

**10/10/79 [1]**

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

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|------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|-------------|
| memo             | <p><del>From Vance to The President (one page) re: Central America and the Caibbean/enclosed in Hutcheson to Brzezinski 10/10/79</del></p> <p><i>opened per RAC NLC - 126-18-26-1-3 11/18/13</i></p> | 10/9/79 | A           |

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Handwriting File 10/10/79 [1] BOX 151

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Revised:  
Oct. 10, 1979  
10:30 a.m.

THE PRESIDENT'S SCHEDULE

Wednesday - October 10, 1979

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- 7:15 Dr. Zbigniew Brzezinski - The Oval Office.
- 7:45 Mr. Frank Moore - The Oval Office.
- 8:00 Breakfast with Democratic Congressional  
(60 min.) Leaders. (Mr. Frank Moore)- First Floor  
Private Dining Room.
- 9:45 Mr. Hamilton Jordan and Mr. Frank Moore.  
The Oval Office.
- 11:00 Meeting with Out of Town Editors.  
(30 min.) (Mr. Jody Powell) - The Cabinet Room.
- ✓ 11:45 Videotape Message for Dinner Honoring  
Majority Leader Jim Wright. (Mr. Frank Moore).  
The Roosevelt Room.
- 12:00 Lunch with Vice President Walter F. Mondale.  
(60 min.) The Oval Office.
- 1:30 General Bernard Rogers. (Dr. Zbigniew  
(5 min.) Brzezinski) - The Oval Office.
- 3:00 Drop-By Briefing on Energy for Community  
(15 min.) Leaders. (Ms. Anne Wexler) - The East Room.
- 4:00 Dr. Joseph P. Cappuccio, President, American Dental  
Association, and Mr. Hal Christensen, Exec. Director.  
The Oval Office.
- 4:05 Depart South Grounds via Helicopter en route  
Andrews Air Force Base and Trip to New Mexico  
and California.

NOTE: Return to the White House  
approximately 7:30 p.m. Thursday.

University of Notre Dame  
Notre Dame, Indiana  
Office of the President  
October 10, 1979

cc Father Ted  
Hesburgh.  
Thank you! It  
was one of the best  
days of my life -  
Jimmy

Honorable Jimmy Carter  
The White House  
Washington, D. C.

Dear President Carter:

As one of the many who attended the White House reception for Pope John Paul II, may I say how touched all of us were by your splendid remarks, both at the prior meeting with Congress and the Judiciary and the meeting in back of the White House with the rest of us. I thought that what you had to say was superbly and eloquently said, despite the inherent difficulty of an unprecedented situation. You handled it with great sensitivity and consummate courtesy. As one Catholic who greatly enjoyed the historical moment and the splendor of the occasion, may I say again many, many thanks to you.

With continued best wishes and prayers,  
I am

Cordially yours,



(Rev.) Theodore M. Hesburgh, C.S.C.  
President

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for Preservation Purposes**

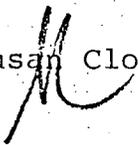
THE WHITE HOUSE  
WASHINGTON

10/12/79

Father Hesburgh --

The attached is with  
the President's best  
wishes!

-- Susan Clough



University of Notre Dame

Notre Dame, Indiana 46556

Office of the President

October 10, 1979

Cable Address "Dulac"

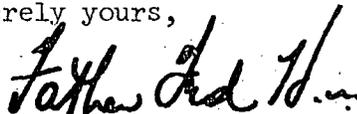
Miss Susan Clough  
The White House  
Washington, D. C.

Dear Susan:

The President gets so many negative remarks that I thought he deserved a well earned kudo in this case. I would appreciate your passing it on to him.

Best personal regards.

Sincerely yours,



(Rev.) Theodore M. Hesburgh, C.S.C.  
President



THE WHITE HOUSE  
WASHINGTON  
10 Oct 79

FOR THE RECORD:

LLOYD CUTLER RECEIVED ORIGINAL  
FOR HANDLING AND DELIVERY.

THE WHITE HOUSE

WASHINGTON

October 5, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD CUTLER



RE: Letter of congratulations to Judge James M. Carter

I am advised that we do not make a general practice of congratulating federal judges on the completion of 30 years of service on the Bench. However, because of the unique situation involved here: A President named James Carter writing to a circuit court judge named James Carter, it is my recommendation that you sign the attached letter of congratulations.

As you will see from the enclosures, Judge Wallace of the 9th Circuit and Warren Christopher both think very highly of Judge Carter, and Chris joins in recommending that you sign the letter.

United States Court of Appeals

For the Ninth Circuit

United States Courthouse

San Diego, California 92189

Chambers of  
J. Clifford Wallace  
Circuit Judge

September 20, 1979

Lloyd N. Cutler, Esq.  
Counselor to the President  
Room 112, East Wing  
The White House  
Washington, D.C. 20500

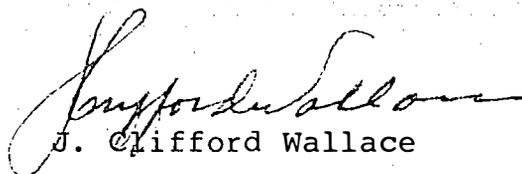
Dear Mr. Cutler:

As requested by you, enclosed are biographical sketch of Judge James M. Carter and suggested draft of a possible congratulatory letter from the President. The biographical sketch does not note Judge Carter's championing of liberal causes during his early private practice such as, during the depression, representing those who were prevented from entering California by law enforcement agencies. Although Judge Carter has always believed in the importance of enforcement of the law, he has also shown compassion for those who merit it. I was impressed that Judge Carter learned sufficient Spanish to be able to speak directly with those defendants who came before him who understood only that language.

In addition to the three local Congressmen (Messrs. VanDeerlin, Wilson and Burgener) who should know Judge Carter, Congressman George Danielson from Los Angeles has known Judge Carter very well for many years. As I stated to you, a local Democratic leader who knows Judge Carter well is attorney Paul Peterson (telephone: 714-234-0361).

As the Special Session of our court will be a surprise for Judge Carter, I request that the congratulatory message be sent to me, and I will have it read at the session. In the event you feel that it would be inappropriate or inadvisable for the President to send a message of congratulations, I will understand completely.

Very truly yours,

  
J. Clifford Wallace

JCW:gpl  
Enc.

Draft of Proposed Letter to Judge Carter:

Dear Judge Carter:

I extend to you my best wishes on the occasion celebrating your thirty years of service as a federal judge. You have more than vindicated the trust and confidence of President Harry S. Truman when he nominated you to become a district judge and of President Lyndon B. Johnson when he nominated you to be elevated to the United States Court of Appeals for the Ninth Circuit.

From one James Carter to another, please accept my congratulations for your outstanding contribution to the administration of justice in our Country.

Sincerely,

Born:

Santa Barbara, California - March 11, 1904.

School:

Attended grammar schools in Los Angeles city and county; high school - San Fernando, California, graduating in 1920; Pomona College 1920-1924, graduating in June 1924 with an A.B. degree.

Harvard Law School, 1924-1925.

University of Southern California Law School from 1925-1927, graduating with a degree of Juris Doctor (J.D.). LL.D., University of San Diego, 1962

Law Practice:

Practiced law in Los Angeles 1928-1940 - general civil practice.

Public Service:

State: Director of Motor Vehicles for State of California. Appointed by Governor Olson in July 1940 and served to January 1943. Administrative head, supervising Divisions of Registration, Drivers Licenses and California Highway Patrol.

Federal: Appointed Assistant United States Attorney in July 1943; appointed Chief Assistant in 1943, serving until 1946; appointed United States Attorney in July 1946 by President Truman; appointed United States District Judge by President Truman, taking the Oath of Office on October 26, 1949; Chief Judge of the Southern District of California at San Diego, 1966-1967; appointed United States Circuit Judge for the Ninth Circuit on December 1, 1967; accepted status as Senior United States Circuit Judge on September 30, 1971; appointed by the Chief Justice of the U. S. Supreme Court as a member of the "Temporary Emergency Court of Appeals," January 1972.

Societies and Organizations:

Order of the Coif (National Honorary Legal Fraternity); Phi Kappa Phi (National All-University Scholarship Society); Ephebian Society (Honor Society of Los Angeles High School System).

Fraternities:

Sigma Tau, Pomona College; Phi Alpha Delta, University of Southern California Law School.

Fraternal and Service Clubs:

Fraternal Order of Eagles; Elks in Los Angeles, now San Diego; honorary member of Rotary Club, San Diego, California.

Legal Organizations:

Member, American Bar Association; former member of the following committees of the Judicial Conference of the United States: Committee on Trial Practice & Technique (formerly National Pre-trial Committee); Committee to Implement the Criminal Justice Act; Committee on Court Administration; former member, Advisory Council of Judges, National Council on Crime and Delinquency; former member of American Bar Association Subcommittee on Minimum Standards for Criminal Justice; former member, Commission to Revise the Criminal Laws pursuant to Act. of Congress; Member, Board of Directors of the Federal Judicial Center, 1968-1971; Member, Committee of the Judicial Conference of the United

THE WHITE HOUSE

WASHINGTON

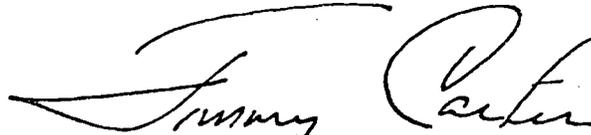
October 10, 1979

To Judge James Carter

I extend to you my best wishes on the occasion celebrating your thirty years of service as a federal judge. You have more than confirmed the trust and confidence of President Harry S. Truman when he nominated you to become a district judge and of President Lyndon B. Johnson when he nominated you to be elevated to the United States Court of Appeals for the Ninth Circuit.

From one James Carter to another, please accept my congratulations for your fine contributions to the administration of justice in our Country.

Sincerely,

A handwritten signature in cursive script, reading "James M. Carter". The signature is written in dark ink and is positioned above the typed name and address.

The Honorable James M. Carter  
United States Court of Appeals  
United States Courthouse  
San Diego, California 92189

THE WHITE HOUSE  
WASHINGTON

October 5, 1979

TO: RICK HUTCHESON  
FROM: LLOYD CUTLER

Please return the attached letter when signed and I will send it to Judge Carter.

Thank you.

Pat  
have letter typed -  
send to Susan

RL

*Mike DeLoe Jones*

LLOYD N. CUTLER  
1666 K STREET, N. W.  
WASHINGTON, D. C. 20006

September 26, 1979

Chris:

Do you know Judge Carter?

Would you join in making Judge Wallace's  
request?

L.N.C.

