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WHITE HOUSE  
OFFICE OF RECORDS MANAGEMENT  
WORKSHEET

- X - MEDIA
- H - INTERNAL

Name of Document: BRIEFING PAPERS FOR  
PRESIDENT'S SCHEDULED  
APPOINTMENTS FOR

Subject Codes:

JAN 08 82

PR 007.01

1 Subject: Briefing memo re economic and budget program issues FI 004.

2 Memorandum re meeting with Admiral HYMAN RICKOVER EG 015.  
ND 007.

3 Photo sessions with U.S. Ambassadors:  
(A) WALTER CUTLER - TUNISIA PR 005.  
(B) W. TAPLEY BENNETT - NATO FO 002.  
CO 162.  
LT 093.

4 Meeting with KARL BENDETSSEN re the "High Frontier" panel. ND  
ND 008.

5 Meeting with Cabinet Council on Commerce and Trade re auto industry, U.S. - Canada Economic Relations, and Steel Industry. EG 010.02  
BE 003.15  
BE 003.10  
CO 028.

ROUTE TO:

ACTION

DISPOSITION

Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Completion Date YY/MM/DD
<u>RMMATT</u>		<u>RSZ</u>	<u>82102101</u>		<u>C 82102101</u>

Referral Note: \_\_\_\_\_

DOF

January 7, 1982  
5:00 pm

THE WHITE HOUSE  
WASHINGTON  
THE PRESIDENT'S SCHEDULE  
Friday, January 8, 1982

9:00 am (30 min)	<u>Staff Time</u> 9:05 - 9:36 (Baker, Meese, Deaver)	Oval Office
9:30 am (15 min)	<u>National Security Briefing</u> <del>9:37-9:47</del> 9:37-9:47 (William P. Clark) CLARK, NANCE, Em, +B	Oval Office
9:45 am (15 min)	<u>Senior Staff Time</u> <del>9:26-9:37</del> 9:26-9:37 Gerson, SPEAKERS	Oval Office
10:00 am (60 min)	<u>Economic Program Meeting</u> 10:03 - 11:06 (Richard Darman/Craig Fuller)	Cabinet Room
11:15 am (15 min)	<u>Meeting with Admiral Hyman G. Rickover</u> (William P. Clark) 11:18 - 11:30 GROUP * 11:30 - 11:35 Rickover + RR	Oval Office
11:35 am (15 min)	<u>Meeting with Lyn Nofziger</u> 11:39 - 11:58	Oval Office
11:50 am (10 min)	<u>Ambassador Photos</u> 11:55 - 12:06 (William P. Clark)	Oval Office
12:00 m (60 min)	<u>Lunch and Personal Staff Time</u>	Oval Office
1:00 pm (60 min)	<u>Meeting with Cabinet Council on Commerce and Trade</u> 1:05 - 2:12 (Craig Fuller)	Cabinet Room
2:00 pm (15 min)	<u>Meeting with Messrs. Hume, Coors, et al</u> (Edwin Meese) 2:22 - 2:41	Roosevelt Rm <del>Cabinet Room</del>
2:30 pm	<u>To the Residence</u> 2:45	Residence
3:00 pm	<u>Depart for Camp David for the weekend</u> 3:20	South Grounds

\* Rickover  
JB  
LEHMAN  
CLARK  
WEINBERGER

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11:50 am (10 min)	<u>Ambassador Photos</u> <i>11:36 for [unclear]</i> (William P. Clark) (TAB C)	Oval Office
12:00 m (60 min)	<u>Lunch and Personal Staff Time</u>	Oval Office
1:00 pm (60 min)	<u>Meeting with Cabinet Council on Commerce and Trade</u> (Craig Fuller) (distributed in a.m.)	Cabinet Room
2:00 pm (15 min)	<u>Meeting with Messrs. Hume, Coors, et al</u> (Edwin Meese) (TAB D)	Cabinet Room
<i>2:15</i> 2:30 pm	<u>To the Residence</u>	Residence
3:00 pm	<u>Depart for Camp David for the weekend</u>	South Grounds

A

THE WHITE HOUSE

WASHINGTON

BRIEFING MEMORANDUM FOR THE PRESIDENT

SUBJECT: ECONOMIC PROGRAM ISSUES

Friday, January 8, 1982  
10:00 a.m. (60 minutes)  
The Cabinet Room

FROM: RICHARD G. DARMAN  
CRAIG L. FULLER

دبب.

I. PURPOSE

This meeting is to review remaining possible budgetary "savings" options. You need not decide on these in the meeting -- but will have to "close" on them by the middle of next week.

II. AGENDA

Dave Stockman will lead off with a review of the deficit as it would stand in the light of decisions and reestimates made to date. He and Don Regan will then present for your consideration a series of additional savings options.

III. PARTICIPANTS

The President  
Secretary Baldrige  
Secretary Regan  
Edwin Meese III  
David A. Stockman  
James A. Baker III  
Michael K. Deaver  
Martin Anderson  
Richard G. Darman  
Kenneth M. Duberstein  
Craig L. Fuller  
David R. Gergen  
Edwin L. Harper  
Murray L. Weidenbaum

*B*

THE WHITE HOUSE  
WASHINGTON

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK *WPC*

SUBJECT: Meeting with Admiral Rickover  
Friday, January 8 -- 11:15 a.m.  
Oval Office

Frank Carlucci has recommended that you meet with Admiral Rickover for the purpose of providing special recognition for his long and exceptional service and to suggest an alternative position in which he can serve after his current term expires on January 31.

Admiral Rickover's future status remains unsettled. Although Frank Carlucci suggests that you explore alternative positions for the Admiral's future service to the nation, it is not appropriate for you to act as a job broker. John Lehman recognizes that it is the responsibility of the Department of the Navy to work out a position that is fully acceptable to everyone, and he is working hard toward that end.

Considering Admiral Rickover's extraordinary contributions to our national interest, as well as the strong Congressional interest in his future status, your meeting with Rickover is most appropriate. Principally it presents an opportunity to express your appreciation for his unique service to the nation -- and, secondly, express your personal concern for his future.

Suggested talking points are attached at Tab A

MEETING WITH ADMIRAL RICKOVER, FRIDAY, JAN. 8

-- EXPRESS APPRECIATION: FOR SERVICE AND COOPERATION DURING TRANSITION.

-- EXPRESS CONFIDENCE THAT DEFENSE DEPT., WILL FIND SUITABLE POSITION.

-- ACKNOWLEDGE LOYALTY OF ADM RICKOVER'S STAFF.

Attachment:  
Tab A: Talking Poin

-- REAFFIRM YOUR DESIRE TO EXPAND CIVILIAN USE OF NUCLEAR ENERGY.

-- EXPRESS DESIRE FOR ADMIRAL TO ADVISE YOU.



SUGGESTED TALKING POINTS FOR MEETING WITH  
ADMIRAL RICKOVER

- Express appreciation and debt of gratitude the Nation owes Admiral Rickover for his sterling service as Director of the Joint DOD-DOE Naval Nuclear Propulsion Program.
- Acknowledge the tremendous personal loyalty of his talented and dedicated staff of engineers and managers who, under Admiral Rickover's strong leadership, have set the standards for safe reactor operation.
- Request his continuing cooperation and personal leadership as transition to new leadership occurs.
- Reaffirm your desire to expand civilian use of nuclear energy in this country as a key element in our future energy independence and worldwide technological and economic leadership.
- Acknowledge your understanding that Admiral Rickover desires to serve in a capacity other than as Presidential Adviser on Nuclear Science. Express your confidence that the Department of Defense, working closely with the Admiral, will work out a position that is fully acceptable to everyone.
- Express your desire for the Admiral to be available to advise you on matters of national importance.
- Should Admiral Rickover ask why he was not reappointed for another term, respond by emphasizing the need to assure continuity in our Nuclear Propulsion Program.

Note that it is important to plan ahead and thus avoid a transition under emergency conditions. Thus, Admiral Rickover will be able to provide that guidance necessary to ensure that the programs he established will continue to govern future developments.

## BACKGROUND INFORMATION

ON

### ADMIRAL RICKOVER'S STATUS

1. On November 13, 1981, DOD press release announced that Admiral Rickover would be offered the position of Presidential Advisor on Nuclear Science after his extension on active duty expires on January 31, 1982. The formal offer was tendered on December 7.
2. The Department of Defense understands that Admiral Rickover would prefer to do something other than serve as Presidential Advisor on Nuclear Science. The reasons for this view appear to be a desire to carry on his own work as well as less than total familiarity with civilian nuclear programs.
3. Congressmen Stratton and Price, and Senators Jackson and Warner have suggested that Admiral Rickover be retained on active duty in some capacity. The Department of the Navy is exploring this possibility. While this option would allow retention of 4-star privileges, it may require legislative action due to existing flag rank grade limitations.
4. The Department of Defense is currently working on two initiatives to honor Admiral Rickover. Based upon President Reagan's approval of the Medal of Freedom with Distinction for the Admiral, the citation is being finalized and will be forthcoming from Defense. As a longer range initiative, a request will be forwarded to name a nuclear submarine in Admiral Rickover's honor.
5. Secretary Carlucci's December 3 memo (referred to in December 9 memo at Tab III) requested a Presidential letter be sent to DOD and DOE emphasizing the importance of continuity in the Naval Nuclear Propulsion Program during the transition process. That request has been accommodated; letter was sent on December 27.

