expenditures than you proposed, although the Committee is relatively favorable towards the corporation as the financing entity. Government Operations will give us trouble on the structure and role of the Corporation.

The Energy Committee is inclined toward authorizing the first stage of a synthetic fuels program in the neighborhood of \$20 billion. This, coupled with the Budget Committee's recognition that there will be additional stages of the program after the \$20 billion is spent, should enable us to claim victory on the funding level.

We suspect the Committee is leaning against the ESC as a funding mechanism in favor of the traditional authorization/appropriations process. This would be a disaster for the program. We will know more when Congress returns.

### Aid to the Poor

The final specifications for the low-income cash grant program are almost completed. They will go to the Hill as soon as you approve them. A decision must still be made on the heating oil rebate for middle-income homes. Both these programs must remain tied to passage of the windfall profits tax.

Crisis intervention funds, which are not tied to passage of the tax, have already been approved in the amount of \$250 million in the CSA appropriation. Apparently, we will submit a request for an additional \$150 million early in the Fall.

### Transportation

The Vice President announced the specifications two weeks ago in Hoboken. The component could well pass before Christmas.

### Conservation Retrofit and Utility Oil Back-out

Neither program is likely to pass either House this year, although Senator Ford has talked about tacking portions of utility back-out onto the energy bill when it reaches the Floor.

### Solar Energy Development Bank

#### Senate

The Banking Committee is scheduled to mark up our Solar Energy Development bill next Friday.

#### House

The Subcommittee on Housing and Community Development is scheduled to hold a drafting session the week of September 7 at which time they will consider both our bill and Representative Neal's similar bill. The Subcommittee must report to the full Banking Committee by September 21.

## 2. Appropriations

Early in August Jim McIntyre gave you a detailed report on the status of the appropriations bills. We will update this in next week's report.

### Reconciliation

As part of the Congressional Budget Act of 1974, Congress established a process to reconcile the work of the authorizing and Appropriations committees with the budget resolution. The process has not been used successfully to date -- an attempt at reconciliation of agriculture outlays failed in the Senate in 1978.

The Senate's Second Budget Resolution tries again. It would mandate six authorizing and the Appropriations committees to report legislation saving \$3 billion in BA and \$4 billion in outlays.

While the Budget Committee does not have the right to tell the authorizing or Appropriations committees where to make these savings, the amounts chosen by the Budget Committee reflect savings assumed in the first resolution that have not yet been enacted.

In many, but not all, cases the savings recommended by the Budget Committee reflect Administration proposals or increases to appropriations requested by the Administration.

There will be attempts to amend out all or part of the reconciliation instructions.

Stu, Jim and I have decided that we should, if asked, support the reconciliation process.

### Second Budget Resolution

Senate Floor action is likely this week.

Jim, Stu and I have discussed our general strategy on the Senate's Second Budget Resolution and have decided that our posture should be one of support for the overall totals. We will reserve the right to adjust specific functions of the budget so that they more accurately reflect the Administration's policies.

We will decide which areas to seek to amend; Jim will discuss them with Muskie and Giaimo and I will develop a strategy for each with Agency CL people.

Stu and Anne will handle communication with interest groups.

### 3. Hospital Cost Containment

#### Senate

The Labor and Human Resources Committee has reported its version of cost containment, preserving intact the major provisions of the Administration bill. By a vote of 11 to 9, the Finance Committee rejected the Administration-backed Nelson cost containment amendment. The issue will be taken up on the Floor early in September. The status of the bill at this point in the Senate is the same as last year when Human Resources reported the bill, Finance rejected it and Senators Nelson and Kennedy took the issue to the Floor where they were successful by a five-vote margin.

Opponents of our proposal are boasting that they have 50 to 55 votes to table our measure whether it is offered by Senator Kennedy or Senator Nelson. The Senate Finance Committee staff is urging that we consider withdrawing our proposed mandatory program in light of the success of the hospitals' "voluntary program."

Our effort has been hindered somewhat by the transition at HEW. We plan to intensify our lobbying when the Senate returns next week.