*We've already  
decided to do this*

*Lloyd - By all means, yes.*

*Jim Carter is a terrific fellow.  
As a young District Judge, he  
organized the Diogenes club which  
served as an inspiration for a number  
of us to get interested in public  
affairs.*

*Chris*

LLOYD N. CUTLER  
1666 K STREET, N. W.  
WASHINGTON, D. C. 20006

September 26, 1979

MEMORANDUM FOR MICHAEL CARDOZO

cc: Mr. Lipshutz  
Mr. Onek

Subject: Judge James M. Carter

Judge Wallace of the 9th Circuit called me several days ago to ask whether it would be possible for the President to send a congratulatory message to Judge James Carter of the 9th Circuit who will be given a dinner celebrating his thirty years of service as a Federal judge on October 18th. I asked Judge Wallace to write me a letter giving some details of Judge Carter's biography and a draft of a suggested message. The Wallace letter and its enclosures are attached.

How do you think we should handle this? Should we consult the Attorney General? It sounds to me like a reasonable request and would make a number of judges very happy.

L.N.C.

Attachment

THE WHITE HOUSE  
WASHINGTON

10 Oct 79

FOR THE RECORD:

ATTACHED EIZENSTAT NOTE WAS  
ATTACHED TO ENROLLED BILL  
RE UNEMPLOYMENT COMPENSATION  
(H.R. 3920) signed by the  
President today. ID 4389

THE WHITE HOUSE  
WASHINGTON

October 19, 1979

Mr. President:

I talked personally with Jim Corman who in turn talked with Skip Bafalis, the other co-sponsor. Both are in agreement that the major reform in the system will occur in 1980 and not in 1982. We do not see the need for a technical amendment at this point but Corman would support one at a later point if necessary. In light of these discussions, I think you should sign the bill.

In addition, because of the concerns you raised on the Mexican issue, I have asked Ed Torres to see if this was one of the issues raised in the visit to which you referred. While he has not reported back yet, I do not believe that this was one of the issues covered.

Stu Eizenstat

THE WHITE HOUSE  
WASHINGTON

10 Oct 79

Mr. President:

Attached is revised signing  
statement for S. 233.

Rick

*Clear  
Frank  
J*

**Electrostatic Copy Made  
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STATEMENT BY THE PRESIDENT

I have decided to sign S. 233, which authorizes appropriations for the United States Travel Service.

At the beginning of the year I recommended that the Service be eliminated, for its function can and should be performed by the private sector. I have not changed my view.

I have signed S. 233, however, because the appropriations for the Travel Service have already been enacted as part of a separate bill. I will work to restructure the Federal Government's travel program in order to conform its operation with what I believe to be an appropriate Federal role in tourism promotion.

x  
*Jimmy Carter*

THE WHITE HOUSE  
WASHINGTON

10/10/79

Mr. President:

Attached is a Frank Moore memo discussing S. 233, and the revised signing statement prepared by DPS per your request.

Rick

THE WHITE HOUSE  
WASHINGTON

*Re-type  
Statement*

October 10, 1979

MEMORANDUM FOR THE PRESIDENT

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FROM:

FRANK MOORE *FM*  
BOB BECKEL *BB*  
DAN TATE *DT*

SUBJECT:

Tourism Bill and Senator Inouye

The tourism bill is Danny Inouye's major interest at this time. He is Chairman of the subcommittee that wrote and reported the bill and takes great pride in the legislation.

Your decision to allow the bill to become law will be helpful -- certainly a veto would be incomprehensible to the Senator -- but we believe that even that situation must be handled very carefully.

Ideally, we would recommend that you sign the bill, despite your reservations and despite the fact that we made no allowance for the legislation in our budget. We cannot argue the merits of the bill.

We are depending on Senator Inouye for leadership on some matters that are vital to the country and vital to your Presidency. As merely one example, the foreign aid appropriations bill is his and the only thing it takes for an obnoxious amendment to pass (we have won every vote thus far on the Floor but the Senate resumes consideration of the bill on Thursday) is for Danny not to work the issue quite as hard. He does not operate that way but we raise this as evidence of how hard he has worked for us and the enthusiasm he has shown for our programs even when they are unpopular or politically unattractive.

He has often said to us when we ask him for help that he is a team player and "if my President wants it, he has it." He believes in the team approach and with it some reciprocity. He would never ask us for anything that was outrageous or offensive, so when he does ask us, it is on something which is small in the grand scheme of things but which is important to him. The tourism bill is one of those items.

We are exceedingly worried that if a statement is issued critical of the bill -- even though it is approved -- we will not get the mileage that we could use. Danny is very, very sensitive and such a statement would hurt him.

Therefore, we urge you to sign the bill and make no statement. If

this is not possible, we urge you to allow the bill to become law without your signature but without an accompanying statement. As a third priority recommendation, we urge that you allow the bill to become law without your signature and that the accompanying statement be extremely soft.

We are not overstating the importance of this matter both to Senator Inouye and to us.

STATEMENT BY THE PRESIDENT

<sup>5/9/71</sup>  
I have decided to allow S. 233, which authorizes appropriations for the United States Travel Service, to become law without my signature.

By not signing this bill, I want to indicate to the Congress and the public that I have very serious concerns about S. 233. At the beginning of the year I recommended that the Service be eliminated, for its function can and should be performed by the private sector. I have not changed my view.

I have <sup>signed</sup> ~~not vetoed~~ S. 233, however, because the appropriations for the Travel Service have already been enacted as part of a separate bill. ~~[So a veto would not eliminate the Service and would only serve as a gesture.—Rather than making a gesture,~~ I <sup>will</sup> ~~have resolved to~~ work ~~[in other ways]~~ to restructure the Federal Government's travel program in order to conform its operation with what I believe to be an appropriate Federal role in tourism promotion. ~~[That can be done with the Travel Service in existence, though the effort would have been easier had the Congress not authorized the Service's continuation.]~~

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EXECUTIVE OFFICE OF THE PRESIDENT  
 OFFICE OF MANAGEMENT AND BUDGET  
 WASHINGTON, D.C. 20503

OCT 6 1979

MEMORANDUM FOR THE PRESIDENT

Subject: Enrolled Bill S. 233 - United States Travel Service  
 (USTS) Authorization  
 Sponsor - Sen. Cannon (D) Nevada and Sen. Inouye  
 (D) Hawaii

*Stu -  
 Change state-  
 ment to include  
 marked points - \*  
 I see no reason to  
 sign S 233*

Last Day for Action

October 11, 1979 - Thursday

Purpose

Authorizes the appropriation of \$8 million for fiscal year 1980 for the United States Travel Service and requires a reduction in the Travel Service staff stationed in the District of Columbia.

Agency Recommendations

Office of Management and Budget

Approval (Signing statement attached)

Department of Commerce

Withhold signature to permit bill to become law.

Department of State

Disapproval (Veto message attached)

Discussion

The 1980 Budget proposed the elimination of the United States Travel Service (USTS) in the Department of Commerce. The basis for that proposal was that the tourism promotion functions of the USTS would be more appropriately performed by the private sector and that, rather than direct involvement in tourism promotion, the Federal role in tourism should be confined to non-promotional activities, including the development of policies, the collection of data, and the coordination of Government programs--all of which would

*} \**

facilitate non-Federal tourism promotion activities. The 1980 Budget requested \$3 million dollars to permit Commerce's Industry and Trade Administration to perform USTS' non-promotional tourism functions.

S. 233, which passed both Houses by voice vote, would extend the USTS for another year with a 1980 appropriation authorization of \$8 million, compared to \$13.6 million appropriated for 1979. It also would direct the Secretary of Commerce to reduce the number of USTS employees stationed in the District of Columbia to 40 percent of those employed in the District on December 31, 1978, (a reduction from 75 to 30 persons) and to maintain that ceiling. As a result, appropriations for the USTS would be used principally to maintain its overseas offices.

#### Agency Views

The Department of Commerce recommends that you refrain from acting on S. 233 and thus permit it to become law without your signature. Commerce notes that because the Departments of State, Justice, and Commerce, the Judiciary and Related Agencies Appropriation Act, 1980 (P.L. 96-68) already appropriates \$8 million for the USTS, "a veto of S. 233 would have no legal significance..." (You could initiate a rescission proposal, but Congressional approval would be unlikely.) Commerce also argues that a veto could alienate some members of Congress, thus undermining the effectiveness of the Administration's opposition to much more objectionable pending legislation that would create a quasi-public tourism corporation. On the other hand, Commerce believes that signing S. 233 would signal abandonment of the Administration's objective of restructuring the travel program. } \*

The Department of State recommends that you veto S. 233 because: "To do less would be a sure signal that our joint effort to implement the President's wish to reduce overseas staffing need not be treated seriously." State points out that a veto would contribute to your desire to reduce overseas staffing and to eliminate marginal and unnecessary activities abroad. State/OMB inspection teams recently reconfirmed the finding that the contribution of the overseas USTS offices is marginal. } \*

#### Recommendation

With reluctance we recommend that you approve S. 233. Since the appropriation bill has already become law, a veto would not eliminate the program. (Moreover, the Congressional

expectation has been that you would sign the bill.) Instead of your letting the bill become law without signature, as Commerce proposes, we recommend that you issue a signing statement indicating the Administration's continuing commitment to eliminate such unnecessary programs. This should meet State's concern that signature would imply a reduction in Administration concern over this program. A draft signing statement is attached for your consideration.

  
James T. McIntyre, Jr.  
Director

Enclosures

THE WHITE HOUSE  
WASHINGTON  
10/10/79

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

~~SECRET ATTACHMENT~~

H437

DECLASSIFIED  
Per, Rac Project  
ESDN: NLG-126-18-26-1-3  
BY KS NARA DATE 11/18/13

THE SECRETARY OF STATE  
WASHINGTON

~~SECRET~~

(Entire text)

October 9, 1979

*HBG*  
*OK*  
*J*

MEMORANDUM FOR: THE PRESIDENT  
From: Cyrus Vance *CV*  
Subject: Central America and the Caribbean

Last Friday at breakfast you expressed the desire to know more about the situation in the Central American and Caribbean regions and suggested that our Ambassadors might be brought back for a briefing session. I would like to suggest that instead we structure a briefing session around Phil Habib for the Caribbean, Bill Bowdler for Central America, and Pete Vaky for overall Latin America. Habib and Bowdler have recently made separate surveys of the respective regions and all three have an overview of the trends and dynamics. As you suggested, we would also have a CIA briefing on the countries involved.

I believe this would be preferable to bringing up the Ambassadors. A series of briefings by five or more Ambassadors is likely to be country-centered and less cohesive and integrated than a specially structured overview by Habib, Bowdler, and Vaky.

