

3/14/77 [2]

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	<p>From Harold Brown to The President (3 pp.) Re: Defense Department summary.</p> <p><i>Open 12/19/94</i></p>	3/11/77	A

FILE LOCATION

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PER (12/29/94) DOD H. RE. MP-NLC-91-73
BY [Signature] MARS. DATE 12/16/94

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

11 March 1977

THE PRESIDENT HAS SEEN.

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Significant Actions, Secretary and Deputy Secretary
of Defense (Week of 5-11 March 1977)

Discharge Review: On Wednesday of this week I sent you my formal recommendations for review of discharges from the Vietnam era. Charles Kirbo, Griffin Bell and Bob Lipshutz also have copies for comment. The proposal has the support of the three Service Secretaries, the Service Chiefs, and the Chairman of the Joint Chiefs of Staff. Since continued speculation is inevitable, I would recommend formal announcement soon if you approve.

Meeting With Korean Foreign Minister Pak: I met for thirty minutes with Pak on March 8. His principal message had to do with the importance of prior consultation, and the need to avoid precipitous drawdown of U.S. troops. I told him that the Administration is studying our force posture in Korea, that no specific plan for reducing U.S. forces there had been drawn up, but that a drawdown of U.S. ground forces seemed feasible to us. I added that we would consult in detail with the ROK before making any changes. He indicated that they would prefer a less public reconsideration of the U.S. position on our forces in Korea. I pointed out to him that the ROK's stance on human rights was a problem in our dealing with Congress on matters related to support of Korea; he made no comment in reply.

D.C. Law Enforcement: The Army, acting as my executive agent and with approval from my office, responds to support requests from the FBI in support of the D.C. police after such requests have been approved by the Department of Justice. Yesterday requests were made for helicopters, rifles and ammunition, tear gas grenades, and for fragmentation and concussion type hand grenades.

Classified by _____ Sec Def _____
SUBJECT TO EXECUTIVE ORDER 11652, SCHEDULE OF
EXECUTIVE ORDER 11652, SCHEDULE OF
AT TWO YEAR INTERVALS. DECLASSIFIED ON 31 Dec 85

SEC DEF COMIR No. 4-9720

DoD provided all the items requested except the fragmentation and concussion grenades. With respect to them, my office concluded that an appropriate use for these nonselective and highly destructive weapons had not been demonstrated, and your office concurred. I intend in future riot control or civil disturbance situations to continue to exercise caution in providing DoD munitions to make sure they are not excessive for the situation, and to coordinate with your office in doubtful cases.

Fuel Air Explosives: On March 9, Charles Duncan forwarded an assessment of Fuel Air Explosive (FAE) weapons to Zbig Brzezinski. He pointed out that FAE weapons are useful and effective against targets which are vulnerable to over-pressures, and that they provide unique capabilities for clearing land mine fields and landing zones. We are presently considering what guidelines should be followed in the development, production and employment of FAEs. I asked Zbig not to undertake an interagency action to restrict FAEs until my evaluation is complete. I will keep you informed of the results.

NATO: We face several knotty problems in procurement which could affect the political face of the alliance.

AWACS - The UK is about to drop off to NIMROD. The Germans need AWACS, but want to use it as a lever.

Main Battle Tank - The U.S. Army has been less than cooperative. The Congress joins them. The Germans suspect unfair evaluation, and think we should buy their tank or components even if those aren't as good (which they deny).

These attitudes reflect national economic interests (one way street vs. need for other NATO countries to contribute adequately to their own defense). Even more importantly, they reflect (as does Nike-Hercules) European concerns that U.S. strategic nuclear capability vis-a-vis the Soviets is slipping; and that the United States is less willing to have a continuum including Theater Nuclear forces--combined (we would say illogically) with an unwillingness to erode their social welfare programs in a time of weak economic conditions, in order to provide more conventional capability. Callaghan flatly said the Europeans will not increase expenditures on conventional capabilities.

Visit with Prime Minister Rabin. My visit with Rabin covered three main points:

. Israel's determination to develop an arms industry, based on free transfer of technology, to make them less dependent on U.S. production (and free to export arms without constraints imposed by us). Use of grant aid funds to build up Israeli tank production is a case in point. My argument was that we do not want U.S. policy circumvented under such circumstances.

. The Israelis inquired as to ways to make secure--and to accelerate--delivery of their F-16s. I pointed out that co-production among our NATO allies complicates our decision process, both as to timing of the Israeli buy and the question of production in Israel. The current controversy over front-loaded costs for the Allies may make earlier Israeli deliveries possible.

. The two lines of approval involved in FMS--Executive consideration of items of equipment, and Congressional action on level of funding--have put the Israelis in what they regard as an impossible position. They project having less than \$400M in flexibility through FY 78. They want relief. I pointed out that their problem was to set priorities.

Harold Brown

THE WHITE HOUSE
WASHINGTON

March 14, 1977

Stu Eizenstat -

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

Rick Hutcheson

cc: Landon Butler

Re: Exemption for Small Residential
Construction in the Common
Site Bill

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
	X	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON

FOR STAFFING
FOR INFORMATION
X FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND

ENROLLED BILL
AGENCY BILL
Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

CAB DECISION
EXECUTIVE ORDER
Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI	
		ARAGON
		BOURNE
		BRZEZINSKI
	X	BUTLER
		CARP
		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HOYT
		HUTCHESON
		JAGODA
		KING
		KRAFT
		LANCE
		LINDER
		MITCHELL
		POSTON
		PRESS
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE

THE WHITE HOUSE
WASHINGTON

Mr. President:

Landon Butler concurs (for
Jordan) with Stu's sugges-
tion.