#### House

An amended version of cost containment has been reported by the Ways and Means Committee.

Under a "time referral" by the House Leadership, Commerce must complete consideration of the bill by September 10 or it may be discharged from further consideration.

The Waxman Subcommittee is scheduled to begin work on Wednesday -- we are still at least two votes short. Waxman predicts that the Subcommittee will report out a Broyhill substitute.

In any event the full Committee will be the forum for serious mark-up of the bill. There, we still need three of the following Members: Dingell, Sharp, Russo and Rinaldo.

#### 4. National Health Plan

##### Senate

The Finance Committee has begun its markup, but it is not clear when the Committee will resume consideration. The schedule will depend upon Committee consideration of the windfall profits tax. A good guess might be that the Committee could resume consideration of health insurance in late October. Just how far the Committee is prepared to move toward our phase one bill remains to be seen. The Kennedy Health Subcommittee has held extensive hearings on NHI over the course of the last year, but Kennedy is not expected to begin marking up legislation until the Finance Committee has completed its bill.

##### House

No hearings or markups are currently scheduled. The Health Subcommittee chairmen are split on the issue. Rangel will introduce the Administration bill while Waxman will be co-sponsoring the Kennedy proposal. Jim Corman, a past co-sponsor with Kennedy of the Health Security legislation, also is supporting the Administration approach.

#### 5. Welfare Reform

The Ways and Means Committee spent two days (August 1 and 2) considering welfare reform legislation. Although the Committee was unsuccessful in reporting the legislation as had been hoped by Jim Corman and Al Ullman, it did reach a unanimous consent agreement limiting the debate on amendments to assure prompt action on the bill when the markup resumes. A date for resumption of the markup has not yet been set, but the Committee may consider low-income energy assistance legislation before turning its attention again to welfare reform, probably in mid-September. Senate hearings are scheduled in October before Moynihan's Public Assistance Subcommittee. Dates have not been specified.

#### 6. Fair Housing

The House Judiciary Committee is expected to mark up the bill sometime in September. Don Edwards will ask Rodino to move the bill only when he is certain he has the votes in the Committee. With sufficient help from Civil Rights groups, House passage this year is possible.

Prospects in the Senate are less certain. The Judiciary Subcommittee on the Constitution has scheduled its first hearing for next week and mark up is tentatively scheduled for September 19.

## 7. Urban Package

### Targeted Fiscal Assistance

By a vote of 69 to 23 before the recess, the Senate passed a bill in most respects similar to our proposal.

In the House the Government Operations Subcommittee held hearings in early July. The Subcommittee is divided -- five supporters (Moorhead, Weiss, Horton, Wydler and Snowe) five likely opponents (Brooks, Fountain, Synar, English and Brown) and Les Aspin. Moving this bill around Fountain and Brooks will be a difficult task.

### EDA Reauthorization

On August 1, the Senate passed the EDA reauthorization bill by a vote of 83-17.

House Public Works Subcommittee Chair Bob Roe is trying to work out jurisdictional problems with Banking Subcommittee Chair Moorhead.

Roe has assured us that he is committed to getting a bill to your desk by October 1.

### UDAG Appropriation

Neither the Senate nor House has scheduled floor action for the conference report on the HUD-Independent Agencies FY '80 appropriations bill. The conference agreement for full funding for the UDAG program will be considered outside of the conference report because of a potential point of order problem. In addition, the conferees could not reach agreement on the Livable Cities program (House provided no funding, Senate recommended \$3 million), and there will be a separate floor vote on this.

## 8. Department of Education

The House bill contains several extraneous amendments, including riders relating to school prayer, busing, affirmative action, and abortion. The House conferees have been instructed on the anti-affirmative action amendment. Conferees will meet on September 11 and Floor action on the conference agreement could occur in late September or early October.

Our conference strategy must key off of Brooks and four other Democrats (Fuqua, Moorhead, St Germain, and Levitas). Each of the latter group must be persuaded to change a wrong vote on one of the offensive amendments. Our position going in is to completely remove the amendments, rather than compromise on any of them. This can only strengthen us on final Floor vote.