I recommend that you agree to set aside a suitable period, perhaps an evening session, for such a briefing, at an early date.

*breakfast  
or late afternoon*

~~SECRET~~

GDS 10/9/85

DECLASSIFIED  
Per: Rac Project  
ESDN: NLC-126-18-26-1-3  
BY *KS* NARA DATE *11/18/13*

4432

THE WHITE HOUSE  
WASHINGTON

10/10/79

Charlie -

This was a  
Confused exchange -  
I hope it can be  
worked out

J.C.

mail directly to  
Kirbo - - not  
the Stripping

To President

*This is in Congress papers  
and was sent to  
it and all*

Before time ran out, I wanted to ask you this: I wanted to know whether you would be willing to agree not to take any role whatsoever in the elections of 1978 or 1980.

Have you given any thought as to whether you would be willing to be a political dropout in these two elections?

Judge BELL. If I am Attorney General, then I would certainly not take a role. But if you are asking me—

Mr. HEINZ. That is the intent of the question. It was assuming that you would be Attorney General.

Judge BELL. Are you asking me if I would take a role if I am not Attorney General?

Mr. HEINZ. No; if you are.

Judge BELL. No, I would not; but I doubt if I would if I were not Attorney General.

I would try to honor the Office of Attorney General.

Once you do it, even if I were not Attorney General, in view of what has happened in the past, I would not be active.

Mr. HEINZ. Were you to leave, would you take a role in the campaign? I understand that your answer to that is no.

Judge BELL. That is correct.

Senator HEINZ. Talking about law enforcement priorities, Senator Kennedy's questions about antitrust, you mentioned that antitrust law enforcement was something that you would pursue. You discussed a little bit of your philosophy about the social utility of monopolies.

I was a little unclear as to what your tests would be regarding when to seek to initiate antitrust action under Sherman or Clayton.

Judge BELL. You do not know because you are not a lawyer, but I have been an antitrust lawyer.

It is very difficult to grasp when something monopolizes or tends to monopolize. Some things are very clear, but sometimes it is borderline.

The case going on now of the Telephone Co., I guess, where it is urged that they ought to divest themselves of Western Electric, for example, that is the sort of thing that you can make a case for by showing that it keeps other people out of the market. Once you keep people out of the market, then the consumer suffers because you do not get as good a product at a lower price.

I do not know that I can answer your question.

Mr. HEINZ. Let's distinguish between regulated monopolies, in which case I would think A.T. & T. would certainly fall for the most part under that.

Judge BELL. That is a regulated monopoly.

Senator HEINZ. Let's talk about nonregulated market systems.

I have had quite an interest in this. We have formed a task force on the House side, where I came from this year, to improve antitrust law enforcement and to improve the manning, and to improve the ability of any law enforcement in that area to be more credible, which was done in part by the passage of the Antitrust Procedures Act, which I think was mentioned earlier.

I am just curious with respect to nonregulated market systems whether you have any tests that you think trigger an antitrust investigation.

Judge BELL. I do not. I do not have a test.

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THE WHITE HOUSE  
WASHINGTON  
10/10/79

Sarah Weddington

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

Rick Hutcheson

cc: Jack Watson  
Phil Wise

MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

*done*  
*J*

October 9, 1979

Jim Free called from Florida this morning, and suggested that the President make the following phone calls:

Lt. Governor George McMillan of Alabama (wife - Ann)

Thank him for being so gracious to RSC and for the welcome he gave RSC. Thank him, also, for soundly endorsing you and let him know that you look forward to working with him on the campaign in Alabama.

*McCORQUENDALE*

Speaker of the House in Alabama, Joe ~~McCorquendale~~ *McCorquendale* (wife - Betty)

Thank him for his gracious hospitality. They stood in the receiving line with RSC. Thank him also for his endorsement and support.

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THE WHITE HOUSE  
WASHINGTON

10 Oct 79

Erank Moore

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

Rick Hutcheson

Phil Wise

|                           |
|---------------------------|
| FOR STAFFING              |
| FOR INFORMATION           |
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| FOR APPROPRIATE HANDLING  |
| LAST DAY FOR ACTION       |

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ACTION  
FYI

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|  | VICE PRESIDENT |
|  | JORDAN         |
|  | CUTLER         |
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|  | MOORE          |
|  | POWELL         |
|  | WATSON         |
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|  | BERGLAND       |
|  | BROWN          |
|  | CIVILETTI      |
|  | DUNCAN         |
|  | GOLDSCHMIDT    |
|  | HARRIS         |
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|  | MARSHALL       |

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|  | CAMPBELL   |
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|  | CRUIKSHANK |
|  | FIRST LADY |
|  | FRANCIS    |
|  | HARDEN     |
|  | HERTZBERG  |
|  | HUTCHESON  |
|  | KAHN       |
|  | LINDER     |
|  | MARTIN     |
|  | MILLER     |
|  | MOE        |
|  | PETERSON   |
|  | PRESS      |
|  | SANDERS    |
|  | SPETH      |
|  | STRAUSS    |
|  | TORRES     |
|  | VOORDE     |
|  | WISE       |

THE WHITE HOUSE  
WASHINGTON

October 9, 1979

*done* "Will evaluate product  
of Fin. Comm, consult  
w Pres. & Sen, then  
plan together"

*J.C.*

CONGRESSIONAL TELEPHONE CALL

TO: Al Ullman

DATE: During the week of October 8, 1979

RECOMMENDED BY: Bill Cabler *B. Cabler* *F.M.*

PURPOSE: To talk with the Chairman about the timing on the Windfall Profits Tax and to remind him of the need for a real tax.

BACKGROUND: With all the attention focused on the Senate, Ullman may be feeling left out. A general conversation about how well the Ways & Means Committee and the House performed in June and how important an adequate tax is to our ability to finance energy security programs could provide him with added incentive to stand up to the Senate in conference.

TOPICS OF DISCUSSION:

1. Thank him for the quick response to your call for a WPT from the Ways & Means Committee and the House. Under his leadership, the House completed action in June.
2. Ask for his analysis of Russell Long's actions on WPT and for predictions on the final outcome.
3. Remind him that we need a tax which produces enough revenues to fund the synfuels programs, mass transit, tax credits and other energy security programs which have been proposed.

4. Ask his advice on how we can help him with the conferees and how we can get a final package which accomplishes our mutual goals.

APPROVED BY:  
FRANK MOORE:

A handwritten signature in black ink, appearing to be 'FM', is written over a horizontal line.

THE WHITE HOUSE  
WASHINGTON

10/10/79

Stripping

Please forward the attached copy  
to Griffin Bell. If you have  
any questions, please call Patti  
in Rick Hutcheson's office. (7052)  
~~We don't have his address.~~

Many thanks.

Patti



THE SECRETARY OF THE TREASURY

WASHINGTON 20220

October 9, 1979

MEMORANDUM FOR THE PRESIDENT

Subject: Eliminating the \$100 Bill

You asked for our ideas on Griffin Bell's memorandum of September 18, 1979 concerning withdrawing and reissuing large denomination bills or simply eliminating the \$100 bill as part of an effort to reach the accumulated cash wealth of various criminal elements.

There are presently outstanding about \$35 billion in \$100 bills. We have no real information on where these bills are or what they are being used for. Since a \$100 bill stays outstanding about 15 years on the average, most of these bills have been in circulation for a good many years. There seems to be some general agreement that a significant amount is simply hoarded both here and abroad by people who distrust financial intermediaries; some may well be criminal elements. As you know, we recently completed a study of unusual increases in currency. That and other information demonstrate that there has been an increase in the number of \$100 bills in circulation, but it also appears that the \$20 bill may be more widely used by drug traffickers.

To withdraw these bills would be a very considerable undertaking involving extraordinary clerical and security problems. It also might well cause serious instability in the exchange markets as holders speculate on what is happening to the dollar and the integrity of the U. S. financial system. Those advocating a withdrawal assume we could make inquiry of some kind about where the presentor obtained his bills, but it is not clear that authority exists or could be constitutionally conferred which would enable us to do so. This is significant because we would be unable to prevent the use of an intermediary, such as a courier or a foreign bank, in any exchange.

We are in the process of following up on our recently completed currency study to get more information on what these increases in bills in circulation are really being used for. We should have that within a few months after our revised regulations go into effect. At that point I will review the matter and give you my recommendation on whether a potential law enforcement gain will outweigh the commotion, costs and instability in the markets that a withdrawal would cause.

**Electrostatic Copy Made  
for Preservation Purposes**

G. William Miller

cc Griffin Bell  
C

11:00 AM

THE WHITE HOUSE

WASHINGTON

October 9, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Patricia Barrio

SUBJECT: Meeting with non-Washington Editors and Broadcasters,  
11:00 a.m., Wednesday, October 10, 1979

There are 24 editors and broadcasters in the group today. They come from 16 states, including 3 each from Florida and New Jersey. Five are broadcasters, including television stations in Baltimore and Salt Lake City. Several large daily newspapers are represented, including the Christian Science Monitor, Fort Lauderdale News, Louisville Courier-Journal/Times, Asbury Park (New Jersey) Press, Buffalo Courier-Express, and Cincinnati Enquirer. An agenda and a list of the attendees is attached.

This is the 49th time you have met in Washington with this kind of group. More than 1,600 different editors and broadcasters have attended the sessions. The meeting today is on Wednesday because of your travel to New Mexico and California and other scheduling problems. There will be the usual photo session at the beginning for the White House press corps.

I will stop the questions after 25 minutes to allow for individual photographs.