Rick

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 12, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Stu Eizenstat *Stu*
RE: Exemption for Small Residential
Construction in The Common Site Bill

I. Issue

In consultation with DOL, HUD, and the AFL-CIO, we have attempted to define a small contractor for purposes of the exemption from common site picketing which you requested.

II. Background

A. Last year an exemption was granted for contractors with an annual gross of \$9.5 million or less (approximately 200+ units) engaged in construction of dwellings of less than 3 stories.

B. The AFL-CIO is grudgingly willing to accept an exemption for contractors who construct less than ten units annually. Such a contractor would have a gross of approximately \$500,000. This would exempt approximately 40% of all homebuilders, but only 15% of all residential starts. The building trades unions feel very strongly that any level above 10 units would exempt too much of the industry, and would amount to a double cross by the Administration. Congressman Thompson, chairman of the subcommittee with jurisdiction over the bill, has said he will not support any amendment more inclusive than the AFL-CIO proposal. The DOL agrees with the AFL-CIO position. *S
prom:
ther
au*

C. HUD would like to see an exemption for all residential construction. If that is not possible, the Department proposes an exemption for all residential construction of 4 stories or less. This would be a major affront to labor.

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D. A compromise solution could be developed, which would allow slightly larger contractors to be exempt. For example, the AFL-CIO would probably accept an exemption of builders of up to 20 units annually (\$1 million gross). Such a limit would exempt nearly half of all homebuilders, and approximately a quarter of all home starts.

III. Recommendation

On balance, I believe that it would be a serious mistake to alienate the construction trades and the AFL-CIO over this issue. In practice it will probably make little difference where the exemption is set, because most of the residential construction industry is non-union and likely to remain so. Moreover, no exemption we could propose would mollify the construction industry. Therefore, my recommendation would be to accept the 10 unit compromise proposed by the AFL-CIO, especially in view of the major disagreements with Labor which may be upcoming over the minimum wage and cargo preference. If you prefer a larger exemption, I would recommend that it not be substantially higher than 20 units.

Approve 10 Units _____

Prefer Larger Exemption _____

20 or

Let's Discuss _____

J

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THE WHITE HOUSE
WASHINGTON

Date: March 14, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Hamilton Jordan/Landon Butler

FOR INFORMATION: Bob Lipshutz
Frank Moore
Jack Watson

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Stu Eizenstat memo 3/12/77 re Exemption for Small
Residential Construction in the Common Site Bill.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: IMMEDIATE TURNAROUND

DAY: _____

DATE: _____

ACTION REQUESTED:

Your comments

Other: _____

STAFF RESPONSE:

I concur. No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
X		MONDALE
		COSTANZA
		EIZENSTAT
X		JORDAN - BUTLER
	X	LIPSHUTZ
	X	MOORE
		POWELL
	X	WATSON

X	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
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		GAMMILL
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		LANCE
		LINDER
		MITCHELL
		POSTON
		PRESS
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		SCHNEIDERS
		SCHULTZE
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		WELLS
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THE WHITE HOUSE
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Approve 10 Units _____

Prefer Larger Exemption _____

Let's Discuss _____

Date: March 14, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Hamilton Jordan/Landon Butler

FOR INFORMATION: Bob Lipshutz
 Frank Moore
 Jack Watson

FROM: Rick Hutcheson, Staff Secretary

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ACTION REQUESTED:

 Your comments

Other:

STAFF RESPONSE:

 I concur. No comment.*Please note other comments below:***PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

March 14, 1977

EYES ONLY - SECRET ATTACHMENT

The Vice President
Midge Costanza
Stu Eizenstat
Ham Jordan
Bob Lipshutz
Frank Moore
Jody Powell
Jack Watson

Weekly Summaries from Cabinet
for March 6 to 11

The attached were returned in the President's
outbox. These copies are for your personal
information.

Rick Hutcheson

Reports from:
Agriculture, CEA, Justice,
Interior, Defense, Labor, Energy,
Treasury, Transportation, Commerce,
HEW, HUD and additional one from
Transportation.

THE WHITE HOUSE
WASHINGTON

March 14, 1977

EYES ONLY - SECRET ATTACHMENT

Z. Brzezinski

The attached were returned in the President's
outbox. These copies are for your
information.

Rick Hutcheson

Reports attached:
Defense, Treasury and
Transportation

THE WHITE HOUSE
WASHINGTON

EYES ONLY

ACTION	FYI	
	X	MONDALE
	X	COSTANZA
	X	EIZENSTAT
	X	JORDAN
	X	LIPSHUTZ
	X	MOORE
	X	POWELL
	X	WATSON

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		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE

THE WHITE HOUSE
WASHINGTON

March 11, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: JACK WATSON *Jack*
RE: WEEKLY SUMMARIES FROM CABINET
FOR MARCH 6 TO 11

I attached summaries received from the following
Departments:

AGRICULTURE
CEA
JUSTICE
INTERIOR
DEFENSE

LABOR
JIM SCHLESINGER
TREASURY
AMBASSADOR YOUNG

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Attachments

THE PRESIDENT HAS SEEN.



DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

C

March 11, 1977

977 MAR 11 PM 3 16

MEMORANDUM TO THE PRESIDENT

THROUGH Jack Watson
Secretary to the Cabinet

SUBJECT: Weekly Report

AgLand Trust. A meeting is scheduled between the Secretary and the President of Continental Bank and Trust of Chicago. Bank officials are expected to announce they are abandoning their efforts to gain IRS exemption for Agland Trust and will not attempt to establish a large farm rental system.

Farmers Union. The Secretary's trip to the National Farmers Union Convention in Texas reemphasized the importance of Cabinet-level officials meeting with small groups as well as with large audiences. A banquet speech to several thousand provided visibility for the Administration, but a meeting following with the 150 voting delegates allowed average farmers to vent their fears and express their views. The latter reassures the "folks" and provides us with an accurate reading of their true feelings.

Farm Bill. Senate and House hearings have been rescheduled for one week later than originally planned. This should give the Administration time to present our own general farm legislation on the Hill. We plan to present the Administration's proposals to you, Mr. President, on Sunday of next week.

Farmers Home Administration. Emphasis is being placed on improving the responsiveness of USDA's lending programs with special concentration on areas where weather is threatening financial setbacks. Field offices are being directed to act accordingly, making full use of existing authorities.

State Directors. Because of the delays in replacing Schedule A appointments, the Department has asked the Civil Service Commission to reclassify ASCS State Directors as Schedule C. The attorney representing both ASCS and FmHA Directors has asked the Commission for all correspondence on this matter. In the meantime, we have begun clearances to fill vacancies on State ASC Committees as rapidly as possible.

Canada. The Secretary has been officially invited to Ottawa to discuss mutual farm problems with their Minister of Agriculture. (Under their system, the Minister has general responsibility for all agricultural commodities except wheat.) The invitation is for April 4 or 5 and should probably be accomplished on one of those dates as a timely followup to the recent visit of Otto Lang, head of the Canadian Wheat Board.

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Birds. There has been an outbreak of Newcastle disease in California. Present policy is to destroy infected and exposed birds, except endangered species. The Secretary has asked the appropriate agency to review policy and options. Mass destruction of birds is not the kind of image USDA needs, and there would surely be fallout on the entire Administration.



BOB BERGLAND
Secretary

THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

March 11, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: CHARLIE SCHULTZE ^{CLS}
SUBJECT: CEA Weekly Report

1. Farm price legislation

CEA has suggested to Agriculture some additional options for you to review in the new farm legislation. We are working with a sub-group of the EPG, including Agriculture, to develop these added options:

- A. Acreage "set-asides" or other production controls should never be imposed until grain stocks are clearly adequate. The 1973 experience teaches that it is a worthwhile expenditure of funds to have the government, or individuals through subsidized storage, hold more grain than market incentives alone produce. Once set asides have been imposed, however, -- a sign that supply exceeds demand -- then target prices and loan rates should be reduced.
- B. Flexibility should be built into loan rates and particularly into target prices. If market prices stay below target prices for some period of time this is a sign that target prices are too high. They should be lowered.

2. Minimum wages

As you know, the Administration will shortly have to take a position on minimum wages. A sharp increase in minimum wages can have three bad side-effects:



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- add to inflationary pressure
- make jobs for disadvantaged teenagers hard to get
- pose problems for many small businesses

CEA is reviewing studies of the economic impact of minimum wages. (Unfortunately they are not all consistent with each other.) We are also working with other agencies to look at several options for you, in addition to the one that the Department of Labor will present. One option that we are considering would:

- o raise the minimum wage slightly for large firms, and then index it to other wages,
- o hold the minimum wage at the present level for small firms, and wait several years before indexing it; this way, a differential would gradually be established
- o such a differential would help keep employment opportunities open for disadvantaged youth without imposing a youth differential.



THE PRESIDENT HAS SEEN.

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

12

Re: Principal activities of the Department
of Justice for the week of March 7
through March 11

1. Tuna Purse Seining Litigation

On March 7, 1977, Peter Taft, Assistant Attorney General of the Land and Natural Resources Division, appeared before the United States Circuit Court of Appeals for the District of Columbia and asked for an emergency relaxation of the restrictions on porpoise kills imposed by Court order. On March 8, 1977, the Court amended previous orders and allowed yellowfin tuna fishermen to resume using a netting method that unintentionally kills porpoises, provided that the 1977 porpoise kill rate does not exceed 59,050.

2. New Department of Justice officials

The following individuals were sworn in and took over their respective responsibilities:

Michael J. Egan - Associate Attorney General;
Barbara Allen Babcock - Assistant Attorney General,
Civil Division;
Benjamin R. Civiletti - Assistant Attorney General,
Criminal Division;
Drew S. Days, III - Assistant Attorney General,
Civil Rights Division;
Daniel J. Meador - Assistant Attorney General,
Office for the Improvements of the Administration
of Justice; and
Patricia Wald - Assistant Attorney General, Office
of Legislative Affairs

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3. Washington Hostages

The Attorney General and other personnel of the Department of Justice closely monitored and cooperated with District of Columbia officials with respect to the hostage situations in Washington.

4. Testimony before Senate and House of Representatives

During the week the Attorney General and other representatives of the Department of Justice testified before various House and Senate Committees on the following subjects: Overseas Voting Rights Act, Immigration and Naturalization Service (Oversight), Railroad Vandalism, Omnibus Judgeship Bill, Oil Spills and Cleanup, Fiscal 1978 Department of Justice Budget, and Medicare and Medicaid Fraud.