## 9. Trucking Deregulation

The House Public Works Committee held its first hearing in Denver on August 20. Surface Transportation Subcommittee chair Jim Howard seemed to be favorably impressed by the testimony of some of the deregulation proponents. Up to this time he had been quite unenthusiastic. Biz Johnson is still among the unenthusiastic.

On the Republican side, Ranking Minority Member Harsha strongly opposes the bill; but Representative Shuster, the Ranking Minority Member on the Surface Transportation Subcommittee, favors many of its provisions.

Four days of hearings have been held by the full Senate Commerce Committee, with two more set for early September. Chairman Cannon appears to be genuinely open on the issue. Cannon may choose to mark up a truck safety bill this session, leaving any action on the economic reform proposals until next session. Senator Magnuson, the Ranking Democrat on the full Committee, opposes the bill; Senator Long is neutral at this point. Senator Packwood, the Ranking Republican, is a possible supporter; however, he has thus far not been able to exert leadership over the other Committee Republicans on transportation legislation.

There is general skepticism about the prospects of this legislation, although the efforts of our task force are generating some support. As of now, this bill has a rough road ahead, given the opposition of both the American Trucking Association and the Teamsters.

#### 10. Alaska National Interest Lands

The Senate Energy and Natural Resources Committee will probably not resume consideration of the Alaska National Interest Lands legislation, S. 9 (H.R. 39), until the Committee has completed consideration of the fast-track energy legislation. It is anticipated that Chairman Jackson will then move swiftly to report the bill to the Senate Floor, but it is as yet uncertain whether Floor action will be scheduled during the remainder of this session.

#### 11. Crop Insurance

The outlook for the Administration's crop insurance legislation has improved because the National Association of Wheat Growers has agreed to support the measure with one amendment. The National Cotton Council has also signaled conditional support. Senate consideration is planned in mid-September, followed by House action in October. A portion of the private insurance industry that specializes in hail insurance has organized a strong campaign against the legislation.

#### 12. Regulatory Reform

Senate Governmental Affairs mark-up may be delayed until the Committee finishes work on the energy legislation. Senate Judiciary is likely to schedule its mark up for early in September and complete its work before October 1.

Persuading George Danielson to begin work in his House Judiciary Subcommittee is our immediate challenge. It is still possible that a bill could reach your desk before the end of this session. Danielson and Ribicoff are the keys.

## II. FOREIGN POLICY ISSUES

### 1. SALT

SFRC hearings on SALT resume on Wednesday with testimony from several Senators and Congressmen and a series of outside witnesses. On September 12 and 13, Vance, Brown, General Jones, Seignious and Earle are scheduled to appear in both closed and open wrap-up sessions. The Committee is currently planning to begin mark-up of the resolution of advice and consent on September 17; however, the report to the SFRC by the Senate Select Committee on Intelligence on the verifiability of the Treaty may be delayed by a week to ten days. That delay could mean that SFRC will not report to the full Senate on September 28 as anticipated.

Senate Armed Services Committee plans on additional hearings are not yet firm. That Committee will be filing a separate report to the Senate. Some members are apparently urging that this report be more than a summary of the hearings and that it contain recommended amendments or reservations.

Senate debate on the Treaty is now estimated to begin around mid-October and a final vote is expected by Thanksgiving. Six amendments and one resolution have already been formally introduced, and at least a dozen more can be expected to be introduced in the next month.

Although debate on the provisions of the Treaty itself will be thorough and protracted, the tone of the debate and the success of specific amendments or reservations will be strongly affected by related issues including:

- (1) Soviet actions in Cuba;
- (2) Future defense budgets; and
- (3) The basing decision for MX.

### 2. Panama Canal Implementing Legislation

The Conference Committee on the Panama legislation is expected to resume meetings within a few days. House and Senate staffers who have been consulted during the recess are optimistic that differences can be ironed out well before the end of September. The most difficult issue appears to be whether the Canal Commission will be a government corporation or an appropriated funds agency. The likelihood of a reasonably satisfactory solution to potential treaty violations in the House bill is quite good.