Attachments

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for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

BRIEFING FOR NON-WASHINGTON EDITORS AND BROADCASTERS

October 10, 1979

AGENDA

|            |                                            |                                                                                                         |
|------------|--------------------------------------------|---------------------------------------------------------------------------------------------------------|
| 8:30 a.m.  | COFFEE                                     |                                                                                                         |
| 8:45 a.m.  | WELCOME                                    | PATRICIA Y. BARIO<br>Deputy Press Secretary<br>The White House                                          |
| 9:00 a.m.  | THE WHITE HOUSE NEWS SUMMARY               | JANET P. McMAHON<br>Editor of the News<br>Summary<br>The White House                                    |
| 9:15 a.m.  | FOREIGN POLICY                             | DAVID AARON<br>Deputy Assistant to the<br>President for National<br>Security Affairs<br>The White House |
| 9:45 a.m.  | NATIONAL ENERGY POLICY                     | KATHERINE P. SCHIRMER<br>Associate Director<br>Domestic Policy Staff<br>The White House                 |
| 10:30 a.m. | BREAK                                      |                                                                                                         |
| 10:40 a.m. | EN ROUTE THE CABINET ROOM                  |                                                                                                         |
| 11:00 a.m. | Q & A WITH PRESIDENT CARTER                |                                                                                                         |
| 11:30 a.m. | EN ROUTE 160 OLD EXECUTIVE OFFICE BUILDING |                                                                                                         |

|            |                              |                                                                                                                                                                                                                                                  |
|------------|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 11:45 a.m. | BUFFET LUNCH                 |                                                                                                                                                                                                                                                  |
| 12:30 p.m. | BLACK AFFAIRS                | LOUIS MARTIN<br>Special Assistant to the<br>President for Minority<br>Affairs<br>The White House                                                                                                                                                 |
| 1:00 p.m.  | BREAK                        |                                                                                                                                                                                                                                                  |
| 1:15 p.m.  | STATE AND LOCAL ENERGY PLANS | JACK WATSON<br>Assistant to the President<br>for Intergovernmental<br>Affairs and Secretary<br>to the Cabinet<br>The White House                                                                                                                 |
| 2:00 p.m.  | BREAK                        |                                                                                                                                                                                                                                                  |
| 2:15 p.m.  | THE DEPARTMENT OF EDUCATION  | MARY BERRY<br>Assistant Secretary for<br>Education<br>Department of Health,<br>Education and Welfare<br><br>W. HARRISON WELLFORD<br>Executive Associate<br>Director for Reorganiza-<br>tion and Management<br>Office of Management and<br>Budget |
| 3:00 p.m.  | BREAK                        |                                                                                                                                                                                                                                                  |
| 3:15 p.m.  | SALT II                      | ROGER MOLANDER<br>Staff Member<br>National Security Council<br>The White House                                                                                                                                                                   |
| 4:00 p.m.  | CONCLUDE                     |                                                                                                                                                                                                                                                  |

ARIZONA: JoAnne Young, news director, KSAA Radio, Casa Granda.

FLORIDA: Mayda Mangerian, editor, The Condo Informer, Fort Lauderdale. Weekly, this is Senator Stone's "home town" paper. Condominium reform in this retirement area is of major concern.

Gene Cryer, editor, Fort Lauderdale News. Republican and conservative. Issues of concern include Soviet troop presence in Cuba, Middle East peace, and inflation's impact on retirees.

Les Humphrey, editor and publisher, Pensacola Voice. Black weekly in area devastated by Hurricane Frederic.

ILLINOIS: Leroy Clemens, executive editor, Elgin Courier-News (Copley chain). Suburban Chicago community, concerns include rapid transit and AMTRAK route cutbacks, energy supplies.

INDIANA: Gabriel Cohen, editor, National Jewish Post & Opinion, Indianapolis.

IOWA: Dick Knowles, publisher, Denison Bulletin & Review. Two weeklies with a combined circulation of 11,000. Agricultural issues and gasohol of concern.

Doug Breisch, news director, KDTH-AM/KFMB-FM, Dubuque. You stopped in Dubuque during the Delta Queen trip.

KENTUCKY: Creed C. Black, publisher, Lexington Herald and Leader (Knight-Ridder chain). Conservative and Republican, opposed especially to government regulation. Black was an Assistant Secretary at HEW in the Nixon Administration (1969-70). Issues: coal mining, flood control, urban concerns.

John MacDonald, national editor, Louisville Courier-Journal/Times. Concerns: industrial waste clean-up, Marble Hill nuclear plant, future of Fort Knox. You held a Town Meeting in nearby Bardstown on July 31.

MARYLAND: Scott Goodfellow, news director, WJZ-TV, Baltimore (Westinghouse Broadcasting). ABC affiliate in 19th largest television market.

MASSACHUSETTS: Earl W. Foell, editor, Christian Science Monitor, Boston. Foell is new as editor of the paper, which has a national circulation. Godfrey Sperling, of course, is their Washington correspondent.

NEW HAMPSHIRE: Gene Fisk, news director, WBBX Radio, Portsmouth. Station owned by sportscaster Curt Gowdy who backed Meldrim Thomson in 1978.

NEW JERSEY: Don Lass, executive editor, Asbury Park Press. Traditionally Republican paper and area; endorsed Ford in 1976. Issues: future of Fort Monmouth, off-shore oil development, gasoline supplies.

Rose Heck, editor, The Observer, Hasbrouck Heights. Small weekly with local focus. Concerned about home heating oil supplies this winter.

Tom Connolly, executive editor, Morristown Daily Record. Small conservative daily in northern part of the state. Connolly attended one of these sessions in 1977.

NEW YORK: Doug Turner, executive editor, Buffalo Courier-Express. Endorsed Ford in 1976. Top concern is home heating oil supplies for this winter.

Simon Weber, editor, Jewish Daily Forward, New York. Yiddish publication with daily circulation of over 50,000. Concerned about Black - Jewish rift over Andy Young's resignation.

OHIO: Luke Feck, editor and vice president, Cincinnati Enquirer (Gannett group). Conservative, endorsed Ford in 1976. Feck is extremely interested in international affairs, and will likely ask about SALT and its relationship to Soviet troops in Cuba.

Joel Walker, editor and publisher, Troy Daily News. Small daily in agricultural western part of state.

PENNSYLVANIA: Jim McFadden, managing editor, The Daily Intelligencer, Doylestown. Small daily in suburb of Philadelphia. Concerned about home heating oil and gasoline supplies.

UTAH: Don Gale, director of public affairs, KSL-TV/Radio, Salt Lake City. CBS affiliate in 49th largest television market.

VIRGINIA: Ruth Shuey, editor, Hopewell News. Small daily in town near Richmond. Concerned about industrial wastes and nuclear power development (North Anna power plant).

WASHINGTON: Casey Corr, political editor, Bellevue Journal-American. Seattle suburb, concerns include trade (especially with PRC) and urban mass transit.

THE WHITE HOUSE

WASHINGTON

10 Oct 79

Al McDonald  
Rick Hertzberg  
*Phil Wise*

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

Rick Hutcheson

4479

THE WHITE HOUSE  
WASHINGTON

Phil has  
seen



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

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| ADMIN CONFID |
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ACTION  
FYI

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|   | VICE PRESIDENT |
|   | JORDAN         |
|   | CUTLER         |
|   | DONOVAN        |
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|   | MOORE          |
|   | POWELL         |
|   | WATSON         |
|   | WEDDINGTON     |
|   | WEXLER         |
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|   | MCINTYRE       |
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|   | ANDRUS         |
|   | ASKEW          |
|   | BERGLAND       |
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|   | SPETH      |
|   | STRAUSS    |
|   | TORRES     |
|   | VOORDE     |
|   | WISE       |

THE WHITE HOUSE  
WASHINGTON  
October 9, 1979

Phil - Get list  
of all visits within  
district that Rosalynn  
or I have made - just  
list different places - e.g.,  
fowl park - children's hospital,  
walk on many day, black  
churches, restaurants, walk  
around basin, etc -

MEMORANDUM FOR THE PRESIDENT

FROM: AL McDONALD *ALMcd*  
RICK HERTZBERG *RH*

SUBJECT: KENNEDY-KING DINNER OCT. 13

*J*  
Rick *J* basically etc -  
a) we need to include  
(see news article Phil has)  
b) Add humor  
c) Deice applause lines

Attached is an outline and communications strategy for your  
remarks at the Kennedy-King dinner.

If you approve, we will have a final version for you to take  
with you on your California trip.

**Electrostatic Copy Made  
for Preservation Purposes**

KENNEDY-KING DINNER OCT 13  
OUTLINE

I. INTRODUCTION

- A. Praise JFK, RFK, MLK, Andy Young, Ethel Kennedy and Coretta Scott King
- B. We've won many of the battles they fought, fight for full participation continues

II. THE DISTRICT AND THE PARTY

- A. Built strong, effective party in short time
- B. Most Democratic place in country
- C. Bettered own record in 1976
- D. Praise appointees from district - they are example of quality leadership hometown District produces
- E. Praise local elected officials they've made nation aware of local city separate from federal city

III. DISTRICT AND YOU

- A. Promise never treat District as extension of Federal Government
- B. Committed to Home Rule
- C. Mondale Commission

IV. Principles

- A. Reduce federal intrusion
- B. Establish sound financing
- C. End last vestige of colonialism and pass the Voting Rights Amendment -- its passage by Congress one of most satisfying joint accomplishments  
praise those who helped

## V. ISSUES

1. Federal and Local Cooperation
2. Metro money
3. Working on transfer of authority to prosecute local crimes
4. Support transfer of appointment of local judges

## VI. GRANTS

\$58 million & education

## VII. CONCLUSION

This is my city too.

- A. Family shares pleasure in it
- B. As parents share their concern about schools and the kind of community
- C. District unique - special problems of international center - as hometown shares problems of all our cities
- D. Must not be misery, hopelessness, amid affluence
- E. Local people are building community model for nation of what America -- land of brotherhood and opportunity really means

# # #

|                                                                                                                      |                                       |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------|------------------------|-----------------------------------------------------|
| <u>Kennedy/King Dinner</u><br>(Event)                                                                                | <u>Sat</u><br><u>Oct 13</u><br>(Date) | <u>D.C.</u><br>(Place) | <u>Starts 7:30</u><br><u>Presid. 9:20</u><br>(Time) |
| District Black Leaders, Washington establishment<br>Black Political Leaders,<br>Members of Kennedy and King Families |                                       |                        |                                                     |
| <u>approximately 1000</u><br>(Audience)                                                                              |                                       |                        |                                                     |

1. Aims: Solidify relations with Black community and improve relations with Washington residents generally.
  
2. Themes/Messages:
  - importance of continuity in Democratic leadership and support
  - select key areas of accomplishment/relating to DC and Black community in U
  
3. Illustrations, Examples:
  - Mondale Committee
  - Light reference to support for DC amendment
  - Support of local budget authority
  - Full federal payment with increased authorization
  - Local participation in selection of judges
  - Transfer of prosecution and appointment of local judges
  - Number of Washington appointees.
  
4. Tone:
  - rousing
  
5. Desired Audience Response:
  - sense of real confidence and pride in accomplishments important to DC
  - feeling that President Carter is a close partner and friend of this group
  
6. Desired Length:
  - 12 minutes

THE WHITE HOUSE  
WASHINGTON

10/10/79

Mr. President:

Attached is a Frank Moore memo discussing S. 233, and the revised signing statement prepared by DPS per your request.

Rick

Phil  
J

# Carter Dinner Too Late for Some

The President of the United States is coming to town.

Jimmy Carter, whose campaign supporters claimed he would make this city his adopted home, has finally gotten around to scheduling a major appearance before a hometown crowd.