5. D. C. Marshals Office

The Department of Justice released the Report of the Intradepartmental Committee to Review the D. C. Marshals Office. The Committee was appointed and the report was prepared as part of the settlement of a civil rights action brought by two Deputy Marshals in the District of Columbia Marshals Office.

6. Meetings

The Governor of Guam, who had previously met with members of the Attorney General's staff concerning drug and immigration problems in Guam, met this week with officials of the Drug Enforcement Administration.

The Attorney General escorted to the Capitol his recommendation for the Commissioner of the Immigration and Naturalization Service, Leonel Castillo, Comptroller, City of Houston, to meet Senators Eastland and Thurmond of the Senate Judiciary Committee. Mr. Castillo paid courtesy calls on a number of other Senators, including his home state -- Senators Bentsen and Tower.



THE PRESIDENT HAS SEEN.

THE SECRETARY OF THE INTERIOR
WASHINGTON

March 11, 1977

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MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Week of March 7, 1977

There seems to be a controversy in Louisiana as whether you favor sharing the federal revenues from the Outer Continental Shelf lands with the States. Senator Johnston and I are trying to resolve this by looking to the Coastal Zone Management Act.

Senator Ribicoff stated, in answer to a question from Senator Stevens, that he did not think our legislation creating the DOE would pass prior to May 1st. He was implying that Congress will want to hear your Energy Message first. I hope this can be changed.

Senator Percy directed me to ask you to look at his bill of last year with regard to a "Council of Energy Advisors." He also thinks we should come down hard for more conservation of energy and I agree.

The Department of Interior is working on ZBB for FY-79. We will be able to meet all deadlines and, frankly, it will help us put this house in order.

We are starting to work as a group in Interior and with more positions coming aboard, things are looking better. Both Jack and Bob have been very helpful in this regard.

I spent 5 hours before Congressional Committees this week. Some of those hours were difficult, but written off as a "learning process."


CECIL D. ANDRUS

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U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

"FYI" C
/

March 11, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, RAY MARSHALL *RM*

SUBJECT: Major Departmental Activities for March 5-11

TEAMSTERS CENTRAL STATES PENSION FUND

We have received informal indications that the trustees of the Teamsters Fund will meet the government's requirements, rather than going to court. Such an agreement would require the resignation of Frank Fitzsimmons and three other "holdover" trustees. It would also include turning the management of all the Fund's assets to outside professional investment counselors. We expect to reach a formal agreement in principle in the near future. This will be followed by negotiations on the method of implementing the agreement.

One Congressional complication. Representative Sam Gibbons, Chairman of the Subcommittee on Oversight of the Ways and Means Committee, has chosen this critical period to hold public hearings (March 14-15) on the Teamsters' case. He has refused to delay the hearings and, therefore, I have declined his invitation to testify. This decision was made only after consultation with the Attorney General and Frank Moore.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

Lead Standard

OSHA will begin public hearings in Washington on March 15th on its proposed standard to lower permissible exposure levels for lead. These hearings promise to be highly controversial. The lead standard is of particular interest to women's groups such as the National Organization for Women (NOW). They believe that unless the lead

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standard is lowered, women of child-bearing age will be banned from working in such facilities since exposure to high levels of lead has been linked to birth defects. Blacks are also concerned about the standard since there is some connection between exposure to lead and sickle cell anemia. On the other hand, business groups contend that the costs of complying with a lowered lead standard would be prohibitive.

OSHA Self Inspection

On March 11th I released to the press the results of an OSHA inspection of their own and other Labor Department facilities. Since a number of safety violations were found, the results of this inspection may provide ammunition for the critics of OSHA. I used this as an opportunity to issue a statement on OSHA that stressed that the current "chaos" of the program is a legacy of six years of maladministration and pledged that one of my highest priorities was to give the problem firm administrative guidance.

EMPLOYMENT AND TRAINING--ECONOMIC STIMULUS PACKAGE

Draft regulations for the expansion of the public jobs program under the Comprehensive Employment and Training Act (CETA) will be published in the Federal Register on March 15th. These regulations provide additional guidance on CETA "prime sponsors" for devising public service projects aimed at the long-term unemployed.

EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA)

Next week the Federal Register will publish the regulations on pension and health insurance programs that I sent back for redrafting in mid-February. The purpose of these regulations is to inform employees of their rights under this act which is why these regulations must be written as simply and clearly as possible. I have also issued a directive to the entire Department to insure the clarity of all future regulations.

LABOR MANAGEMENT SERVICES ADMINISTRATION

Common Situs Picketing

I testified before the House Labor-Management Relations Subcommittee on common situs on March 9th. I argued for the agree-upon Administration position of support for a common situs bill that includes a collective bargaining provision and protection for small residential projects.

Major Negotiations

East Coast Longshoremen--There is a possibility of a strike by East Coast Longshoremen within the next ten days. The strike will be a protest against a recent National Labor Relations Board (NLRB) decision which invalidated container handling clauses in current collective bargaining agreements. Both the shipping industry and the longshoremen will be petitioning you to have the NLRB modify its decision.