Assuming the conferees come to an agreement, we expect a last-ditch fight to defeat the Committee report when it reaches the House Floor. Eight right-wing organizations have begun another massive mailing campaign against the bill; they have singled out 40 Congressmen for special attention. We will have to undertake one last campaign in the House to assure approval of the conference report.

### 3. Export Administration Act

This legislation passed the Senate on July 21 and could be considered on the House Floor during the second or third week of September.

It is important that an extension of the EAA be enacted by the end of this fiscal year, since it will probably be impossible for you to enforce the anti-boycott provisions of the present law as well as to impose new foreign policy or short supply controls without this legislation. Under the provisions of the International Emergency Economic Powers Act, you are empowered to continue national security controls by the declaration of a national emergency.

The House version of the bill contains a number of objectionable provisions, particularly a Congressional veto over foreign policy export controls. A series of troublesome amendments will be offered on the House Floor. Because of the recent sales to Iran, Representatives Moakley and Beard have indicated they would introduce an amendment either prohibiting all future fuel sales to Iran or prohibiting such sales until the U.S. reaches its fuel oil reserve target. We also anticipate amendments on critical goods and technology and an anti-terrorism amendment.

The Senate version of this legislation is better but we will seek elimination and modification of certain provisions in conference.

### 4. Foreign Assistance

The House is now scheduled to resume consideration of the Foreign Aid Appropriation Bill next week. Senator Inouye's subcommittee will not begin its mark-up until after the House has finished and the bill will go to the Senate Floor shortly thereafter. We are concerned about the likely possibility of further cuts in both Houses.

## 5. Nicaragua and Central America

The return of Congress from recess promises to begin a period of fairly intense Hill interest in Central America. Reported Soviet activities in Cuba draw even more attention to this area.

Clarence Long has blocked our plan for reprogramming \$8.5 million of FY '79 funds for Nicaragua. He plans to hold a hearing next week. We can also expect an amendment to the Foreign Aid appropriations bill to prohibit or otherwise restrict assistance to Nicaragua.

Meanwhile, work is rapidly going forward on plans for a FY '80 supplemental request for Nicaragua and possibly for Honduras, El Salvador and Guatemala. Before we go forward with both, or for Nicaragua alone, we will consult with committee leadership in both Houses.

## 6. DOD FY '80 Authorization Bill

The Senate passed the DOD authorization bill on June 13. The House is expected to take it up the week of September 10. The major issues are mandatory draft registration, and the Nuclear Carrier.

It appears that there are enough votes to support an amendment to delete the mandatory registration provisions of the committee bill. Although we prefer an intermediate carrier, CVV, we have indicated that we would accept a conventionally powered Kennedy Class carrier, CV. We hope that this compromise will result in the CVN being deleted or at least demonstrate a credible showing so that we can pursue deletion in conference.

If floor action occurs as expected, the conference could begin as early as September 18.

## 7. DOD FY '80 Appropriation Bill

The House Appropriations Defense Subcommittee has completed mark-up. The Subcommittee cut \$2.2B from a wide range of individual programs. In one key action, the Subcommittee funded a nuclear carrier. This may be an issue during full Committee mark-up which is expected to begin on September 20.

On the Senate side, we don't expect the Defense Subcommittee or the full Committee mark-up until late September.

The prospects for an appropriation bill before October 1 are exceedingly dim, which means that a continuing resolution will almost certainly be needed.

Senate Schedule for week of September 4

Senate convenes at 11:00 a.m. on Wednesday, September 5  
after brief morning activities - they will consider

H.R. 4393 - Treasury and Postal Service Appropriations  
(to completion)

S. 1142 - Performing Arts Authorization for the Kennedy  
Center

S. 643 - Refugee Assistance Act

Consideration of the Second Budget Resolution is also expected.