On Oct. 13, Carter will speak at the Kennedy-King Day fundraiser sponsored by the D.C. Democratic State Committee. Admission is \$125 a plate.

His election brought great expectations of a new-style presidency as the born-again Baptist from the deep South took up residency in this city, where small-town traditions are strong, gospel music extravaganzas draw thousands and the overwhelmingly black city electorate gave Carter 82 percent of its votes.

A key presidential adviser on city affairs told a reporter shortly after Carter's inauguration that Carter would be at home in sections of black Washington where other chief executives would not. Among the ideas the aides were considering to boost the presi-

dent's local presence was a weekend trip to the Anacostia Neighborhood Museum or even a breakfast of grits at the Florida Avenue Grill. Neither has taken place.

And Carter appears to have passed up other opportunities to get involved in the city that surrounds the White House.

Last fall, for example, when he wanted to answer grassroots questions about his civil service reform plan, Carter chose a high school in Fairfax for the town hall meeting.

Earlier this year, the D.C. Federation of Civic Associations asked the president to have a town hall meeting with them. The White House declined.

The Advisory Neighborhood Commission for the area of the city that includes the White House, the Foggy Bottom-West End ANC, invited their new neighbor to some of their meetings. He did not come.

Carter's daughter Amy does attend a city public school, the Hardy Middle School, off

### NOTEBOOK, From Page 1

MacArthur Boulevard NW (she had previously attended Stevens Elementary downtown), and members of the first family have attended some school functions. And, in the only notable hometown appearance since being president, Carter took part in the 113th anniversary celebration of Zion Baptist Church in Northwest Washington two years ago.

Beyond that, Jimmy Carter's Washington has been the Washington of the Federal City — art exhibits at the Corcoran Gallery and concerts at the Kennedy Center. His church, First Baptist, at 16th and O streets NW, is right up the street from the White House.

First Lady Rosalynn Carter took a tour of riot-scarred H Street NE, did fix-up work at D.C. General Hospital and helped dedicate the Capitol Children's Museum. She also gave a White House luncheon for members of the Federal City Club. But that was months ago.

Nowadays, the best predictable view of the first family on the local scene is on 17th Street NW, not too far from Dupont Circle. Chip Carter, the president's son, is a lunchtime regular at the Fox & Hounds Lounge there.

Everett Scott, president of the Federation of Civic Associations, said recently, "As president, he has shown very little interest in affairs of the District. The city as a whole seems to have been put on a back burner since Carter came in."

Scott said, moreover, that he thinks the anti-Washington rhetoric that Carter takes with him around the country hurts the national image of the District of Columbia, which is already seen, Scott said, as simply a town where congressmen and top level bureaucrats live, with no genuinely local population of its own.

That attitude is one of the impediments that some supporters of the city's drive for full voting representation in Congress consider significant. "He has a bad attitude as it relates to Washington, D.C., period," Scott said. "What he's doing is kicking the people of the District of Columbia in the butt, to be very honest."

Such hostile feelings generated in part by presidential no-shows in hometown Washington may help to explain why nearly half the members of the D.C. Democratic State Committee, Jimmy Carter's official host for the Oct. 13 affair, are predisposed to dumping him next year.

Twenty-eight of the 64 members of the state committee also belong to the D.C. Committee for a Democratic Alternative, which is publicly an AB (Anybody-But-Carter) organization and actually a group favoring the undeclared candidacy of Sen. Edward M. Kennedy for the Democratic nomination in 1980.

"I remember when he said he intended to be a resident of Washington D.C.," recalled Barry Campbell, cochairman of the Alternative Committee. "Aside from the symbolic expression of enrolling his daughter in D.C. public schools, I really haven't seen that become a reality."

Sharon Pratt Dixon, the Democratic

National Committeewoman who says she is still neutral on the race, would not link Kennedy's assumed popularity with Carter's lack of presence here. But, she said, "I guess we suffer the brunt of being the federal city. The president is here so often. When he schedules time, he schedules time where his presence is less felt (on a day-to-day basis). The District of Columbia gets lost."

"His presence Oct. 13 will be a big help for him," Dixon said, "because obviously we don't want to be taken for granted."

In some respects, it's too bad for Jimmy Carter. He really has been good to the District when it comes to supporting increased budget autonomy, a higher federal payment, greater local authority to prosecute criminal offenses and choose local judges and, to some degree, full voting representation in Congress.

But there is still no real Jimmy Carter presence in this town, and any effort now risks being seen as merely a pre-election year attempt to recover his losses.

That could hurt Carter if Kennedy does enter the race and, as some observers speculate, uses the May 6 District of Columbia Democratic primary to show that he can beat Carter among blacks, who voted overwhelmingly for Carter in 1976.

Kennedy will not be at the dinner Oct. 13. His sister-in-law, Ethel, may come as a stand-in, dinner planners say. Former United Nations Ambassador Andrew Young will be there, and that should help Carter, since Young is strongly supporting the man whose administration he recently left.

But even with Young, says "Dump Carter" leader Barry Campbell, the president's appearance may simply be too little too late.

"At this point, we've had three years to review his record," Campbell said. "I doubt that in one speech he'll be able to change many minds."

10/10/79

Called -  
detached retina

J

Don Carter

Room 501

Metropolitan Eye and Ear Hospital

3223 Howell Mill Road, N.W.

Atlanta, GA

(404) 351-0500

**Electrostatic Copy Made  
for Preservation Purposes**

From

CREED BLACK

LEXINGTON HERALD-LEADER

THE WHITE HOUSE

WASHINGTON

10 Oct 79

The First Lady

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

Rick Hutcheson

4428

THE WHITE HOUSE

WASHINGTON

October 5, 1979

To Ros  
J

MEMORANDUM TO THE PRESIDENT AND MRS. CARTER

From: Bob Maddox *BM*  
Subject: Religious Liaison

Over the last thirty days I have had rather extensive contact with various religious groups and individuals as well as some encounters with interesting secular groups. This memo is a summary of the past thirty days.

GROUPS

1. Laymen. Across the nation, especially among a charismatic laymen's group called the Full Gospel Businessmen's Fellowship, there is a deep feeling akin to a vision that (1) God placed President Carter on the scene for such a time as this, (2) the country needs a second term by him, (3) he deserves our prayers and that as the leader of the nation we are bound by the Bible to pray for him, (4) this group, Republicans and Democrats alike, will support the President's reelection.

This group has joined forces with other charismatic and non-charismatic groups to project a massive "Washington for Jesus" Rally on the Mall in April of 1980. The rally will be a worship celebration as well as an "Up with America" event. Their word to me is that they want the President, not as a candidate, but as God's leader to the nation to address that rally. They are prepared to take some criticism for not inviting other candidates to address the gathering. If the Rally develops along the proposed lines I would urge the President to address the Rally.

The Full Gospel Businessmen's Fellowship, led by Demos Shakarian of California, has 1700 chapters across the nation and around the world. They touch millions of people each year.

2. Conservative, Independent Ministers and TV Preachers. Recent national news magazines have spotlighted some of these individuals such as Jerry Falwell, Pat Robertson and Jim Baker. These men are moving into the political arena. They appreciate the President's religious convictions but have "grave

misgivings" about his stand on SALT II, Abortion, ERA, Prayer in School, etc. They are meeting with leading Presidential candidates. I have requested that the President meet with them soon. Most of them want to support the President. They seek assurance of his sincerity, leadership and sense of moral direction for the country. Most of them will eventually endorse a candidate using their television programs as a forum.

I am working with these men along the following lines:  
(1) getting to know them, (2) keeping them informed on key Administration issues, (3) inviting them to various White House functions, (4) working with Presidential Scheduling to effect a meeting with the President.

If they sufficiently mobilize their forces along their stated lines, they will be a significant factor in the 1980 election.

I am anxious that they not set up a "Christian Party Line" insisting that all born-again Christians have to buy into a set of political stands.

3. Black Ministers. National Black leadership notwithstanding, a major key to securing the Black support and vote is the Black pastor of local churches. These men exercise great influence over their congregations. Many of these ministers are "Pastors for Life" of their congregations. Careful attention should be paid to these local pastors. They too want to support the President. They are quick to interpret to their congregations the "good and bad" things Jimmy Carter does for Blacks.

Dr. William Holmes Borders of Atlanta has offered his services. I have talked with Louis Martin about Dr. Borders offer.

4. SALT Meetings in Tennessee and Alabama. There is considerable ignorance about the SALT Treaty which breeds uneasiness and opposition to it. Bill Dyess of the State Department does yeoman service with groups on the Treaty.

In all of these meetings there is much talk about the President's future. Many say they are worried about the President's reelection, but at the same time, almost all say they will vote for him again.

Religious groups, regardless of denomination, tell me to assure the President of their prayers and support.

5. Southeastern Conference of Mormons. This very large gathering of Latter Day Saints in the Atlanta Civic Center was delighted to have a Presidential representative present. Pictures were made with leaders and me and their press people informally interviewed me. Leaders and congregants alike told me to assure the President of their prayers and support. The speech he made in Salt Lake City last November remains a high water mark for the church.

When opposition to SALT emerged it was soft. All are generally agreed that Utah Senators will not vote for the treaty.

6. Bicentennial Conference in Albany/Saratoga Springs, NY.  
Linda and I were guests at this conference. The participants were from the Thirteen Original Colonies. Speakers were from across the nation.

After a ribbing session led by Art Buchwald, a poll was taken. When asked "How many think Kennedy can beat Carter: nearly all raised their hands in the affirmative.

When asked how many would vote for Carter over Kennedy, the overwhelming majority for Carter raised their hands.

In the same poll Carter won over all Republican candidates.

#### GENERAL COMMENTS (In order of occurrence)

##### For the President

How is the President feeling?

Tell him and Mrs. Carter Mrs. Carter is the greatest First Lady ever we will pray daily for them.

WE can take Kennedy.

The President will be elected if he gets the nomination.

The President is getting a bad press.

Is Hamilton Jordan hurting the President?

##### Middle of the Road

Inflation is killing us.

The President needs to sound stern, even mean.

Kennedy will be tough to beat. President can win the election if he gets the nomination. Kennedy cannot win the election should he get the nomination.

Why doesn't the PRESIDENT DO SOMETHING ABOUT Hamilton Jordan!

##### Against the President

Everything is Doomsday.

#### SUGGESTIONS

1. SALT II. Do a Presidential briefing on national TV. Question and answer. Not set up. Not canned. I believe many will listen and believe the President in such a setting. They will not listen to a Presidential Oval Office address on SALT.

3. Presidential Coolness Under Fire. The People are impressed by coolness but also respond to "Presidential" animation and terse, pointed irritation.