Coal--Unauthorized local strikes affecting 23,000 miners in West Virginia, Illinois and Indiana have ended.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 11, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM SCHLESINGER *JS*

SUBJECT:

Weekly Activities Report

Department of Energy

- ° Monday, 7 March, testified on S-826 before the Senate's Governmental Affairs Committee. The hearing lasted two hours and although no major problems were encountered it appears that the bill will not be passed in the Senate before the Easter recess;
- ° March 9th addressed approximately 70 members of the United States Senate and House of Representatives at a breakfast meeting sponsored by the Environmental Study Conference and Chaired by Dick Ottinger on the subject of the new Department of Energy.

Public Participation in Energy Policy Formulation

- ° Conducted meetings with Congressional staffs and industrial groups to solicit suggestions, recommendations and comment for possible input into the comprehensive energy policy being formulated;
- ° Request for public comments, suggestions and recommendations published in the Federal Register coupled with a subsequent mailing of a questionnaire to 450,000 individuals (general public, consumer and environmental groups, labor leaders, State and local officials, industrial representatives, academic community and news media) have to date produced 7,000 responses;
- ° Energy Policy and Planning Staff will hold two weeks of meetings with private citizens and representatives of industry, consumer and environmental groups, labor, academic community and press beginning Monday, March 14th.

Energy Policy and Planning

- ° Drafts of the first four chapters of the national energy plan have been prepared and are undergoing internal review by the Energy Policy and Planning Staff. These drafts will be ready for your inspection shortly.

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Energy Research and Development Administration

- ° Announced issuance of request for proposals for design of large scale experiment in solar total energy system that uses sun to generate electricity and provide space or process heat. Selection expected by April 30th;
- ° Announced \$15 million contract with Consumers Power in Jackson, Michigan, to design reactor fuels for greater efficiency and reliability with potential equivalent of conserving 22 million barrels of oil per year by 1990;
- ° On March 7th and 8th, representatives of local business, academic institutions and public interest groups met with ERDA officials involved in the conservation program in San Diego, California, in a pilot, regional workshop to provide sector planning input on Federal conservation objectives.

Federal Energy Administration

- ° Issued a notice of proposed rulemaking to amend the Crude Oil Entitlements Program to permit California producers of heavy gravity crude oil to receive their ceiling prices;
- ° Refiners were notified that Canada has now offered to make available an additional 900,000 barrels of heavy crude from inventory, raising the total supplemental of Canadian heavy oil to 1.7 million barrels. This crude oil is outside the Mandatory Canadian Crude Oil Allocation program and is available to any refiner;
- ° Entered into a contract with the National Governors' Conference to provide more effective and informed participation of State and local government in the Federal Energy Administration's policy and program decision making process. The Governors' Conference will study energy related issues of concern to FEA and the States and identify the impact of FEA policies and programs.



THE PRESIDENT HAS SEEN.

FYI

THE SECRETARY OF THE TREASURY

WASHINGTON 20220

MAR 11 1977

C

MEMORANDUM TO THE PRESIDENT

SUBJECT: Highlights of Treasury Activities

New York City's request for a \$255 million loan under the Seasonal Financing Act was approved today. The loan will enable New York City to meet its Monday payroll and thus avoid insolvency. I am satisfied that a "sufficient prospect of repayment" exists, a finding I am required to make before granting each loan. I believe the City's plan for financing its \$983 million payment to moratorium noteholders will succeed.

The \$50 rebate may be in trouble in the Senate Finance Committee. I intend to get in touch with Russell Long. Also, it looks as though the Finance Committee is leaning toward a compromise involving the 12 percent investment tax credit and an optional jobs credit similar to that passed by the House.

The final negotiating session for the fifth replenishment of the IDA will be held next week in Vienna. Our delegation will pledge a U.S. contribution of \$2.4 billion to be paid over the next three years. This would represent a U.S. share of about 31% of the expected total pledges. In view of the uncertainty of achieving full Congressional appropriations within the three year period, however, we will work out provisions for consultation among the donors if the preferred timetable is disrupted--in order to avoid any risk of future charges of "bad faith" from the other countries. The proposed contributions were already included in your budget proposals.

The House Appropriations Committee voted to support our full request for making up U.S. arrearages in the IDA (\$55 million). They also maintained a Subcommittee cut of 40% of our request for Inter-American and Asian Development Banks. However, we failed by just two votes in an unprecedented effort for full Committee override of Subcommittee action. Congressman Charles Wilson of Texas led our effort.

I have decided to end the payment of administrative expenses from the Exchange Stabilization Fund, and to place such expenses

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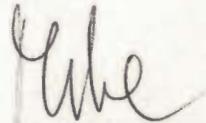
on a fully appropriated basis, beginning in FY 1979. This has been an increasingly sore point on the Hill, and the initial responses we have gotten to this move have been enthusiastic.

Following his meeting with you on Wednesday, Henry Reuss agreed informally with Treasury and State on a draft of legislation directing the U.S. to advance the cause of human rights in its participation in the international financial institutions. The draft would leave intact the legislative requirements (the Harkin amendment) that already exist for the Inter-American Development Bank, which we feel is necessary if Harkin and other proponents of mandatory voting provisions are to be brought along. We feel that the Reuss draft is the best obtainable in the circumstances.

German State Secretary Poehl has delivered a disappointing response on the U.S. proposed medium-term consortium arrangement for Portugal. Poehl indicates that Germany will not participate in a consortium arrangement and that financing for Portugal should come from the International Monetary Fund.