C

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK *Zed*  
SUBJECT: Photo Session with US Ambassadors  
Friday, January 8 -- 11:50 a.m.  
Oval Office

Attached are 3x5 cards with pertinent information for your photo session with:

Ambassador Walter Cutler - Tunisia  
Ambassador W. Tapley Bennett, Jr. - NATO

The Ambassadors have expressed their appreciation of your taking the time to meet and be photographed with them prior to departure for their respective post.

PHOTO SESSION

AMB. WALTER LEON CUTLER (TUNISIA) ✓

PARTICIPANTS: FAMILY - WIFE: ISABEL  
WH - WILLIAM P. CLARK  
NSC - RAYMOND TANTER

- CAREER DIPLOMAT SINCE 1956
- STAFF ASSISTANT TO SECRETARY OF STATE  
DEAN RUSK 1961-62
- SPECIAL ASSISTANT FOR THE VIETNAM PEACE  
NEGOTIATIONS 1972.
- AMBASSADOR TO REPUBLIC OF ZAIRE 1975
- DEPUTY ASSISTANT SECRETARY, STATE,  
CONGRESSIONAL RELATIONS 1979-81.

PHOTO SESSION

AMB. W. TAPLEY BENNETT, JR. (NATO)

PARTICIPANTS: FAMILY - WIFE: MARGARET  
SONS: WILLIAM (LAWYER)  
JOHN (LT.CDR.)  
WH: WILLIAM P. CLARK  
NSC: DENNIS BLAIR

- AMB TO NATO SINCE 1977
- ONE OF THE SENIOR DIPLOMATS IN STATE DEPT
- HAS BEEN AMB TO SEVERAL COUNTRIES
- PARTICIPATED IN FOUNDING OF UN AT SAN  
FRANCISCO CONFERENCE, 1945

*D*

THE WHITE HOUSE

WASHINGTON

January 7, 1982

MEETING WITH KARL BENDETSSEN

DATE: January 8, 1982  
LOCATION: Cabinet Room  
TIME: 2:00 p.m. (15 minutes)  
FROM: EDWIN MEESE III

I. PURPOSE

To meet and present to you the recommendations of the "High Frontier" panel dealing with strategic national security planning.

II. BACKGROUND

The "High Frontier" project is a private undertaking headed by Karl Bendetsen, who along with others has sought to provide innovative options in the area of strategic planning. The group's recently completed final report suggests strategic alternatives based upon U.S. technological advances, primarily in space technology. The panel operated under the auspices of the Heritage Foundation and the funds used to conduct their research were raised from private sources exclusively.

III. PARTICIPANTS

Karl Bendetsen, Jack Hume, Bill Wilson, Joseph Coors, Ed Meese, Bill Clark, Martin Anderson, Jay Keyworth, Jim Jenkins and Ed Thomas

IV. PRESS PLAN

No press coverage or photo opportunity.

V. SEQUENCE OF EVENTS

Ed Meese will introduce Karl Bendetsen, Chairman of the "High Frontier" panel. Mr. Bendetsen will proceed to introduce the other members of the group and brief you on their work. The briefing will keynote their principal recommendation -- the immediate establishment of a "Council on Assured Survival" to be chaired by the Vice President.

Briefing concludes. You might thank them for their efforts on the nation's behalf and propose to study the panel's recommendations further.

KARL ROBIN BENDETSSEN

Mr. Bendetsen is currently the Chairman of the High Frontier Panel and is the retired Chief Executive Officer of Champion International. Formerly, Mr. Bendetsen served in a wide variety of governmental and military posts including Special Representative, with rank of Ambassador to West Germany in 1956 and the Phillipines the same year, Chairman of Advisory Committee to the Secretary of Defense 1962 and Vice-Chairman Defense Manpower Commission 1974-1976.

In addition to his service as an Assistant Secretary of the Army 1948-51, he held the position of Undersecretary of the Army in 1952.

Mr. Bendetsen has received numerous military decorations and also is a recipient of the Presidential Medal of Freedom. He has served in numerous executive positions in the private sector principally with Champion International, the New York Stock Exchange and Westinghouse Electric Corporation.

Mr. Bendetsen is a member of the Board of Overseers of the Hoover Institution in Palo Alto, California and currently resides in Washington, D. C.



## MEMORANDUM FOR THE PRESIDENT

### Conclusions and Recommendations of the High Frontier Panel

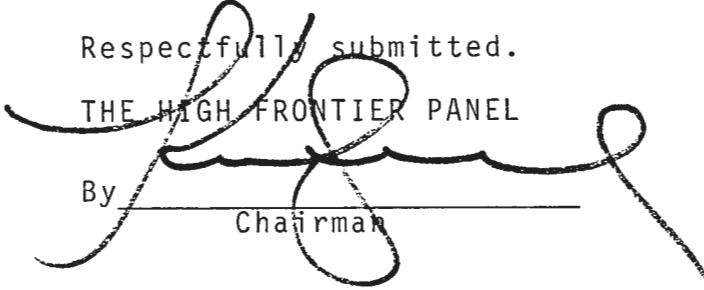
- A. The overwhelming preponderance of Soviet strategic and general purpose forces is increasing and cannot foreseeably be matched in sheer numbers, even if we were on a war footing with no ceiling on expenditures. Congress and past administrations have failed to provide for the common defense for twenty years. We are unacceptably vulnerable. Soviet blackmail could become irresistible.
- B. Mutually Assured Destruction places total reliance on offensive nuclear weapons to the exclusion of defense. A new strategy of Assured Survival would instead rely on defense. \*
- C. The ABM Treaty presents no barrier:
  - 1. It permits missile defense of one hundred silos;
  - 2. Space-borne missile defenses are: "Systems based on other physical principles" and are not banned by the Treaty;
  - 3. Article XV accords either party the right to withdraw "if it decides that extraordinary events related to the subject matter of the Treaty have jeopardized its supreme interests." Six months' notice describing such events is all that is required.
- D. There are strong indications of advanced preparations for a national ballistic missile defense array in the U.S.S.R. Such defenses would jeopardize our supreme interests. Soviet directed energy efforts are focused and highly intensive. A Soviet breakthrough and deployment in space of powerful directed energy weapons would militarily dominate both space and earth, conclusively altering the world balance of power.
- E. In contrast, we have been doing literally nothing to prevent Soviet domination. Our communications and intelligence satellites are not survivable and they are undefendable. Our directed energy efforts are neither focused nor intense.
- F. It is recommended that The President immediately appoint an Advisory Systems Selection Task Force to choose from available options the specific defensive systems and other specific actions recommended as essential by the High Frontier Panel. (For required systems and other actions, Task Force mission and nominees, see Attachment 1.)

\* In his October 1981 message, The President stated "We will develop technologies for space-based missile defense" and "pursue an operational anti-satellite system."

- G. The Manhattan project which entailed vast original applications research and engineering embraced four years. The average DOD lead time required for selection and acquisition of weapons systems has reached thirteen years. We cannot survive such delays. Special management arrangements are urgently required. Those used in the successful precedent of the National Space Council which was chaired by The Vice President would be highly appropriate now.
- H. The Panel recommends that The President immediately establish a Council on Assured Survival to be chaired by The Vice President. (For membership, mission and functions, see Attachment 2.)

Respectfully submitted.

THE HIGH FRONTIER PANEL

By   
Chairman

Panel Members

Karl R. Bendetsen, Chairman

Lt. Gen. Daniel O. Graham, USA(Ret.)  
Project Director

Frank R. Barnett  
Joseph Coors

Edwin J. Feulner, Jr.  
Jaquelin Hume

Dr. Edward Teller  
Ambassador William A. Wilson

Enclosures (2)

ATTACHMENT 1  
SYSTEMS SELECTION

- A. Essential defensive systems and other actions recommended by the High Frontier Panel:
1. An ABM point defense system to be deployed within two years.
  2. A space-borne ABM defensive system to intercept Soviet missiles in early (boost) phases or in the mid-course wherever aimed.
  3. Defensive systems to protect and to make our space satellites and systems survivable and to secure the availability of space from hostile actions and to reinforce our overall strategic posture. Produce survivable C<sup>3</sup>I satellites.
  4. A directed energy system of numerous space-borne battle stations of brightness of great magnitude is urgently needed. It could not be provided by our present directed energy development programs. The deployment of such a system or systems could provide for all the requirements of 2 and 3 above.
  5. A major increase in the number and production rate of both types of cruise missiles. Accelerated availability of aircraft and sea platforms (including B-52s and Polaris submarines). Special provision will be necessary to produce the material for the increased number of warheads. (It is unnecessary and perhaps undesirable to station cruise missiles in NATO.)
  6. Identify the most acute problems of electric circuitry interruptions and burn-outs caused by electromagnetic pulses generated by enemy missiles detonated in the upper atmosphere and formulate proposals to evolve solutions step by step on a priority basis. The ongoing effort to deal with the vulnerabilities of C<sup>3</sup>I must be accelerated.
  7. An increase in the resources presently devoted to civil defense.