4. Contacts with Black and Conservative Evangelicals. Careful but sustained contact with Black ministers and independent, conservative leaders needs to be maintained. Many of these folk will support the President given half a chance.

THE WHITE HOUSE  
WASHINGTON

October 10, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *SE*  
SUBJECT: Energy Inflation

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for Preservation Purposes**

In preparing the materials that Senator Byrd requested this morning on energy inflation, I asked Charlie's staff -- he is out of town -- to update the memo Charlie gave you several weeks ago.

Attached is the updated information, which I am sending to Senator Byrd. There is one important change you should note.

Previously, the CPI excluding energy for the 1976-78 period was 8%; for the last three months (then, June-August) the CPI was 8.3%. As a result, you were able to say that, excluding energy, the CPI for the last three months was about the same as your first two years in office, or alternatively that there has been only a quarter percent rise in non-energy inflation.

The latest three month CPI figures (excluding energy) show an increase of 8.8% (rather than 8.3%). Thus, in order to make the same comparison, you should probably indicate that the difference between 1976-78 and the last three months is only three quarters of a percentage point, or alternatively less than one percentage point. I think the point being made by the comparison is still valid even with the suggested change.

Percentage Increase

|                                                  | <u>December 1976</u><br><u>December 1978</u> | <u>Year</u><br><u>to</u><br><u>date</u> | <u>Last</u><br><u>three</u><br><u>months</u> | <u>Last</u><br><u>month</u> |
|--------------------------------------------------|----------------------------------------------|-----------------------------------------|----------------------------------------------|-----------------------------|
| 1. Producer Price Index<br>(seasonally adjusted) | 7.8                                          | 12.2                                    | 15.7                                         | 18.5                        |
| . energy                                         | 7.6                                          | 68.9                                    | 107.5                                        | 119.3                       |
| . excluding energy                               | 7.8                                          | 8.1                                     | 9.1                                          | 11.1                        |
| 2. Consumer Price Index<br>(seasonally adjusted) | 7.9                                          | 13.1                                    | 12.7                                         | 13.4                        |
| . energy                                         | 7.6                                          | 46.2                                    | 62.0                                         | 47.5                        |
| . excluding energy                               | 8.0                                          | 9.9                                     | 8.8                                          | 10.6                        |

THE WHITE HOUSE  
WASHINGTON

10 Oct 79

Frank Moore

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

Rick Hutcheson

THE WHITE HOUSE  
WASHINGTON

October 10, 1979

Good  
C  
/

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore *F. m/pd*

FYI NO ACTION NECESSARY

We were successful in reversing the Senate Appropriations Committee action of yesterday. The Committee voted 15-8 in support of a compromise proposal we worked out with Senator Byrd, the Energy Committee, and Senator Magnuson. The compromise appropriates \$1.5 billion for immediate use on synfuels, appropriates \$20 billion to be held in an energy security trust fund in states that the \$20 billion will be available for use by the Energy Security Corporation after "further Appropriations Committee action". It is our understanding that a simple resolution by both Appropriations Committees will be sufficient to free up the \$20 billion after the authorizing legislation passes.

All references to the Defense Production Act were deleted from the Committee bill. This is an extremely important signal, since the Banking Committee bill which we oppose relies solely on Defense Production Act spending authority.

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8:00 AM

THE WHITE HOUSE

WASHINGTON

ADMINISTRATIVELY CONFIDENTIAL

CONGRESSIONAL LEADERSHIP BREAKFAST

Wednesday, October 10, 1979

8:00 a.m.

Family Dining Room

From: Frank Moore *AK*

I. PRESS PLAN

White House Photographer.

II. PARTICIPANTS

See attached list.

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III. INTRODUCTION

You should begin the breakfast by setting the scene for a discussion of the Administration's remaining priorities. We have entered the last phase of the legislative session; and it will be the accomplishments of this session upon which both the Administration and Congress will be judged.

The items listed below are the top priorities of the Administration for the remainder of this session. You should speak briefly on each one and then ask the Leadership for their counsel on the timing of each item.

We are particularly interested in Leadership perceptions of the timing of the components of your energy program. Please keep two items in mind:

1. Your staff is generally of the opinion that it would be better for the ESC/Synfuels legislation to reach the Senate floor before the Windfall Profits Tax. Senators are anxious to spend money on energy. We would prefer they satisfy their appetites first by spending on synfuels rather than through the device of tax credits on the WPT.
2. It would be better for the House to get the rationing conference report approved in floor action before it considers the EMB on the floor. With this vote out of the way, Dingell will not be able to hold rationing hostage to his version of the EMB.

#### IV. AGENDA

Following are the issues you should mention as our remaining priorities:

1. SALT
2. ENERGY - the four main components are:
  - a. W.P.T.
  - b. ESC
  - c. EMB - In discussing the EMB, you should maintain as flexible a position as possible regarding the Udall/Dingell EMB compromise. We are working with the Leadership staff to determine an accommodating position. We should have more insight into this problem later this week.
  - d. Rationing

#### 3. HOSPITAL COST CONTAINMENT

The appropriate Members and staff of the House Commerce and Ways and Means Committees are meeting to determine what sort of rule will be requested from the Rules Committee. We do not want an open rule, as this would allow a series of weakening amendments, some of which would probably pass.

We will work to compose the question the Whip will use for the head count. You should request a count from the Speaker.

You should ask the Leadership to personally start asking other Members for support. The single most worrisome problem will be the Broyhill/Gradison substitute which calls for a voluntary program. Any talk of support should be linked to a vote against such an amendment.

It should be stressed that this is a good vote back home despite the pressures from hospital boards. The legislation has the support of labor, senior citizens, insurance companies and consumers in general.

#### 4. CONTINUING RESOLUTION PROBLEM

In addition to discussing your remaining priorities, you should mention the continuing resolution problem. It should be approached as follows:

- a. Express confidence that the House and Senate will resolve their differences soon.
- b. State that you have refrained from saying anything publicly that would make their job more difficult.
- c. Ask Jim McIntyre to review the schedule of disbursements that will be missed over the next two weeks.

If time permits you should touch on the following:

1. EDA REAUTHORIZATION

You should remind the Leadership that this bill encompasses all of your major economic development reorganization decisions from earlier this year, and that in fact these were based on extensive consultations with Congress. The bill is currently caught up in a jurisdictional squabble between Bob Roe (Public Works Committee) and Bill Moorhead (Banking Committee). The obvious political message is that if we want this bill and the benefits of it in the field by 1980, the legislation must pass this year and not be delayed any longer.

2. ENDANGERED SPECIES ACT REAUTHORIZATION

Ask the Leadership to support it - oppose all weakening amendments.

3. FTC AUTHORIZATION BILL

The bills are stalled in Congress over the issue of the Congressional veto of FTC actions. The House Commerce Committee reported an authorization bill with such a provision; the Senate bill was reported by the Senate Commerce Committee without one. It appears that the Congress is determined to resolve this issue before it passes an appropriations bill for the FTC.

The Senate has traditionally been unsympathetic toward Congressional veto provisions. Recent developments indicate that this attitude - at least as it pertains to the FTC - may be changing. We are now concerned that if the FTC bill passes with a Legislative Veto provision, it may open the floodgates for other bills with similar provisions.

Jim McIntyre suggests that you make the following points to the Leadership:

- You still find Congressional veto provisions in legislation, and especially in the FTC bills, as seriously objectionable.
- You believe that the best way for Congress to strike a blow at unnecessary Government regulation is to enact the Administration's Regulatory Reform proposals.

4. COUNTER-CYCLICAL AID

During the breakfast you should speak privately with the Speaker about Counter-cyclical Aid. Following are relevant talking points:

- This legislation is critically important to the cities and the Democratic Party. It will provide thousands of jobs, helping to offset the economic downturn that we currently are experiencing.
- The legislation already has passed the Senate by a 69-23 vote. It was supported by a broad bipartisan coalition of Senators.
- The legislation also has strong support on the House floor. The House twice has defeated efforts to eliminate funding for this program from the Budget Resolution, most recently by a 40 vote margin. In that vote, the majority of the authorizing Subcommittee and full Committee supported the legislation.
- The legislation currently is stalled in the House Subcommittee which seems unwilling to take any action.
- I need your help in devising a strategy that will get this bill passed and funded before Congress recesses this fall.

Yesterday's Post reported that Federal Reserve Board actions to tighten monetary policy may deepen the recession. The Speaker could well bring this up and plea for a strong jobs program. If he does, you should respond as follows:

1. Controlling inflation remains our number one economic priority. The two economic reports that were released at the end of last week underscore that point.
2. Producer Prices (wholesale prices) in September went up 1.4 percent -- or 18.5 percent on an annual basis.

3. At the same time, unemployment in September fell to 5.8 percent from 6.0 percent in August. The strength of business demand for labor is surprisingly good.
4. My desire to avoid a deep recession that causes undue suffering is undiminished. That commitment was underscored less than two weeks ago in the national accord reached between my Administration and the leaders of organized labor. That accord calls for well balanced responses that have anti-unemployment characteristics to be considered if the recession deepens.

CONGRESSIONAL LEADERSHIP BREAKFAST

Wednesday, October 10, 1979

PARTICIPANTS

The President  
The Vice President

Senator Robert C. Byrd  
Senator Alan Cranston  
Senator Warren G. Magnuson

Speaker Thomas P. O'Neill, Jr.  
Congressman James Wright  
Congressman Thomas S. Foley  
Congressman John Brademas  
Congressman Dan Rostenkowski  
Congresswoman Shirley Chisholm

Stu Eizenstat  
Jody Powell  
Zbig Brezinski  
Hamilton Jordan  
Alonzo McDonald  
Bill Smith  
Jim McIntyre  
Frank Moore  
Bill Cable  
Dan Tate

THE WHITE HOUSE

WASHINGTON

October 9, 1979

MEMORANDUM TO THE PRESIDENT

FROM:

FRANK MOORE



SUBJECT:

ESC ACTION IN APPROPRIATIONS' COMMITTEE - SENATOR BYRD

Today, we suffered a temporary setback in the Appropriations Committee on synfuels. Since it involved Senator Byrd, you should be aware of it prior to the leadership breakfast.

The full Committee has voted only \$2.2 billion for the synfuels program instead of the \$20 billion we recommended. Byrd has vowed to repair the damage in tomorrow's markup or on the floor. The following events led to the unfavorable vote.

We have been working with Byrd's Interior Appropriations Subcommittee staff for a week to get the \$20 billion. Last Friday, we thought we had their agreement that \$20 billion would be appropriated upon receipt of a \$20 billion budget amendment. Jim McIntyre sent up the budget amendment on Friday afternoon.