House Schedule for week of September 4

House convenes at 12:00 noon on Wednesday, September 5  
and at 10:00 a.m. on Thursday and Friday

They will consider the following legislation:

H.R. 4473 - Foreign Assistance Appropriations, FY'79  
(to completion)

H.R. 3236 - Disability Insurance Amendments of 1979  
(modified rule, one hour)

H.R. 79 - Postal Service Act of 1979  
(modified rule, one hour)

H.R. 51 - Fuels Transportation Safety Amendments Act of 1979  
(open rule, one hour)

THE WHITE HOUSE  
WASHINGTON

9/4/79

Anne Wexler  
Kit Dobbelle  
Gretchen Poston  
Zbig Brzezinski

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

Rick Hutcheson  
cc: Phil Wise  
Fran Voorde

Confidential Attachment

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

August 29, 1979

CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER *AW*  
KIT DOBELLE *KD*  
GRETCHEN POSTON *GP*  
ZBIGNIEW BREZINSKI *ZB*

**Electrostatic Copy Made  
for Preservation Purposes**

*C*

SUBJECT: Visit of Pope John Paul --- Washington Events

Pursuant to your instructions to "proceed," the following is a tentative schedule of events involving the White House during the Washington portion of the Pope's visit. This tentative schedule was the result of a meeting with Vatican representatives which included White House, State Department and NSC staff.

1. Arrival in Washington

O October 6 Pope John Paul arrives at Andrews Air Force Base at approximately 11:00 a.m.

Mrs. Carter to welcome Pope John Paul at Andrews Air Force Base.

✓

Approve

Disapprove

(Pope John Paul then proceeds to St. Mathew's Cathedral)

2. Events at the White House

The following events are proposed to be included in Pope John Paul's visit to the White House. The exact sequence of events is to be determined once we have your guidance on the proposals.

O 1:30 p.m. Pope John Paul and party arrive at North Portico and are greeted by President and Mrs. Carter.

✓

Approve

Disapprove

~~CONFIDENTIAL~~

Classified by Zbigniew Brzezinski  
Declassify August 29, 1985

~~CONFIDENTIAL~~

*Aug 31/90*

- 0 On the North Lawn, President Carter and Pope John Paul make brief remarks and greet Members of Congress and their families, White House Staff, and Cabinet Members and their families. This is intended to be a smaller, more exclusive event than the South Lawn event. (Approximately 30 minutes).

✓  
Approve                      Disapprove

NOTE: Bishop Marcinkas, the Pope's representative, made a specific request that all members of Congress be included if any are invited to meet with the Pope and indicated they would like to do this if possible.

- 0 President and Mrs. Carter host reception in Blue Room similar to those held on arrival of other foreign leaders. (Strongly requested by Vatican representatives for visiting official party to meet President Carter). (Approximately 15 minutes).

✓  
Approve                      Disapprove

- 0 Pope John Paul and President Carter have a private meeting in the Oval Office. Vatican officials meet with U.S. officials in the Cabinet Room. (Approximately 1 hour).

✓  
Approve                      Disapprove

- 0 President Carter and Pope John Paul go to Family Quarters for refreshments with the First Family and a private visit. (Approximately 30 minutes).

✓  
Approve                      Disapprove

- 0 President Carter and Pope John Paul go to South Lawn to greet invited guests and give brief remarks. Gretchen says she can accomodate up to four thousand people (seated) on the South Lawn. The event would be held outside even in the event of rain, although remarks could be made from the balcony during inclement weather. (Approximately 45 minutes).



Approve

Disapprove

- 0 At approximately 4:30 p.m. President and Mrs. Carter escort Pope John Paul to North Portico for departure.

Approve

Disapprove

Three hours have been set aside for the schedule at the White House. The expected time for conclusion of activities should be 4:30 p.m.

3. Departure from Washington

At 6:30 p.m. on October 7 Pope John Paul departs from Andrews Air Force Base. The Vatican desires a departure ceremony and would like your participation.

\_\_\_\_\_ I wish to participate

\_\_\_\_\_ Instead, I should be represented by

\_\_\_\_\_ ✓ Vice President

\_\_\_\_\_ ✓ Mrs. Carter

\_\_\_\_\_ Secretary of State

*For now, plan this way*

**Electrostatic Copy Made  
for Preservation Purposes**