We are inviting public comment on our plans to abolish, merge, or continue a number of our advisory committees through appropriate announcements in the media and we will formally publish our proposal in the Federal Register.

I will be on Meet the Press this Sunday.



W. Michael Blumenthal



THE PRESIDENT HAS SEEN,

OFFICE OF THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

@

For transmittal
to the President.
J. Watson
JF

ACTION

March 4, 1977

MEMORANDUM FOR THE PRESIDENT

THROUGH: Jack Watson

SUBJECT: DOT Issues for Presidential Review

This memorandum provides a status report on significant issues currently pending at the Department of Transportation.

U.S./U.K. Bilateral Negotiations

Zbig has
no
problems
with
this.
J.W.

Pursuant to previous discussions, Alan Boyd has been appointed Special Ambassador, and on February 28, 1977, he directed negotiations with the British government on the Bermuda Agreement. Staff assignments were made from the Department of Transportation and, specifically, Assistant Secretary Chester Davenport attended the first days of the negotiations to be certain we were providing appropriate staff support for Ambassador Boyd. He reports Ambassador Boyd believes it is essential to make contingent plans for possible cessation of U.S. airline services at the date of termination of the Agreement on June 22, 1977, if a new agreement has not been signed.

I have directed Assistant Secretary Davenport to develop for presentation to you the potential airline route changes, possible losses to American flag carriers, and the necessity of alerting the public of possible disruption in service. The U.S. is better able to cope with this during the summer season than during the winter, which makes the June 22 date crucial. I will develop a further report on this for you by next week.

H-3 Hawaii

Pursuant to my prior report of February 11, 1977, I have informed the Governor of Hawaii of DOT's disapproval of the construction of the interstate highway which would have run through Moanalua Valley, defined as, "an historic site of significance," as designated by the Secretary of the Interior. This disapproval, which you concurred with in my February 11

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memorandum will probably evoke a response from either the Governor of Hawaii, Admiral Wright, Director of the Department of Transportation of Hawaii, and the State's Delegation.

Overton Park, Tennessee

The Governor of the State of Tennessee did not present the State's newest proposal to build a 3.7 mile segment of interstate in Memphis through Overton Park.

Governor Ray Blanton has requested a meeting on March 24 and is expected to file with me the State's newest request at that time. Because of the controversy involved in the prior Supreme Court case, this will require careful review by the Department, and it may be necessary to hold a public hearing in Memphis.

San Diego Freeway - Los Angeles

I have started to carry out negotiations with Governor Brown of California that I had previously reported to you in my memorandum of February 11. I have discussed this matter with the Governor and instructed the Federal Highway Administration to write to the Secretary of Transportation for the State of California informing them of the violation of Federal highway policy and requesting the California Department to immediately indicate how they intend to meet the project requirements.

The Governor indicates that this concept has been completely rejected by the citizens of the Los Angeles area to the extent of driving over the various barricades and the entire 200 miles designated for high occupancy vehicle concept will be in jeopardy. He needs some time to prepare a plan for implementing the HOV concept in the Los Angeles area.

I will try to make a trip to the Midwest and West Coast within the next 30-45 days and discuss the matter with him. In the meantime, we will supply the Governor's Secretary of Transportation with examples of other HOV projects in the United States.

Advance Design Buses

I have carried out the decision I previously proposed to you to allow all existing design of buses to be eligible for Federal assistance until a new set of Federal specifications can be developed which will better meet the needs of the elderly and the handicapped.

The Department of Transportation will hold a public hearing on this design on March 15 to begin a process of establishing the specifications for the new Federally supported advance design buses. I will try to set the effective date for the new specifications far enough in advance so the three domestic manufacturers of buses will be able to meet those specifications if they make a management decision to continue producing buses.



THE PRESIDENT HAS SEEN.

"FYI"

9

March 11, 1977

977 MAR 12 11 52

REPORT TO THE PRESIDENT

SUBJECT: Department of Commerce Priority Issues

The following actions and issues are currently of priority concern to the Department of Commerce (DoC).

ACTIONS

- Tuna/Porpoise Controversy. On Tuesday, March 8, the District of Columbia Court of Appeals granted our motion to permit immediate fishing on porpoise, generally under the Commerce regulations which will officially become effective April 17. We are continuing our discussions with the Marine Mammal Commission and the Council on Environmental Quality regarding possible amendments to the Marine Mammal Protection Act. We expect to send specific legislative proposals to the White House early next week.
- Arab Boycott. As you know, I testify on March 14 and 15 with respect to the specifics of the Administration's position on boycott legislation. An Options Paper was circulated to Attorney General Bell, Secretaries Vance and Blumenthal, and Stuart Eizenstat last Tuesday, and every effort is being made to assure close coordination. We expect to make substantial amendments to the pending legislation, and Congressional acceptance of these changes may require White House involvement if the Administration position is to prevail.
- Local Public Works. Yesterday the Senate passed the local public works bill. The Heinz amendment, which would have substantially reduced the targeting of funds to high unemployment areas, and which the Administration opposed, failed. Other amendments relating directly to local public works were relatively minor; for example, the minimum amount each State could receive was increased from \$20 to \$30 million.