B. Task Force Mission

The Panel recommends immediate appointment of a Systems Selection Task Force of from 9 to 15 highly qualified members to be directly advisory to The President. The Task Force should be directed to make the system selections required by items 1-4 above within 90 days and with urgency thereafter, address the recommendations required by items 1-5 through 7. We urge that the successive recommendations of the Task Force be considered by The President without department or agency review. The Task Force would include Richard D. DeLauer, Under Secretary of Defense for Research and Engineering; Hans Mark, the Deputy Administrator of NASA and Dr. Donald Kerr, Director, Los Alamos National Laboratory.

C. Task Force Nominees

FOR CHAIRMAN (or alternatively for Membership)

1. Mr. William Baker, PFIAB (formerly CEO, Bell Laboratories)
2. Dr. John Foster, V.P. TRW
3. Mr. Harold Agnew, CEO, General Atomic (Gulf Oil)(formerly Los Alamos)

FOR MEMBERSHIP

1. General B.A. Schriever, USAF(Ret.) (CG Ballistic Missile Development; Air Research and Development; USAF Systems Commands, in turn)
2. Mr. George W. Jeffs, V.P., Rockwell (President, North American Space Operations)
3. Dr. R.O.(Bob) Hunter, President, Western Research Corp. San Diego, CA.
4. General Sam Phillips, TRW (former Director, Apollo program)
5. Dr. Arnold Kramish, Authority, Author and Analyst, Nuclear Applications and Technology Risk
6. Mr. James Wilson, Consultant, National Academy of Sciences, Directed Energy Systems
7. General John R. Deane, USA(Ret.), formerly CG Army Materiel and Readiness Command
8. Mr. H. K. Hebel, V.P., Boeing Aerospace Co.
9. Mr. J. L. McLucas, CEO, Comsat Corp.
10. Mr. Bob O. Evans, IBM
11. Dr. Eugene Fubini, Fubini Consultants, Ltd. Arlington, Va.
12. Lt.Gen. Daniel O. Graham, USA (Ret.) (former Director of D.I.A.) (High Frontier Panel member)
13. Mr. Christopher McKee, University of California
14. Dr. Lowell Wood, Livermore Laboratories
15. Dr. Norman Augustine, Chairman, Defense Science Board
16. Dr. Charles Townes, Chaired Advisory Committee to Secretary of Defense (Townes Committee)
17. Mr. Edward T. Gerry, W. J. Schaffer Associates, Arlington, Va. Consultant Directed Energy Systems)

## ATTACHMENT 2

### COUNCIL ON ASSURED SURVIVAL

#### A. Membership

The Panel recommends that The President establish the Council on Assured Survival to be chaired by the Vice President, the members of which would include the Secretaries of State, Defense and Commerce, the Directors of the Central Intelligence Agency and the Office of Management and Budget, the Administrator of NASA and the Science Advisor to The President.

#### B. Mission and Special Management Arrangements

The Council missions would include insuring support of their respective departments and agencies and of Congress. The Chairman would appoint a Program Director who would initiate action on each Task Force approved recommendation. He would provide a secretariat for the Council and the Task Force. As soon as possible, the Program Director (PD) would appoint a Special Project Officer (SPO) for each project. Each SPO would be the general manager of his project, serving under the direction of the PD, who would be the focal point for decision and coordination. The appropriate Council member would provide each SPO with direct access to the appropriate Commander of the Army Materiel and Readiness Command; the Naval Materiel Command; the USAF Systems Command; the Assistant Secretary of Commerce for Military Programs (or his successor); and as required in each case, the appropriate Associate Administrator of NASA. No intermediate department or agency echelons would have any jurisdiction over the SPO or his project. Council members would take action to seal off allocated appropriations from all competition.

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THE WHITE HOUSE

WASHINGTON

January 7, 1982

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DATE: January 8, 1982  
LOCATION: Cabinet Room  
TIME: 2:00 p.m. (15 minutes)  
FROM: EDWIN MEESE III

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II. BACKGROUND

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## MEMORANDUM FOR THE PRESIDENT

### Conclusions and Recommendations of the High Frontier Panel

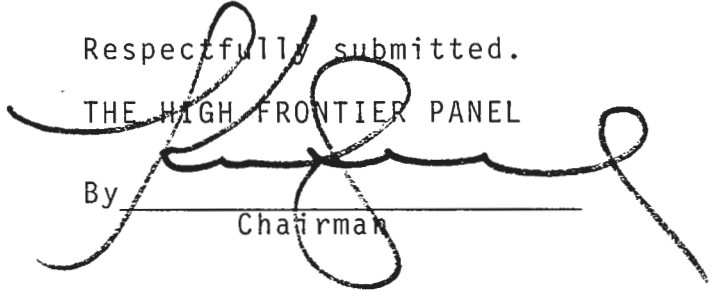
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- B. Mutually Assured Destruction places total reliance on offensive nuclear weapons to the exclusion of defense. A new strategy of Assured Survival would instead rely on defense. \*
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- D. There are strong indications of advanced preparations for a national ballistic missile defense array in the U.S.S.R. Such defenses would jeopardize our supreme interests. Soviet directed energy efforts are focused and highly intensive. A Soviet breakthrough and deployment in space of powerful directed energy weapons would militarily dominate both space and earth, conclusively altering the world balance of power.
- E. In contrast, we have been doing literally nothing to prevent Soviet domination. Our communications and intelligence satellites are not survivable and they are undefendable. Our directed energy efforts are neither focused nor intense.
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\* In his October 1981 message, The President stated "We will develop technologies for space-based missile defense" and "pursue an operational anti-satellite system."

- G. The Manhattan project which entailed vast original applications research and engineering embraced four years. The average DOD lead time required for selection and acquisition of weapons systems has reached thirteen years. We cannot survive such delays. Special management arrangements are urgently required. Those used in the successful precedent of the National Space Council which was chaired by The Vice President would be highly appropriate now.
- H. The Panel recommends that The President immediately establish a Council on Assured Survival to be chaired by The Vice President. (For membership, mission and functions, see Attachment 2.)

Respectfully submitted.

THE HIGH FRONTIER PANEL

By   
Chairman

Panel Members

Karl R. Bendetsen, Chairman	
Lt. Gen. Daniel O. Graham, USA(Ret.) Project Director	Edwin J. Feulner, Jr.
Frank R. Barnett	Jaquelin Hume
Joseph Coors	Dr. Edward Teller
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  3. Defensive systems to protect and to make our space satellites and systems survivable and to secure the availability of space from hostile actions and to reinforce our overall strategic posture. Produce survivable C<sup>3</sup>I satellites.
  4. A directed energy system of numerous space-borne battle stations of brightness of great magnitude is urgently needed. It could not be provided by our present directed energy development programs. The deployment of such a system or systems could provide for all the requirements of 2 and 3 above.
  5. A major increase in the number and production rate of both types of cruise missiles. Accelerated availability of aircraft and sea platforms (including B-52s and Polaris submarines). Special provision will be necessary to produce the material for the increased number of warheads. (It is unnecessary and perhaps undesirable to station cruise missiles in NATO.)
  6. Identify the most acute problems of electric circuitry interruptions and burn-outs caused by electromagnetic pulses generated by enemy missiles detonated in the upper atmosphere and formulate proposals to evolve solutions step by step on a priority basis. The ongoing effort to deal with the vulnerabilities of C<sup>3</sup>I must be accelerated.
  7. An increase in the resources presently devoted to civil defense.

B. Task Force Mission

The Panel recommends immediate appointment of a Systems Selection Task Force of from 9 to 15 highly qualified members to be directly advisory to The President. The Task Force should be directed to make the system selections required by items I-1 through 4 above within 90 days and with urgency thereafter, address the recommendations required by items I-5 through 7. We urge that the successive recommendations of the Task Force be considered by The President without department or agency review. The Task Force would include Richard D. DeLauer, Under Secretary of Defense for Research and Engineering; Hans Mark, the Deputy Administrator of NASA and Dr. Donald Kerr, Director, Los Alamos National Laboratory.