Today, only two hours before the markup, we received the subcommittee's language. It appropriated \$1.5 billion, but delayed action on the balance of \$18.5 billion until the ESC authorization passed the Senate. The language did predict that the Appropriations Committee would appropriate the full \$20 billion eventually.

Senator Johnston then offered our \$20 billion figure in open committee session as an amendment. Byrd's staff thought initially we had motivated Johnston's amendment which is partially true. At this point, we had been unable to talk with Byrd directly and we were in grave danger of angering the Majority Leader.

Consequently, we withdrew from the markup until we had a chance to talk directly to Byrd. The Committee eventually struck all reference to the \$20 billion and appropriated \$2.2 billion for synfuels--a clear defeat for us and for Byrd.

Thanks to some fancy footwork by Dan Tate, Byrd does not hold us responsible for the defeat. At 10:00 a.m. Wednesday morning, DOE staff, WH staff and OMB staff will meet to work out mutually acceptable language. Then, we will attempt to reverse the vote in the afternoon markup. I predict success.

Stu's memorandum (attached) suggests a way you should approach Byrd on the problem.

THE WHITE HOUSE

WASHINGTON

October 9, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

SUBJECT: Conversation with Senator Byrd on the Energy Security Corporation

Secretary Duncan has said that you wanted a brief note reflecting his conversation with you today on the action by the Senate Appropriations Committee. That action is damaging in two respects to our synthetics program. First, because it cuts to \$2.2 billion the amount appropriated now for that program; and second because the \$2.2 billion is appropriated under the Defense Production Act and not under the Energy Security Corporation.

You should make two points to Senator Byrd in asking his help in restoring the \$20 billion we had agreed upon as a first phase with the Senate Energy Committee:

1. As Senator Byrd is aware, an Energy Security Corporation is absolutely essential to free the synthetics program from the multitude of restrictions that would otherwise slow down the program (i.e., the Ethics Law and the Civil Service rules), and because of the necessity to avoid plant by plant appropriations which would paralyze a program largely based on coal. It is therefore important that the appropriation be taken out of the Defense Production Act and put within an Energy Security Corporation.
2. We need the full \$20 billion which the Senate Energy Committee will be authorizing to ensure a significant first phase to this program. To appropriate only \$2.2 billion sends a signal that we are not serious about alternate energy development and would be a substantial defeat for the Administration and for the country. You should urge him to correct these two problems either on the floor or, if possible, within the Appropriations Committee.

Secretary Duncan has talked to Senator Byrd about these two points and he was somewhat noncommittal. He obviously wants to keep as much control over the appropriations process as possible.

THE WHITE HOUSE

WASHINGTON

10 Oct 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  
Lloyd Cutler  
Stu Eizenstat

4423

THE WHITE HOUSE  
WASHINGTON

October 9, 1979

~~Susan~~

reply-  
Per the President's request, I  
have attached the letter from  
Senator Bentsen on S. 191. I  
have also attached the Frank Moore  
interim for his approval.

Please let me know if the President  
gives the go-ahead for the Frank  
Moore acknowledgment, and I will  
send it out. Thanks,

Frank Riley  
Congressional Liaison

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Frank

Go ahead

I like  
check (5191)  
Lloyd  
& V.P.

JC

THE WHITE HOUSE

WASHINGTON

October 9, 1979

Dear Lloyd:

The President asked me to acknowledge his receipt of your letter of October 3 urging him to support S.191. The President has taken careful note of your suggestion that, within the context of guaranteed civil liberties, there should be criminal sanctions against former government employees who reveal the identities of acting intelligence officers.

The President appreciates your comments and concern. Please be assured that he has the matter under consideration. He has asked me to share your letter with several of his advisers for review. You should expect a further response shortly.

With best wishes,

Sincerely,

Frank Moore  
Assistant to the President  
for Congressional Liaison

The Honorable Lloyd Bentsen  
United States Senate  
Washington, D.C. 20510

# United States Senate

WASHINGTON, D.C. 20510

October 3, 1979

Ack FM/OMB  
CONGRESSIONAL  
LIAISON

OCT 5 1979

«: NSC, Tak, Beckel

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

Dear Mr. President:

I am writing to urge your support for S. 191, a bill I have introduced to provide criminal penalties for former government employees who reveal the identities of acting intelligence officers.

I fully agree with your pledge to the nation to "...increase our efforts to guard against damage to our crucial intelligence sources and methods of collection, without impairing civil and constitutional rights."

I believe that grave damage is done to intelligence sources when former employees identify acting intelligence officers in an ill-conceived effort to destroy America's intelligence capability. These reckless acts of renegade former employees are an attempt to prevent the United States from discovering the very kind of information that, as the recent revelation of Soviet combat troops in Cuba demonstrates, is so vital to our national security. Yet the law, at present, does not clearly prohibit them from acting with impunity.

I agree very strongly that we must protect our intelligence sources and methods. Beyond this, we must also reassure our allies as to the sanctity of confidential information they provide us. We must receive complete and accurate information and to do so we must have strong ground intelligence to supplement our satellites and other means of electronic information gathering. Finally, we must protect our intelligence capability in a manner consistent with the legal safeguards that are so important to our system of government.

I believe that my legislation would be a strong step in the right direction. I applaud your interest and urge your support.

Sincerely,

  
Lloyd Bentsen

5404  
NA04

SUMMARY OF CONGRESSIONAL MAIL TO THE PRESIDENT

DATE: OCTOBER 5, 1979

PAGE: - 3-

| FROM                                   | SUBJECT                                                                                                                                                                                                                                                                                                                                                                    | DISPOSITION                                                   | COMMENTS     |
|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------|
| -----                                  | -----                                                                                                                                                                                                                                                                                                                                                                      | -----                                                         | -----        |
| REP. JIM SCHEUER<br>(D) - NEW YORK     | URGES YOU TO SUPPORT S. 191, A BILL HE HAS INTRODUCED TO PROVIDE CRIMINAL PENALTIES FOR FORMER GOVERNMENT EMPLOYEES WHO REVEAL THE IDENTITIES OF ACTING INTELLIGENCE OFFICERS; BELIEVES THAT THE U.S. MUST HAVE "STRONG GROUND INTELLIGENCE"; ALSO ARGUES THAT OUR INTELLIGENCE CAPABILITY MUST BE PROTECTED IN A MANNER CONSISTENT WITH LEGAL SAFEGUARDS OF CIVIL RIGHTS. | ACKNOWLEDGED BY FM<br>REFERRED TO OMB<br>CC:NSC, TATE, BECKEL | <i>to me</i> |
| SEN. LLOYD BENTSEN<br>(D) - TEXAS      | COMMENDS YOU FOR YOUR SPEECH ON THE PRESENCE OF SOVIET TROOPS IN CUBA; FORWARDS A COPY OF HIS STATEMENT SUPPORTING YOUR ANALYSIS OF THE SITUATION AND THE ACTIONS YOU ANNOUNCED.                                                                                                                                                                                           | ACKNOWLEDGED BY YOU<br>CC:NSC, BECKEL                         |              |
| SEN. DAVID PRYOR<br>(D) - ARKANSAS     | CONCERNED AND "SADDENED" THAT FORMER SENATOR J.W. FULBRIGHT WAS NOT INCLUDED IN THE GROUP OF "WISE MEN" ORGANIZED TO ADVISE YOU ON THE CUBAN CRISIS.                                                                                                                                                                                                                       | ACKNOWLEDGED BY FM                                            |              |
| SEN. PETE WILLIAMS<br>(D) - NEW JERSEY | JOINS HIS FAMILY IN THANKING YOU FOR THE BROADWAY REVUE.                                                                                                                                                                                                                                                                                                                   | REFERRED TO<br>CENTRAL FILES                                  |              |

THE WHITE HOUSE

WASHINGTON

10 Oct 79

David Rubenstein

The attached was returned in  
the President's outbox today  
and is forwarded to you for  
~~appropriate handling~~ *your information*

Rick Hutcheson

THE WHITE HOUSE  
WASHINGTON

*Correct  
Transcript  
JQ*

October 10, 1979

MEMORANDUM FOR: PHIL WISE  
FROM: DAVID RUBENSTEIN *D.R.*

After the out-of-town editors session, I checked on certain figures the President wanted. I would appreciate your letting him know that he has held 52 press conferences (including regional ones in Plains, Warsaw, Providence, Brasilia, Portland, Chicago, Kansas City and Des Moines). He has held 49 sessions with out-of-town editors. Overall, thus, he has had more than a hundred press sessions, though only half were technically "press conferences".

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3:00 PM

THE WHITE HOUSE

WASHINGTON

October 9, 1979

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BRIEFING ON THE WINDFALL PROFITS TAX FOR COMMUNITY LEADERS  
FROM KENTUCKY, MAINE, PENNSYLVANIA, SOUTH CAROLINA, WASHINGTON, WEST VIRGINIA  
AND NEW HAMPSHIRE

Wednesday, October 10, 1979

2:00 PM - 3:30 PM

The East Room

FROM: Anne Wexler 

I. PURPOSE

To educate a group of prominent community leaders from Kentucky, Maine, Pennsylvania, South Carolina, Washington, West Virginia, and New Hampshire, on the Windfall Profits tax, with the expectation that these leaders will carry our message back to their home states.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background

This is the first in a series of Windfall Profits tax briefings for community leaders from key states. The persons in attendance were generally selected because of their ability to influence public opinion in the states of Kentucky, Maine, Pennsylvania, South Carolina, Washington, West Virginia, and New Hampshire.

B. Participants

Approximately 375 people have been invited. In general the audience will consist of political leaders, trade union leaders, state and local elected officials, and representatives of the elderly, low income, public transit constituencies. Many of the participants are especially interested in the utilization of the money for transit and low income assistance.

C. Press Plan

White House Photo and Press Pool for the first five minutes of your remarks. In addition, several members of the press will be in the audience for the entire briefing, including all of your remarks. They represent media outlets in Kentucky, Maine, Pennsylvania, South Carolina, Washington, West Virginia, and New Hampshire.

III. AGENDA

When you arrive, Stu Eizenstat will be answering questions from the audience at the completion of a one-hour briefing.

After you make your remarks and (if you choose) take questions, there will be a reception in the State Dining Room. (See attached agenda).

IV. TALKING POINTS

New talking points are attached.