As passed, the Senate bill contains two other major provisions unrelated to the EDA public works program. The Muskie amendment, which authorizes \$10.6 billion for construction of sewage treatment plants and other water pollution projects and the Johnston amendment, which restores FY 1977 funding for 19 dam projects

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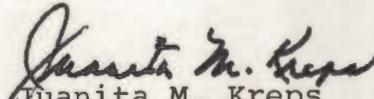
as well as declaring that if Congress votes funds for the projects in FY 1978 and they are vetoed, Congress will vote down that veto also. We are hopeful that a compromise can be reached between the House and Senate conferees on the Muskie provisions, and we will be working with EPA and the White House staff on this. We are assuming that the White House staff will take the lead with respect to the dam project amendment.

● Business Meeting. As I indicated to you earlier, I have been meeting regularly with representatives of the business community on policy issues. Today, I met with such a group and sketched out the directions in which the Administration is moving in developing anti-inflation policies. They have agreed to give me their reactions next week in time for them to be incorporated into the Administration dialogue on this issue. I believe it is extremely important for us to get input from both labor and business before we publicly announce our policies.

ISSUES

● Cargo Preference: Oil. The relevant Administration Agencies -- Departments of State, Treasury, Labor, and Transportation; Federal Energy Administration; CEA; and OMB -- have reviewed pending oil cargo preference legislation (H.R. 1037) and are unanimously opposed to the pending legislation. The opposition to the bill stems principally from its impact on consumer costs, the violation of international treaties, possible retaliation from other countries, and possible conflicts with long-term energy policies. In view of your campaign statements in this area, however, we have been working with an interagency group to see if the legislation can be sufficiently improved to gain the support of the appropriate Departments. Such an options paper has been prepared and will be reviewed by the EPG on Monday. I anticipate that a memo will be sent to you shortly thereafter.

It is quite likely that even an amended version of cargo preference legislation will not have the support of most of the relevant Departments. Thus, it appears that this issue will pose a serious conflict between political and economic considerations. I suggest that you review this issue next week as the House is anxious to have the Administration testify on cargo preference within the next few weeks.


Juanita M. Kreps

THE PRESIDENT HAS SEEN.



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

March 11, 1977

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is my weekly report on important activities within the Department of Health, Education, and Welfare.

PUBLIC ANNOUNCEMENTS

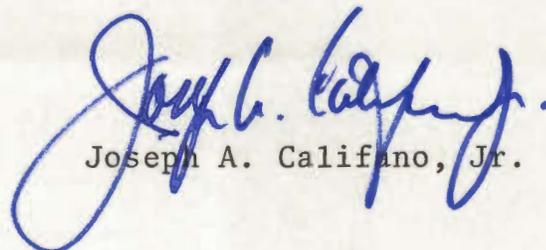
- RL
- . Reorganization. As you know, I announced a major restructuring of HEW on Tuesday. Public statements of support have been issued by former Secretaries Flemming, Gardner and Cohen, by Governor Kniep, head of the National Governors' Conference Committee on Human Resources, by Senator Talmadge and Chairman Ullman, and by union leaders. I have appointed a task force to begin the complex process of transforming my directives into Departmental reality. All reporting relationships have been changed to conform to the new operating divisions.
 - . Welfare Reform. On Thursday, I convened an open hearing on welfare reform and heard testimony from more than 60 witnesses. It was a fascinating day, and I was impressed with the depth of feeling about the problems that our present welfare system creates.
 - . Cost Containment. I will be speaking to a group of leading business executives on Saturday in a forum convened by Newsweek. I intend to stress strongly your commitment to hospital cost containment. On Friday, March 18th, I will address the American Newspaper Publishers Association meeting here and I will also emphasize cost containment to that group. We are continuing to work at full speed to develop a proposal for you as soon as possible.
 - . Physicians Receiving Over \$100,000 from Medicare. As required by a change in the Freedom of Information Act, HEW will make public on Monday, March 14, the

names of physicians, groups, and laboratories for whose services Medicare paid \$100,000 or more in 1975. The disclosure will respond to numerous requests made to the Social Security Administration. Before the change in the Freedom of Information Act, Medicare fee information could be released for physicians groups and laboratories, but not for unincorporated physicians in sole practice.

- Immunization. A broadly-based group representing scientific, medical, consumer and industry concerns was convened at HEW today to debate the proper shape of next year's influenza immunization program. The group will make recommendations to me by next week. A decision on the program must be made within two weeks in order to provide proper lead-time for manufacturers.

CONGRESSIONAL TESTIMONY

- Child Abuse. Arabella Martinez, Assistant Secretary for Human Development-Designate, testified today, before the Subcommittee on Select Education of the Education and Labor Committee of the House of Representatives, on extending the Child Abuse and Neglect Act. We are proposing a one year extension of the present legislation, to September 30, 1978, in order to provide time for an assessment of the legislative authority to determine what changes would be appropriate in this program.


Joseph A. Califano, Jr.



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

March 11, 1977

MEMORANDUM FOR: The President

SUBJECT: Weekly Report of Major Departmental
Activities

The following are brief descriptions of significant activities at the Department of Housing and Urban Development.

Speaking Engagements. On Monday, March 7, I addressed the National League of Cities Conference on this Administration's community development initiatives. It was this speech that triggered the question during your Wednesday news conference about possible sanctions against communities which do not provide a wide range of housing opportunities for minorities and low-income families. Later that afternoon I spoke before the National Housing Conference on the Administration's housing policy. I promised continued support for assisted housing programs and continuation of our relationship with the National Housing Conference.

Press Conference. On Thursday, March 10, I held a press conference but the disturbances in Washington that day apparently crowded the Department off the news pages. I plan to hold a monthly news conference.