C. Task Force Nominees

FOR CHAIRMAN (or alternatively for Membership)

1. Mr. William Baker, PFIAB (formerly CEO, Bell Laboratories)
2. Dr. John Foster, V.P. TRW
3. Mr. Harold Agnew, CEO, General Atomic (Gulf Oil)(formerly Los Alamos)

FOR MEMBERSHIP

1. General B.A. Schriever, USAF(Ret.) (CG Ballistic Missile Development; Air Research and Development; USAF Systems Commands, in turn)
2. Mr. George W. Jeffs, V.P., Rockwell (President, North American Space Operations)
3. Dr. R.O. (Bob) Hunter, President, Western Research Corp. San Diego, CA.
4. General Sam Phillips, TRW (former Director, Apollo program)
5. Dr. Arnold Kramish, Authority, Author and Analyst, Nuclear Applications and Technology Risk
6. Mr. James Wilson, Consultant, National Academy of Sciences, Directed Energy Systems
7. General John R. Deane, USA(Ret.), formerly CG Army Materiel and Readiness Command
8. Mr. H. K. Hebel, V.P., Boeing Aerospace Co.
9. Mr. J. L. McLucas, CEO, Comsat Corp.
10. Mr. Bob O. Evans, IBM
11. Dr. Eugene Fubini, Fubini Consultants, Ltd. Arlington, Va.
12. Lt. Gen. Daniel O. Graham, USA (Ret.) (former Director of D.I.A.) (High Frontier Panel member)
13. Mr. Christopher McKee, University of California
14. Dr. Lowell Wood, Livermore Laboratories
15. Dr. Norman Augustine, Chairman, Defense Science Board
16. Dr. Charles Townes, Chaired Advisory Committee to Secretary of Defense (Townes Committee)
17. Mr. Edward T. Gerry, W. J. Schaffer Associates, Arlington, Va. Consultant Directed Energy Systems)

## ATTACHMENT 2

### COUNCIL ON ASSURED SURVIVAL

#### A. Membership

The Panel recommends that The President establish the Council on Assured Survival to be chaired by the Vice President, the members of which would include the Secretaries of State, Defense and Commerce, the Directors of the Central Intelligence Agency and the Office of Management and Budget, the Administrator of NASA and the Science Advisor to The President.

#### B. Mission and Special Management Arrangements

The Council missions would include insuring support of their respective departments and agencies and of Congress. The Chairman would appoint a Program Director who would initiate action on each Task Force approved recommendation. He would provide a secretariat for the Council and the Task Force. As soon as possible, the Program Director (PD) would appoint a Special Project Officer (SPO) for each project. Each SPO would be the general manager of his project, serving under the direction of the PD, who would be the focal point for decision and coordination. The appropriate Council member would provide each SPO with direct access to the appropriate Commander of the Army Materiel and Readiness Command; the Naval Materiel Command; the USAF Systems Command; the Assistant Secretary of Commerce for Military Programs (or his successor); and as required in each case, the appropriate Associate Administrator of NASA. No intermediate department or agency echelons would have any jurisdiction over the SPO or his project. Council members would take action to seal off allocated appropriations from all competition.

THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S SCHEDULE  
Friday, January 8, 1982

9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
9:30 am (15 min)	<u>National Security Briefing</u> (William P. Clark)	Oval Office
9:45 am (15 min)	<u>Senior Staff Time</u>	Oval Office
10:00 am (60 min)	<u>Economic Program Meeting</u> (Richard Darman/Craig Fuller)	Cabinet Room
11:15 am (15 min)	<u>Meeting with Admiral Hyman G. Rickover</u> (William P. Clark)	Oval Office
11:35 am (15 min)	<u>Meeting with Lyn Nofziger</u>	Oval Office
11:50 am (10 min)	<u>Ambassador Photos</u> (William P. Clark)	Oval Office
12:00 m (60 min)	<u>Lunch and Personal Staff Time</u>	Oval Office
1:00 pm (60 min)	<u>Meeting with Cabinet Council on Commerce and Trade</u> (Craig Fuller)	Cabinet Room
2:00 pm (15 min)	<u>Meeting with Messrs. Hume, Coors, et al</u> (Edwin Meese)	Cabinet Room
2:30 pm	<u>To the Residence</u>	Residence
3:00 pm	<u>Depart for Camp David for the weekend</u>	South Grounds

THE WHITE HOUSE

WASHINGTON

January 7, 1982

MEETING WITH THE CABINET COUNCIL ON COMMERCE AND TRADE

DATE: January 8, 1982  
LOCATION: Cabinet Room  
TIME: 1:00 PM (60 minutes)  
FROM: Craig L. Fuller

I. PURPOSE

This is a scheduled meeting of the Cabinet Council on Commerce and Trade.

II. BACKGROUND

The three agenda items at this meeting are for discussion and information, not decision.

1. Auto Industry Issues/CM155

After the President's meeting with automobile manufacturers, the following issues were identified for consideration and will be the subject of presentations at this meeting.

- a. Trade Relations with Japan ..... Ambassador Brock
- b. 25% Tariff on Non-duty Trucks ..... Ambassador Brock
- c. Clean Air Act Amendments ..... The Vice President
- d. Auto Task Force ..... Secretary Baldrige
- e. Pending Regulations ..... The Vice President
- f. Section 208/Comfort Convenience ..... Secretary Lewis
- g. Tax Credit Proposal ..... Chairman Weidenbaum

A memorandum from Craig Fuller which summarizes these issues is attached, along with a longer analysis by the Council of Economic Advisers.

2. U.S.-Canada Economic Relations/CM139 ..... Ambassador Brock

Bill Brock will present an update on the Administration's efforts to reach a bilateral resolution of our problems with Canada on investment issues. A two-page briefing paper is attached, along with proposed next steps.

3. Steel Industry Update/CM96 ..... Secretary Baldrige

The major domestic steel companies are likely to file anti-dumping and countervailing duty complaints shortly involving more than half of the steel that the United States imports from several countries, including seven of the European Communities member states. A two-page analysis from Mac Baldrige is attached.

III. PARTICIPANTS

A list of participants will be attached to the agenda and distributed at the meeting.

IV. PRESS

No Press

V. SEQUENCE OF EVENTS

The President should recognize Mac Baldrige, Chairman Pro Tempore of the Cabinet Council, who will lead the discussion according to the agenda.



THE WHITE HOUSE

WASHINGTON

JANUARY 7, 1982

MEMORANDUM FOR THE CABINET COUNCIL ON COMMERCE AND TRADE

FROM: CRAIG L. FULLER *CS*  
SUBJECT: AUTO INDUSTRY ISSUES

Since the President's meeting with the automobile manufacturers, several issues have been identified for consideration by the administration. It would be useful at the meeting of the Cabinet Council on Commerce and Trade on Friday, January 8, 1982 with the President for the following issues to be discussed:

Trade Relations with Japan

Our trade relations with Japan should be reviewed. Various options have been mentioned by the auto leaders and by members of the administration. Non-tariff trade barriers that offer relief for the American auto industry should be identified. Any acceptable potentially effective measures should be presented for the President's consideration.

ACTION: USTR

25% Tariff on Non-duty Trucks

The industry expressed a concern that this tariff might be dropped in trade talks during 1982. Since this would disadvantage the U.S. manufacturers, there is serious concern about such a possibility among the U.S. auto manufacturers. A status report and/or recommendation should be presented.

ACTION: USTR

Clean Air Act Amendments

Administration strategy on the Clean Air Act should be reviewed with the President. A recommended position on H.R. 5252 should be presented as well as any important strategy considerations.

ACTION: The Vice President

Auto Task Force

The President should be given a status report on the Automobile Task Force which is now a responsibility of the Department of Commerce. The

industry identified this as an important Task Force because it provides a focus for important issues.

ACTION: Department of Commerce

#### Pending Regulations

While very complimentary of the administration's overall efforts to reduce the regulatory burden on the industry, two areas of continued interest were identified: bumper regulations and the .2 gram/mile particulate standard. A status report and/or recommendations should be made on both issues.

ACTION: The Vice President

#### Section 208/Comfort and Convenience

It has been suggested that Comfort and Convenience standards be delayed for one year. A status report and/or recommendation should be made.

ACTION: Department of Transportation

#### Tax Credit Proposal

Various tax credit proposals have been advanced. The most often mentioned is a \$1,500 tax credit on cars manufactured in the U.S. Variations involve a credit based on "domestic content of the vehicle" as well as a credit specifically targeted to fuel efficient automobiles. The pros and cons of the tax credit proposal should be reviewed from the standpoint of its actual value to the industry, its cost and its general policy implications.

ACTION: Council of Economic Advisers

Comments on these matters, views in writing for review by the President and additional issues should be forwarded to the Office of Cabinet Affairs by 4:00 p.m. Thursday, January 7, 1982.