ENERGY AND THE WINDFALL PROFITS TAX  
BRIEFING FOR COMMUNITY LEADERS

October 10, 1979

The East Room

|           |                                        |                                                   |
|-----------|----------------------------------------|---------------------------------------------------|
| 2:00 p.m. | Opening Remarks                        | Anne Wexler<br>Assistant to the<br>President      |
| 2:05 p.m. | Energy and the Windfall<br>Profits Tax | Stuart Eizenstat<br>Assistant to the<br>President |
| 2:30 p.m. | Questions and Answers                  | Stuart Eizenstat                                  |
| 3:00 p.m. | Remarks                                | The President                                     |

Reception -- The State Dining Room

THE WHITE HOUSE

WASHINGTON

October 9, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

STU EIZENSTAT *SE*  
KITTY SCHIRMER

SUBJECT:

TALKING POINTS FOR CITIZENS ENERGY BRIEFING

Attached are suggested talking points for the citizens briefing on the windfall profits tax and the Administration's energy program for your use Wednesday afternoon. The talking points are deliberately restrained in their characterization of the Senate Finance Committee's action on exemptions from the tax. We strongly recommend that you avoid an attack on or strong criticism of the Committee's actions since we are at a fairly delicate stage in our negotiations.

At this juncture the oil industry is not united on which of the remaining exemptions are most important and this lack of unanimity has worked to our advantage in defeating exemptions such as those for independent producers or stripper well owners. We hope to maintain this advantage throughout the remainder of the Finance Committee's deliberations and can do so provided that we in the Administration do not give the industry something around which to unite. Any characterization of the committee as pawns of the special interests -- or any strong statement against the industry -- would surely have that effect.

We strongly recommend that you go no further than the basic statement outlined below -- which expresses your hope for improvement in the tax, but does not criticize the committee's action directly -- in this briefing and in other public statements you will be making while the tax is still in Committee.

1. Since the day I took office, development of an energy program to see our nation through a transitional period of tight and even scarce oil supplies has been a top priority of my Administration. The reason that I have attached such importance to the energy issue is straightforward: adequate and reliable supplies of energy, especially from our own domestic resources are essential if this country is to remain both free and prosperous. The strength of America's voice around the world, the strength of our currency, the health of our economy and our ability to lick inflation depend in large part on whether we are able to overcome our dangerous dependence on imported foreign oil.

2. The gasoline lines and diesel fuel shortages we saw last spring and early summer have abated. Our heating oil supplies, seriously depleted earlier this year, have been rebuilt to levels adequate to meet this winter's needs. We have made some progress toward the resolution of very difficult issues such as natural gas pricing and reform of utility rate structures. We have put in place tax credits for installation of solar and energy saving devices in our homes and businesses, and we have revamped our ability to convert utility and major industry oil and gas consuming facilities to coal. I have begun the process of gradual decontrol of crude oil prices to put an end to a system which encouraged rather than discouraged additional crude oil imports, and which dampened rather than accelerated domestic production. These are all important steps toward returning the future direction of American energy policy to American control. But we have not yet completed Congressional action on a program which will permit us to make urgently needed investments in America's energy future. It is this remaining agenda which I want to talk to you about today.
3. First, it is important to understand the nature of the problem which we face. Almost half of the crude oil we need to make heating oil, gasoline, and other petroleum products comes from overseas. More than two-thirds of those imports come from the OPEC countries -- countries whose pricing and production policies we do not control. If one or another of those countries decides to cut back production, or, as occurred last winter in Iran, is torn by internal turmoil which stops production of crude oil, we and the other oil consuming nations of the world feel that impact in supply shortages. When the OPEC nations decide, as they did last June, to raise dramatically their crude oil prices, our economy feels that shock, and each one of us feels it at the gas pump or in heating oil bills.
4. The program which I outlined last July 16 in Kansas City is a program designed to cut that cord of dependence on foreign supplies of oil. It is designed to ensure that we never again import as much oil as we did in 1977 and that all new demands for energy in the U.S. is met from American conservation or American sources. We have enormous natural and human resources. The United States has the largest coal reserves in the free world. We have the equivalent of another Alaskan north slope if we act to retrofit our homes and buildings. We have a workforce whose skill and dedication is unmatched anywhere else in the world. And we have that enormous technical genius and inventive capacity which has led all other nations in the modern era. Harnessing these forces, and pulling together to cut our foreign oil dependence will require major new investments in America's energy future -- investments which are unparalleled in peacetime.

5. At the heart of this program is the windfall profits tax to recapture for all Americans some of the profits which would otherwise accrue to the oil industry as a result of phased decontrol and the rapid increases in world oil prices dictated by the OPEC cartel. The decontrol program I have proposed will provide important new incentives to find new oil supplies and to better and more fully develop known reserves. The windfall profits tax I have proposed is carefully tailored to make sure that incentives are provided where they are truly needed to increase domestic production. But where a windfall would occur -- for example in an existing well which does not require substantial new investment to maintain current levels of production -- a portion of the price increase that decontrol will bring can and should be captured for investment on behalf of our entire nation.
  
6. I'd like to talk to you specifically about some of those needs. First is how we assist the least fortunate in our society in coping with the rising costs of energy. I have recommended to the Congress a program which, when fully effective, will provide \$2.4 billion per year to assist low income families and those living on fixed incomes such as many of the elderly, meet their energy bills. This assistance will reach over 7 million needy households in this country who otherwise may have been forced to choose between food and fuel. The need for assistance will begin this winter, and I have already asked the Congress for \$400 million out of general revenues for the crisis assistance program to help pay heating bills when otherwise services would be shut off. I have also sent a request to Congress for an additional \$1.2 billion to help low income households meet their heating needs this winter. It is now up to the Congress to act on these supplemental requests and on the windfall profits tax which will provide us with the revenues to pay for the grant program.
  
7. The second need is additional incentives for conservation. While tax credits are now available to help homeowners and businesses make conservation investments, additional assistance is needed to help those homeowners who cannot take full advantage of tax credits. The Department of Energy and my own staff are now working with Congressional leaders to put in place a program which will provide \$6 billion in assistance in the form of loan subsidies to moderate and low income families across the nation. It is still cheaper to save a barrel of oil than to

produce one, and investments in conservation will continue to pay dividends year after year in keeping basic energy requirements to a minimum.

8. Over half of the oil used in the U.S. goes for transportation. Nowhere is the need for new investments clearer than in America's public transit facilities. We need new busses to expand or upgrade the services which our cities and communities provide. Where rail systems are under construction, those need to be accelerated. In the case of some of our older cities, rail transit need to be refurbished or expanded. I have proposed that we invest some \$13 billion over the decade of the 1980's in new transit facilities which will help us save more than 250,000 barrels of oil per day by 1990. We will also spend an additional \$3.5 billion to improve the efficiency of our automobiles and the way we use them.
9. We must also accelerate our efforts to find alternatives to the oil we must now import. I have proposed the establishment of a National Solar Energy Bank to be funded at \$200 million each year for the next ten years. This will let homeowners and commercial building owners make use of solar technologies which are available now to help cut use of oil, natural gas and electricity. In addition, we have proposed tax credits to stimulate investments in renewable resources such as the sun, wind energy, wood stoves, and gasahol.
10. Coal too has a critical role to play in reducing our national dependence on oil. We have proposed to accelerate utility use of coal as a substitute for the oil they now burn and will provide assistance to utilities in meeting those costs in order to mitigate the electric rate increases which would otherwise occur. And I have proposed the creation of an Energy Security Corporation to help the private sector invest in new technologies for making more useable liquids and gasses from coal and other organic matter and to develop our heretofore untapped supplies of unconventional natural gas.
11. I have confidence in America and our ability to make the right choices now for our future. But it will take courage to make those decisions, and the windfall profits tax to pay for them. We need a windfall tax that is balanced between legitimate production needs and the need to develop all the other sources of new supplies I have just mentioned. When we consider

exemptions from the windfall tax or new tax credits, we must look at whether those exemptions can meet our goals for reducing oil imports. I believe that the tax which I sent to the Congress last April meets the basic test of equity and fairness and we must all work through the legislative process to ensure that the final product of Congressional action also meets those criteria.

12. I see that Governor Byrne of New Jersey is with us today. He has taken the lead in organizing the National Citizens' Coalition for the Windfall Profits Tax. Gov. Byrne, we are really pleased to have you join us.

THE WHITE HOUSE  
WASHINGTON

Cong Demo Ldrs 10-10-79

ESC/Synfuels, not tax credits <sup>\$ 20<sup>00</sup> us</sup>  
Rationing, then EMB in House  
WPT

SALT = need labor/minorities

HCA - no open rate - not voluntary  
popular issue at home

Continuing resolution - No WH comment

EDA reauth = Roe vs Moorhead

Endangered Species Act

FTC Auth. Leg Veto. Reg reform

Counter-cyclical aid (S 69-23)

DeControl of Fuel oil

No compromise on abortion

Byrd TV debate may be good

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THE WHITE HOUSE  
WASHINGTON

Ed Mly

10-10-79

- Mly vs Press conf

- Pressing on Israel

- Energy - "Plenty of mid distillate"

- W/P Guidelines

- Crime rates

- Cohen - Jews/Blacks

- Malaise

10/9/79

To: Mr. O'Neill  
From: Ari

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1. FY '80 Budget: Three appropriations are law (Energy & Water, State-Justice, and Treasury Post Office).

The Appropriations Committee will report two separate continuing resolutions to handle all the other departments.

All appropriations bills (except legislative) have passed the House.

Second Budget Resolution: Conference begins today. House conferees want to hold deficit below \$30 billion without cutting social programs. Senate will press for defense increases.

2. Fast Track: Both Commerce and Interior have reported. Efforts to compromise the two versions are faltering. The Interior version is weaker, and the Commerce bill stronger, than the President's recommendation.

3. Hospital Cost Containment: Both Commerce and Ways and Means have reported similar bills. A count will start later in the week. The rule will have to narrowly restrict amendments.

4. Rationing: The conference report will be filed this week. We will probably want to take a count before bringing it up.

5. Energy Security Corporation: Within jurisdiction of Commerce and Banking. No enthusiasm. Commerce might act. *Talk to Lnd Ashley & Reese (?)*

6. Windfall Profits Tax: Awaiting Senate action.

7. Low Income Assistance: In order for the money to be available this winter it must be appropriated in November. We will be pushing the Committee to provide \$1.2 billion in low income assistance for this fiscal year.

8. Conservation: My staff has virtually completed work on a weatherization program that will rely largely on loan subsidies.

9. Housing Bonds: Reported from Ways and Means. Enormously controversial. Republicans want to attach a tax break for savings. No quick action planned.

10. Welfare Reform: Reported from Ways and Means with no Republican votes. No floor action scheduled.

11. EDA Authorization: Disagreement over jurisdiction between Public Works (Bob Roe) and Banking (Bill Moorhead). Am awaiting response from Bob Roe, who was having difficulties working things out with his Republicans.