EXECUTIVE OFFICE OF THE PRESIDENT


COUNCIL OF ECONOMIC ADVISERS

WASHINGTON, D.C. 20500

January 7, 1982

MEMORANDUM

To: Cabinet Council on Commerce and Trade

From: Council of Economic Advisers 

Subject: Analysis of Suggestions to Aid the U.S. Auto Industry

Introduction

With sales of about 6.2 million cars, the domestic auto industry in 1981 went through its worst sales year in two decades. Unemployment in the industry stands at about 200,000 (indefinite layoffs), while related industry unemployment stood at 300,000 or more. These numbers do not include white collar layoffs.

Our current economic forecast does not hold out great hope for domestic auto sales in the immediate future. The forecast implies domestic sales of 6.5 to 7.0 million cars in 1982, about 7.5 million in 1983, and 8.0 to 8.5 million in 1984. In contrast, sales were 9.2 million in 1978 and 8.2 million in 1979. These forecasts are roughly consistent with other forecasts.

Four Policy Suggestions

This memorandum analyzes four types of suggestions to aid the industry:

(1) Regulatory relief proposals, with particular emphasis on the Clean Air Act;

(2) Reducing tariffs on auto parts and imposing at U.S. ports the same type of inspection procedures that U.S. autos face at Japanese ports;

(3) A 6 month personal tax credit of \$1,500 for purchase of a U.S.-built car or truck meeting a minimum mileage standard of 25 m.p.g. (city); and

(4) A subsidy for scrapping old autos.

The proposals are examined in light of the following two criteria:

- ° Does the proposal provide near-term relief targeted at the domestic auto industry?
- ° Is the proposal likely to be effective and efficient?

### Discussion of Possible Measures to Aid the Industry

#### 1. Regulatory Relief

Two types of regulatory relief by the Federal Government would be possible. The first is to speed up the elimination of regulations affecting the automobile industry. Although it is possible to speed the reviews currently in progress, the impact on the auto industry is likely to be helpful but small.

More rapid reductions in regulations would provide earlier reductions in the capital costs of the automobile industry. In April 1981, 34 measures were proposed to reduce the regulatory burden on the automobile industry. Action had been taken by December 30, 1981, on 21 of these proposals, with an estimated savings in industry costs of \$636 million over 5 years. Another 8 will be acted upon by March 31, 1982; they provide an additional cost savings of \$594 million. The removal of the remaining 4 regulations would provide an estimated cost savings of \$188 million over the next 5 years.

The second type of regulatory relief is to reduce regulations in other areas, such as the Clean Air standards. The identification of new regulations to be considered for elimination might produce a larger impact on the industry in the future, but it would not affect their immediate cash flow problems. Amendments to the Clean Air Act require Congressional action. The elimination of the fuel economy standard would have no immediate impact, since domestic fleets exceed the standard. Changes in the requirement that only cars with 75 percent of value added in the U.S. can be considered in the U.S. fleet would also have no impact on the next 6 months.

Beyond the original removal of 34 regulations are possible amendments to the Clean Air Act. The two proposals that would provide the most potential cost reduction to the automobile industry are the elimination of the requirement that all cars meet clean air standards in the most stringent (high altitude) areas and the relaxation of tailpipe emissions standards. Industry estimates of cost reductions for the entire set of

more lenient standards, including these two, range from \$80 to \$300 per car.

Although the net revenue effects of a cost decrease of \$80 to \$300 would be significant to the financial condition of the auto industry, they cannot be realized during this model year. The bills to amend the Clean Air Act are at a preliminary stage in Congress. The cost reductions are based on substantial changes in the fuel consumption/exhaust system components. The immediate impact of reducing the Clean Air Act requirements affecting the automobile industry would be negligible.

Another possibility is to remove the Fuel Economy Standards, which cost the auto industry an estimated \$3.6 billion per one-mile per gallon increase in the standard. However, all domestic producers have announced that they plan to exceed the fuel economy standards during the 1980s for competitive reasons. Therefore, an elimination of the standard would not necessarily mean a reduction in costs nor in fuel efficiency.

A requirement in the fuel economy standards is that the standard must be met by the fleet that has 75 percent of its value added in the U.S. and Canada. This requirement prevents the averaging of highly fuel efficient foreign-produced cars with less efficient cars produced in North America, and thereby maintains higher cost, less efficient production in the United States. Although there are no estimates of the cost reductions to the automobile industry if the 75 percent value added requirement were reduced or eliminated, savings to the auto industry from this proposal would occur as plants were shut in the United States and production shifted abroad. It would provide little relief in the next 6 months.

## 2. Trade Suggestions

Two proposals have been suggested that would affect U.S. manufacturers' ability to compete with imported autos. The first is a reduction in the tariffs on imported automotive parts. Reductions in these tariffs have at most a small effect on the cost of domestically produced autos, and there would be a significant impact on the domestic parts manufacturing industry.

The average tariff on automobile parts imported into the U.S. is about 5 percent. Eliminating these tariffs would reduce the costs of imported parts to U.S. manufacturers. The

highest estimate of the total tariff costs on imported parts is \$26.83 per vehicle. This reduction is small compared to either the tax credit or the regulatory relief actions. It would also have a significant negative impact on the domestic parts industry since an increasing proportion of parts in U.S. manufactured cars would be imported.

The second proposal is to adopt import certification procedures similar to those that the Japanese use to certify U.S. imports to Japan. The Japanese have two types of certification procedures, one for autos that are mass produced to Japanese standards, and another that combines a preliminary inspection of the car type with checks on each car by the local transport office. Adopting procedures that are similar to those used by the Japanese presents difficulties because:

- ° The Japanese mass produce for the U.S. market. The certification procedure placed on them is currently very similar to the one that could be applied on U.S. cars if U.S. manufacturers mass produced to Japanese specifications.
- ° U.S. certification procedures apply to all automobiles, both foreign and domestic. EPA requires that each model be certified, and each auto must bear a certification mark. NHTSA requires manufacturer self-certification. It is illegal under U.S. law to discriminate among cars in the certification process.
- ° In the United States there is no individual inspection of imported autos to determine compliance with certification requirements. Inspecting imported autos only from Japan would violate our policy of treating all imports on the same basis.

### 3. Temporary \$1,500 Tax Credit for Auto Purchases

One proposal is a 6 month \$1,500 personal tax credit for buying a U.S.-built vehicle achieving a minimum mileage

standard. Such a temporary subsidy, whatever its larger economic implications, would substantially affect the timing of sales as well as the magnitude. In particular, the tax credit would stimulate small car sales and hurt big car sales during the subsidy period -- and hurt small car sales and stimulate big car sales after the 6 month subsidy period.

Preliminary analysis by the Council of Economic Advisers indicates the following likely results:

- ° The proposal would increase new car sales by 150,000 during the rebate period. About 90,000 of these cars would have been bought anyway after the rebate period so that only 60,000 would be truly new sales.
- ° Auto manufacturers and dealers would gain approximately \$900 million in added pretax net cash flow, and 12,000 man years of additional employment in the industry and its suppliers.
- ° The cost to the Treasury would be approximately \$2.3 billion, or about \$2.70 for every \$1 of aid to the industry, about \$40,000 per extra vehicle sale, and about \$190,000 per extra work year of employment provided.
- ° The rebate proposal could be interpreted as a violation of GATT. This might induce the Japanese auto manufacturers to abandon their voluntary restraint program -- which was based upon their explicit understanding that we would refrain from any explicit protectionist measures.

#### 4. Scrappage Subsidy

In terms of alleviating the current problems faced by the auto industry, a scrappage subsidy does not seem to offer significant benefits.

- ° The benefits of the subsidy would be diffused among domestic and foreign producers, and also among sellers of nonscrapped used cars.

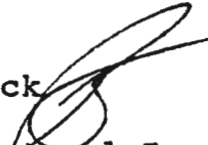
- ° Because of the diffusion problems, the subsidy is not likely to be effective in terms of the industry's problems. The ratio of Treasury cost to industry benefit is likely to be high.
- ° . A scrappage subsidy may be more effective and less costly in terms of reducing automotive emissions, at least over the near term, than tightening of emission standards for new cars.



THE UNITED STATES TRADE REPRESENTATIVE  
WASHINGTON  
20506

January 6, 1982

MEMORANDUM TO: Members of the President's Cabinet Council  
on Commerce and Trade

FROM: Ambassador William E. Brock 

SUBJECT: Update on U.S.-Canada Bilateral Investment  
Issues

Background

At the November 3 meeting of the Cabinet Council on Commerce and Trade (CCCT), it was decided to continue our intensified efforts to resolve our differences with Canada over its National Energy Program (NEP) and the operation of its Foreign Investment Review Agency (FIRA) through bilateral consultations. It was also decided at that time for me to submit to the Canadian Government a detailed list of specific U.S. concerns regarding the NEP and FIRA in order to facilitate our discussions. Should these senior-level consultations fail to resolve our differences, the CCCT was of the opinion that we should then follow established U.S. procedures for addressing unreasonable and discriminatory foreign trade and investment practices, including raising our concerns in appropriate international fora.

Recent Administration Efforts

Our interagency efforts to reach a bilateral resolution of our problems with Canada have continued in earnest, but, unfortunately, without satisfactory results. The Canadian Government did attempt to address some of our concerns in the presentation of the federal budget on November 12. The budget publicly committed the Canadian Government 1) not to extend NEP policies to other sectors; 2) not to expand, for the time being, FIRA's mandate; and 3) to complete an administrative review of FIRA. However, the announcements were not unexpected and merely confirmed statements previously given informally by some Canadian officials. More importantly, they failed to modify the NEP in any way or to address our concerns over the current operation of FIRA.

Therefore, on December 2, I transmitted to the Canadian Government a letter on behalf of the U.S. Government which detailed our specific concerns over the NEP and FIRA. This letter was intended to clarify for the Canadian Government our key concerns in order to facilitate the bilateral discussions. Unfortunately, the Canadian response failed to indicate any interest by the Canadians in meeting any of our concerns.

Our continued attempts to resolve our problems through bilateral consultations have met a similar fate. Not only have the Canadians failed to indicate any predilection to modify their policies, but a key piece of the NEP implementing legislation was enacted by the Canadian Parliament just before Christmas.

An interagency decision was subsequently reached to shift our discussion of certain of these issues to a multilateral context, specifically within the General Agreement on Tariffs and Trade (GATT). On January 5, a letter was transmitted to the Canadian delegation in Geneva requesting formal consultations under the GATT concerning certain practices associated with the operation of FIRA.

Following a conversation I had with Canadian Foreign Minister Mark MacGuigan, I decided to invite the Canadian Government to participate in the trade discussions which are scheduled later this month in Florida with the European Community and Japan. This meeting will provide a potentially good opportunity to discuss implications for the world trading system of Canadian investment and energy policies.

## Next Steps

1. Continue to raise U.S. concerns over the NEP and FIRA in a multilateral context.

Until recently, the only multilateral review of these Canadian policies has been a discussion of the NEP in the Organization for Economic Cooperation and Development (OECD). We should also now initiate discussions within the OECD on the operation of FIRA. Concerning our recently-initiated discussions in the GATT, we should be prepared to utilize the dispute settlement provisions of the GATT if our consultations within that forum should fail to resolve our concerns. I am also prepared to introduce the issue of the Canadian energy and investment policies as embodied in the NEP and the FIRA during my discussions with the EC, Japan and Canada later this month in Florida.

2. Continue senior-level bilateral consultations

Although such consultations up until now have failed to resolve any of our major concerns, continued bilateral discussions should be continued only as long as the Canadian Government indicates a willingness to seriously consider our concerns with a view to resolving our differences. In this regard, I will be meeting with senior Canadian officials at the end of this month in Ottawa in conjunction with a trip I have scheduled to Toronto to deliver a speech.

3. Begin a reassessment of possible U.S. actions in response to the NEP and FIRA

If our bilateral and multilateral efforts should fail to resolve our problems, we should be prepared to take appropriate actions to protect U.S. interests. The Trade Policy Committee (TPC) on October 13 considered a paper which listed various options and specific actions available for use in response to Canadian investment and energy problems associated with the NEP and FIRA. An updated and revised version of that paper will be reviewed by the TPC on January 12.

This paper will recommend that I raise our FIRA and NEP problems at the quadrilateral meeting, emphasizing the multilateral nature of the problem and the damage it does to our efforts in developing a more open international and investment environment. It will also recommend initiation of the objective public discussion of Canadian policies.

The public discussion option is likely to have the greatest impact on the Canadian Government view as to how serious we view the problems created by FIRA and the NEP. At the same time it would lay the groundwork for any additional actions. This approach would also have little or no negative economic impact on the U.S. economy.

Coincident to the public discussion would be the initiation of an interagency task force under the TPSC to look at all the available actions that could be taken in response to FIRA and the NEP. This group should report back to the TPC with its recommended actions as well as a recommendation on whether a 301 action should be self-initiated. We should also inventory the ongoing trade-related negotiations with Canada. The intent of this would be to decide where we should be as responsive to Canadian concerns as they are to our concerns on the NEP and FIRA.

Finally, now that Bill C-48 has passed and the Energy Security Act has not been revised, it would appear appropriate for us to meet again with representatives of the U.S. oil and gas industry on the impact of the NEP and possible U.S. actions.



## MEMORANDUM FOR Members of the Cabinet Council on Commerce and Trade

From: Malcolm Baldrige, Chairman Pro Tempore  
Cabinet Council on Commerce and Trade

Subject: Update on the Steel Trigger Price Mechanism and Probability  
of Steel Company Unfair Trade Complaints

ACTION FORCING EVENT: Probability that U.S. steel producers will  
file a large number of unfair trade complaints.

STATEMENT OF ISSUE: The major domestic steel companies are likely  
to file antidumping and countervailing duty complaints shortly  
involving more than half of the steel that the United States imports  
from several countries, including seven of the European Communities  
(EC) member states.

ANALYSIS: Since the last CCCT review of the steel issue, in November  
1981, steel imports have continued at high levels, especially from  
the European Communities, and many producers have openly flouted the  
steel trigger price mechanism (TPM); consequently, the confidence of  
the U.S. steel industry in the TPM has been eroding. In early  
December, chief executive officers of several steel firms met with  
the President to discuss their concerns, and they promised him they  
would withhold their petitions until we could consult with the  
European Communities.

Since then, I, and other officials of the Department of Commerce,  
have held extensive consultations with representatives of the U.S.  
industry, the European Communities, and other foreign governments.  
We have urged all to abide by the guidelines of the TPM. The  
Communities' response has failed to convince the American industry  
that the TPM can continue to be an effective means of enforcing U.S.  
trade laws. Thus, it now seems likely that the U.S. steel industry  
in the very near future will file a large number of antidumping and  
countervailing duty cases against a wide range of foreign producers  
and steel products.

The U.S. industry can be expected to state that these producers  
have, with injurious effect on the U.S. industry, been selling large  
quantities of steel at less than fair value or with the benefit of  
foreign government subsidies in violation of U.S. trade laws and  
international agreements. The U.S. industry feels that it lacks any  
meaningful alternative to the filing of steel cases. At the same  
time, producers in the European Communities also face difficult  
choices. World demand for steel is down and European unemployment  
is high.

The Department has made it clear that it would maintain the TPM in its present form only so long as it is in the interest of all parties and all parties seek to abide by its conditions. During the first half of this year the system appeared to serve the interest of all parties. Beginning in August, however, high import levels have triggered doubts as to the TPM's viability. Nonetheless, the Department has sought to maintain the integrity of the TPM. Where we have had evidence of injurious dumping or subsidization, we have initiated investigations.

To date we have initiated ten antidumping or countervailing duty investigations and have conducted examination of ten import surges. In addition, we have strengthened monitoring procedures covering related-party transactions and are conducting a dozen related-party audits. The Department of Commerce has pursued this enforcement program vigorously, including an appearance by Under Secretary Olmer before the International Trade Commission (ITC) as it opened its consideration of whether injury to the U.S. industry has been caused by unfair imports of steel. The ITC has made an affirmative preliminary determination of injury or threat of injury in all of the cases brought to it in November by the Department.

The filing of petitions by the domestic industry would be a statement that the TPM in its present form is not working effectively. In as much as the TPM was instituted as an "alternative to" and "not a supplement for" trade cases, the logic behind the system, as well as the administrative burdens it imposes, could well require the discontinuance of the TPM in its present form if the U.S. industry files cases.

If the industry does file complaints, it is likely that the countries subject to the investigations will bring pressure for a resolution favorable to their interests. The investigations will be conducted according to U.S. laws and regulations (consistent with international agreements to which we are a party), which prescribe a highly structured process that includes a procedure of settlement short of imposition of additional duties. The Department is ready and able to process the cases expeditiously, and will continue to consult with the U.S. industry and foreign governments.

= Already done  
attach to 05674

## THE WHITE HOUSE

WASHINGTON

THE PRESIDENT'S SCHEDULE  
Friday, January 8, 1982

9:00 am (30 min)	<u>Staff Time</u> (Baker, Meese, Deaver)	Oval Office
9:30 am (15 min)	<u>National Security Briefing</u> (William P. Clark)	Oval Office
9:45 am (15 min)	<u>Senior Staff Time</u>	Oval Office
10:00 am (60 min)	<u>Economic Program Meeting</u> (Richard Darman/Craig Fuller) (TAB A)	Cabinet Room
11:15 am (15 min)	<u>Meeting with Admiral Hyman G. Rickover</u> (William P. Clark) (TAB B)	Oval Office
11:35 am (15 min)	<u>Meeting with Lyn Nofziger</u>	Oval Office
11:50 am (10 min)	<u>Ambassador Photos</u> (William P. Clark) (TAB C)	Oval Office
12:00 m (60 min)	<u>Lunch and Personal Staff Time</u>	Oval Office
1:00 pm (60 min)	<u>Meeting with Cabinet Council on Commerce and Trade</u> (Craig Fuller) (distributed in a.m.)	Cabinet Room
2:00 pm (15 min)	<u>Meeting with Messrs. Hume, Coors, et al</u> (Edwin Meese) (TAB D)	Cabinet Room
2:30 pm	<u>To the Residence</u>	Residence
3:00 pm	<u>Depart for Camp David for the weekend</u>	South Ground



THE WHITE HOUSE  
WASHINGTON  
THE PRESIDENT'S SCHEDULE  
Friday, January 8, 1982

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11:50 am (70 min)	<u>Lunch and Personal Staff Time</u>	Oval Office
1:00 pm (60 min)	<u>Meeting with Cabinet Council on Commerce and Trade</u> (Craig Fuller)	Cabinet Room
2:00 pm (15 min)	<u>Meeting with Messrs. Hume, Coors, et al</u> (Edwin Meese)	Cabinet Room <i>CRB 11:42 CRB</i>
2:30 pm	<u>To the Residence</u>	Residence
3:00 pm	<u>Depart for Camp David for the weekend</u>	South Grounds

A

THE WHITE HOUSE

WASHINGTON

BRIEFING MEMORANDUM FOR THE PRESIDENT

SUBJECT: ECONOMIC PROGRAM ISSUES

Friday, January 8, 1982  
10:00 a.m. (60 minutes)  
The Cabinet Room

FROM: RICHARD G. DARMAN  
CRAIG L. FULLER

*دب*

I. PURPOSE

This meeting is to review remaining possible budgetary "savings" options. You need not decide on these in the meeting -- but will have to "close" on them by the middle of next week.

II. AGENDA

Dave Stockman will lead off with a review of the deficit as it would stand in the light of decisions and reestimates made to date. He and Don Regan will then present for your consideration a series of additional savings options.

III. PARTICIPANTS

The President  
Secretary Baldrige  
Secretary Regan  
Edwin Meese III  
David A. Stockman  
James A. Baker III  
Michael K. Deaver  
Martin Anderson  
Richard G. Darman  
Kenneth M. Duberstein  
Craig L. Fuller  
David R. Gergen  
Edwin L. Harper  
Murray L. Weidenbaum

**B**

## THE WHITE HOUSE

WASHINGTON

INFORMATION

## MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK *WPC*

SUBJECT: Meeting with Admiral Rickover  
Friday, January 8 -- 11:15 a.m.  
Oval Office

Frank Carlucci has recommended that you meet with Admiral Rickover for the purpose of providing special recognition for his long and exceptional service and to suggest an alternative position in which he can serve after his current term expires on January 31.

Admiral Rickover's future status remains unsettled. Although Frank Carlucci suggests that you explore alternative positions for the Admiral's future service to the nation, it is not appropriate for you to act as a job broker. John Lehman recognizes that it is the responsibility of the Department of the Navy to work out a position that is fully acceptable to everyone, and he is working hard toward that end.

Considering Admiral Rickover's extraordinary contributions to our national interest, as well as the strong Congressional interest in his future status, your meeting with Rickover is most appropriate. Principally it presents an opportunity to express your appreciation for his unique service to the nation -- and, secondly, express your personal concern for his future.

Suggested talking points are attached at Tab A.

Attachment:  
Tab A: Talking Points

SUGGESTED TALKING POINTS FOR MEETING WITH  
ADMIRAL RICKOVER

- Express appreciation and debt of gratitude the Nation owes Admiral Rickover for his sterling service as Director of the Joint DOD-DOE Naval Nuclear Propulsion Program.
- Acknowledge the tremendous personal loyalty of his talented and dedicated staff of engineers and managers who, under Admiral Rickover's strong leadership, have set the standards for safe reactor operation.
- Request his continuing cooperation and personal leadership as transition to new leadership occurs.
- Reaffirm your desire to expand civilian use of nuclear energy in this country as a key element in our future energy independence and worldwide technological and economic leadership.
- Acknowledge your understanding that Admiral Rickover desires to serve in a capacity other than as Presidential Adviser on Nuclear Science. Express your confidence that the Department of Defense, working closely with the Admiral, will work out a position that is fully acceptable to everyone.
- Express your desire for the Admiral to be available to advise you on matters of national importance.
- Should Admiral Rickover ask why he was not reappointed for another term, respond by emphasizing the need to assure continuity in our Nuclear Propulsion Program.

Note that it is important to plan ahead and thus avoid a transition under emergency conditions. Thus, Admiral Rickover will be able to provide that guidance necessary to ensure that the programs he established will continue to govern future developments.

## BACKGROUND INFORMATION

ON

### ADMIRAL RICKOVER'S STATUS

1. On November 13, 1981, DOD press release announced that Admiral Rickover would be offered the position of Presidential Advisor on Nuclear Science after his extension on active duty expires on January 31, 1982. The formal offer was tendered on December 7.
2. The Department of Defense understands that Admiral Rickover would prefer to do something other than serve as Presidential Advisor on Nuclear Science. The reasons for this view appear to be a desire to carry on his own work as well as less than total familiarity with civilian nuclear programs.
3. Congressmen Stratton and Price, and Senators Jackson and Warner have suggested that Admiral Rickover be retained on active duty in some capacity. The Department of the Navy is exploring this possibility. While this option would allow retention of 4-star privileges, it may require legislative action due to existing flag rank grade limitations.
4. The Department of Defense is currently working on two initiatives to honor Admiral Rickover. Based upon President Reagan's approval of the Medal of Freedom with Distinction for the Admiral, the citation is being finalized and will be forthcoming from Defense. As a longer range initiative, a request will be forwarded to name a nuclear submarine in Admiral Rickover's honor.
5. Secretary Carlucci's December 3 memo (referred to in December 9 memo at Tab III) requested a Presidential letter be sent to DOD and DOE emphasizing the importance of continuity in the Naval Nuclear Propulsion Program during the transition process. That request has been accommodated; letter was sent on December 27.



C

THE WHITE HOUSE  
WASHINGTON

January 7, 1982

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK *Zed*  
SUBJECT: Photo Session with US Ambassadors  
Friday, January 8 -- 11:50 a.m.  
Oval Office

Attached are 3x5 cards with pertinent information  
for your photo session with:

Ambassador Walter Cutler - Tunisia  
Ambassador W. Tapley Bennett, Jr. - NATO

The Ambassadors have expressed their appreciation  
of your taking the time to meet and be photographed  
with them prior to departure for their respective  
post.

*D*

# THE WHITE HOUSE

WASHINGTON

January 7, 1982

## MEETING WITH KARL BENDETSSEN

DATE: January 8, 1982  
LOCATION: Cabinet Room  
TIME: 2:00 p.m. (15 minutes)  
  
FROM: EDWIN MEESE III

### I. PURPOSE

To meet and present to you the recommendations of the "High Frontier" panel dealing with strategic national security planning.

### II. BACKGROUND

The "High Frontier" project is a private undertaking headed by Karl Bendetsen, who along with others has sought to provide innovative options in the area of strategic planning. The group's recently completed final report suggests strategic alternatives based upon U.S. technological advances, primarily in space technology. The panel operated under the auspices of the Heritage Foundation and the funds used to conduct their research were raised from private sources exclusively.

### III. PARTICIPANTS

Karl Bendetsen, Jack Hume, Bill Wilson, Joseph Coors, Ed Meese, Bill Clark, Martin Anderson, Jay Keyworth, Jim Jenkins and Ed Thomas

### IV. PRESS PLAN

No press coverage or photo opportunity.

### V. SEQUENCE OF EVENTS

Ed Meese will introduce Karl Bendetsen, Chairman of the "High Frontier" panel. Mr. Bendetsen will proceed to introduce the other members of the group and brief you on their work. The briefing will keynote their principal recommendation -- the immediate establishment of a "Council on Assured Survival" to be chaired by the Vice President.

Briefing concludes. You might thank them for their efforts on the nation's behalf and propose to study the panel's recommendations further.

KARL ROBIN BENDETSSEN

Mr. Bendetsen is currently the Chairman of the High Frontier Panel and is the retired Chief Executive Officer of Champion International. Formerly, Mr. Bendetsen served in a wide variety of governmental and military posts including Special Representative, with rank of Ambassador to West Germany in 1956 and the Phillipines the same year, Chairman of Advisory Committee to the Secretary of Defense 1962 and Vice-Chairman Defense Manpower Commission 1974-1976.

In addition to his service as an Assistant Secretary of the Army 1948-51, he held the position of Undersecretary of the Army in 1952.

Mr. Bendetsen has received numerous military decorations and also is a recipient of the Presidential Medal of Freedom. He has served in numerous executive positions in the private sector principally with Champion International, the New York Stock Exchange and Westinghouse Electric Corporation.

Mr. Bendetsen is a member of the Board of Overseers of the Hoover Institution in Palo Alto, California and currently resides in Washington, D. C.

## MEMORANDUM FOR THE PRESIDENT

### Conclusions and Recommendations of the High Frontier Panel

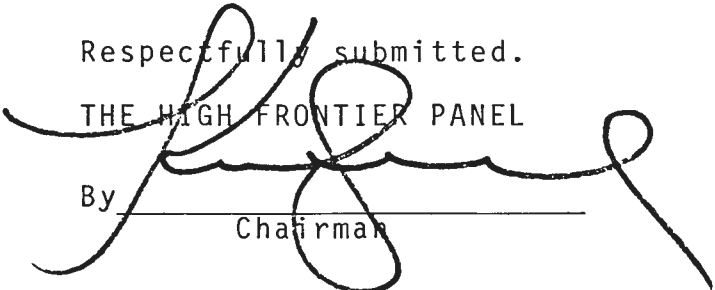
- A. The overwhelming preponderance of Soviet strategic and general purpose forces is increasing and cannot foreseeably be matched in sheer numbers, even if we were on a war footing with no ceiling on expenditures. Congress and past administrations have failed to provide for the common defense for twenty years. We are unacceptably vulnerable. Soviet blackmail could become irresistible.
- B. Mutually Assured Destruction places total reliance on offensive nuclear weapons to the exclusion of defense. A new strategy of Assured Survival would instead rely on defense. \*
- C. The ABM Treaty presents no barrier:
  - 1. It permits missile defense of one hundred silos;
  - 2. Space-borne missile defenses are: "Systems based on other physical principles" and are not banned by the Treaty;
  - 3. Article XV accords either party the right to withdraw "if it decides that extraordinary events related to the subject matter of the Treaty have jeopardized its supreme interests." Six months' notice describing such events is all that is required.
- D. There are strong indications of advanced preparations for a national ballistic missile defense array in the U.S.S.R. Such defenses would jeopardize our supreme interests. Soviet directed energy efforts are focused and highly intensive. A Soviet breakthrough and deployment in space of powerful directed energy weapons would militarily dominate both space and earth, conclusively altering the world balance of power.
- E. In contrast, we have been doing literally nothing to prevent Soviet domination. Our communications and intelligence satellites are not survivable and they are undefendable. Our directed energy efforts are neither focused nor intense.
- F. It is recommended that The President immediately appoint an Advisory Systems Selection Task Force to choose from available options the specific defensive systems and other specific actions recommended as essential by the High Frontier Panel. (For required systems and other actions, Task Force mission and nominees, see Attachment 1.)

\* In his October 1981 message, The President stated "We will develop technologies for space-based missile defense" and "pursue an operational anti-satellite system."

- G. The Manhattan project which entailed vast original applications research and engineering embraced four years. The average DOD lead time required for selection and acquisition of weapons systems has reached thirteen years. We cannot survive such delays. Special management arrangements are urgently required. Those used in the successful precedent of the National Space Council which was chaired by The Vice President would be highly appropriate now.
- H. The Panel recommends that The President immediately establish a Council on Assured Survival to be chaired by The Vice President. (For membership, mission and functions, see Attachment 2.)

Respectfully submitted.

THE HIGH FRONTIER PANEL

By  \_\_\_\_\_  
Chairman

Panel Members

Karl R. Bendetsen, Chairman

Lt. Gen. Daniel O. Graham, USA(Ret.)  
Project Director

Frank R. Barnett

Joseph Coors

Edwin J. Feulner, Jr.

Jaquelin Hume

Dr. Edward Teller

Ambassador William A. Wilson

Enclosures (2)

ATTACHMENT 1  
SYSTEMS SELECTION

- A. Essential defensive systems and other actions recommended by the High Frontier Panel:
1. An ABM point defense system to be deployed within two years.
  2. A space-borne ABM defensive system to intercept Soviet missiles in early (boost) phases or in the mid-course wherever aimed.
  3. Defensive systems to protect and to make our space satellites and systems survivable and to secure the availability of space from hostile actions and to reinforce our overall strategic posture. Produce survivable C<sup>3</sup>I satellites.
  4. A directed energy system of numerous space-borne battle stations of brightness of great magnitude is urgently needed. It could not be provided by our present directed energy development programs. The deployment of such a system or systems could provide for all the requirements of 2 and 3 above.
  5. A major increase in the number and production rate of both types of cruise missiles. Accelerated availability of aircraft and sea platforms (including B-52s and Polaris submarines). Special provision will be necessary to produce the material for the increased number of warheads. (It is unnecessary and perhaps undesirable to station cruise missiles in NATO.)
  6. Identify the most acute problems of electric circuitry interruptions and burn-outs caused by electromagnetic pulses generated by enemy missiles detonated in the upper atmosphere and formulate proposals to evolve solutions step by step on a priority basis. The ongoing effort to deal with the vulnerabilities of C<sup>3</sup>I must be accelerated.
  7. An increase in the resources presently devoted to civil defense.

B. Task Force Mission

The Panel recommends immediate appointment of a Systems Selection Task Force of from 9 to 15 highly qualified members to be directly advisory to The President. The Task Force should be directed to make the system selections required by items I-1 through 4 above within 90 days and with urgency thereafter, address the recommendations required by items I-5 through 7. We urge that the successive recommendations of the Task Force be considered by The President without department or agency review. The Task Force would include Richard D. DeLauer, Under Secretary of Defense for Research and Engineering; Hans Mark, the Deputy Administrator of NASA and Dr. Donald Kerr, Director, Los Alamos National Laboratory.



C. Task Force Nominees

FOR CHAIRMAN (or alternatively for Membership)

1. Mr. William Baker, PFIAB (formerly CEO, Bell Laboratories)
2. Dr. John Foster, V.P. TRW
3. Mr. Harold Agnew, CEO, General Atomic (Gulf Oil)(formerly Los Alamos)

FOR MEMBERSHIP

1. General B.A. Schriever, USAF(Ret.) (CG Ballistic Missile Development; Air Research and Development; USAF Systems Commands, in turn)
2. Mr. George W. Jeffs, V.P., Rockwell (President, North American Space Operations)
3. Dr. R.O.(Bob) Hunter, President, Western Research Corp. San Diego, CA.
4. General Sam Phillips, TRW (former Director, Apollo program)
5. Dr. Arnold Kramish, Authority, Author and Analyst, Nuclear Applications and Technology Risk
6. Mr. James Wilson, Consultant, National Academy of Sciences, Directed Energy Systems
7. General John R. Deane, USA(Ret.), formerly CG Army Materiel and Readiness Command
8. Mr. H. K. Hebel, V.P., Boeing Aerospace Co.
9. Mr. J. L. McLucas, CEO, Comsat Corp.
10. Mr. Bob O. Evans, IBM
11. Dr. Eugene Fubini, Fubini Consultants, Ltd. Arlington, Va.
12. Lt.Gen. Daniel O. Graham, USA (Ret.) (former Director of D.I.A.) (High Frontier Panel member)
13. Mr. Christopher McKee, University of California
14. Dr. Lowell Wood, Livermore Laboratories
15. Dr. Norman Augustine, Chairman, Defense Science Board
16. Dr. Charles Townes, Chaired Advisory Committee to Secretary of Defense (Townes Committee)
17. Mr. Edward T. Gerry, W. J. Schaffer Associates, Arlington, Va. Consultant Directed Energy Systems)

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ATTACHMENT 2

COUNCIL ON ASSURED SURVIVAL

A. Membership

The Panel recommends that The President establish the Council on Assured Survival to be chaired by the Vice President, the members of which would include the Secretaries of State, Defense and Commerce, the Directors of the Central Intelligence Agency and the Office of Management and Budget, the Administrator of NASA and the Science Advisor to The President.

B. Mission and Special Management Arrangements

The Council missions would include insuring support of their respective departments and agencies and of Congress. The Chairman would appoint a Program Director who would initiate action on each Task Force approved recommendation. He would provide a secretariat for the Council and the Task Force. As soon as possible, the Program Director (PD) would appoint a Special Project Officer (SPO) for each project. Each SPO would be the general manager of his project, serving under the direction of the PD, who would be the focal point for decision and coordination. The appropriate Council member would provide each SPO with direct access to the appropriate Commander of the Army Materiel and Readiness Command; the Naval Materiel Command; the USAF Systems Command; the Assistant Secretary of Commerce for Military Programs (or his successor); and as required in each case, the appropriate Associate Administrator of NASA. No intermediate department or agency echelons would have any jurisdiction over the SPO or his project. Council members would take action to seal off allocated appropriations from all competition.