Legislation. Congressional action during the past week on the legislation affecting HUD was as follows:

- The House passed HUD's supplemental authorization legislation on Thursday, March 10. Title II of this legislation, which provided for the establishment of a National Commission on Neighborhoods, was deleted by amendment on the floor.
- On Wednesday, March 9, the Senate Committee on Banking, Housing and Urban Affairs marked up the fiscal year 1977 supplemental authorization legislation,

granting in its entirety the Department's request. Legislation to create a National Commission on Neighborhoods was attached to the Department's Bill in the Senate.

- The Senate Committee on Banking, Housing and Urban Affairs filed its budget request to the Committee on Budget for fiscal year 1978 authorizations. The committee granted the Department's requests and added \$50 million to the Section 312 Rehabilitation Loan program, \$5 million to the Homeownership Counseling Demonstration program, and \$5 million (earmarked for energy conservation) to the Policy Development and Research request.

New York City Issues. In response to Mayor Beame's request at our meeting last week, immediate attention is being directed toward expediting our processing of all assisted and insured project applications now pending in the New York Office. This could result in construction starts of up to 10,000 housing units during fiscal year 1977. In addition, the Department is processing applications for the refinancing of some 100 City-aided projects. When completed, this refinancing should enable the City to convert approximately \$400 million in short-term obligations to long-term loans.

Section 202 Processing. Because we must move quickly if we are to reserve the \$750 million in Section 202 funding available during fiscal year 1977, I have decided to continue centralized 202 sponsor selection. Although this system has major weaknesses, we can reserve all available funds without further delay and from the 25,000 additional housing units for the elderly. We intend to revise the processing system for fiscal year 1978.

Consumer Assistance. To assist families who rent dwellings, the Department has completed a publication entitled, The Wise Rental Practices Book. This book will be the counterpart to the previously published booklet, Wise Home Buying.

701 Grant Awards for Weather-Induced Damage and Energy Conservation Projects. In response to the Presidential request that all Federal agencies make immediate use of their current programs and funds to assist communities affected by the current weather-induced energy crisis, HUD Regional Offices were advised to submit up to two proposals of \$25,000 each for Central Office consideration.

Proposals were to address immediate concerns related to (1) alleviating present or anticipated short-term emergencies, such as flooding, drought, and (2) energy conservation measures caused by prolonged cold weather.

Proposals with an aggregate cost of \$242,986 were approved for the States of Connecticut, West Virginia, Kentucky, Illinois and Iowa, and for Allegheny County, Pennsylvania, Northeast Ohio Areawide Coordinating Agency, Siskiyou County, California, Houston-Galveston Area Council, and an interstate grant for the States of Washington, Idaho and Oregon.

Consultant Fees and Practices in the Community Development Block Grant Program. The Department is taking steps to prevent Community Development Block Grant applicants from being exploited by consultants who are either (a) making false representations about funding prospects, (b) charging excessive fees for services rendered, or (c) peddling "boiler plate" discretionary grant applications.

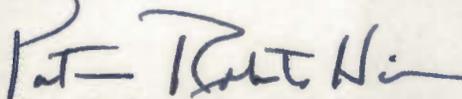
As a first step, we are applying new regulations entitled, "Debarment, Suspension and Ineligibility of Contractors and Grantees; Administrative Sanctions," which give our Area Office Directors the authority to suspend consultants for fraudulent or seriously improper conduct for a period of 12 months after an investigation by HUD's Inspector General. We are also monitoring applications carefully to detect any suspicious forms.

Attorney General's Title VIII Suit Against Appraisers and Lenders (U.S. v. American Institute of Real Estate Appraisers et al.) In April 1976, the Attorney General filed suit under Title VIII of the Civil Rights Act of 1968 against two major trade organizations of real estate appraisers and two major organizations of lenders. One of the defendants, the American Institute of Real Estate Appraisers, submitted a proposed affirmative program and settlement. A settlement agreement negotiated by attorneys from HUD and the Department of Justice, and our Fair Housing and Equal Opportunity staff, is now ready for approval. The agreement should have significant impact on the appraisal process throughout the United States.

Public Comment on Advisory Committees. Pursuant to OMB instructions, our annual review of advisory committees will include a public comment period. HUD will be publishing a notice offering the public an opportunity to comment and make recommendations on our only two advisory

committees, the National Insurance Development Program Advisory Board and the National Mobile Home Advisory Council. Our report will be submitted to OMB on April 15.

Reaching Federal Bureaucrats. The attached article from the Independence Examiner will be of interest to you. Needless to say, I am very pleased that our Acting Regional Administrator was responsive.



Patricia Roberts Harris

A Taxpayer' Tries

Reaching Federal Bureaucrats—Can It Be Done

By KIM SEXTON

Have you ever tried to call a bureaucrat?

News men frequently have occasion to call all officials in public office. It can be frustrating at times, but generally appointed or elected officials will lend an ear to the queries of the press.

What about the taxpayer — John Citizen who wants to take his complaint to the top? How easy is it for him to gain access to the director of a federal agency? I decided to find out.

I selected at random some federal agencies to call and merely asked for the director. I attempted to be polite but as I attempted to gain access to the directors by telephone Wednesday morning, I figured mid-week might be a good test period. Following are the questions I asked (labeled E for examiner) and the responses I got (labeled A for Agency):

Food and Drug Administration

- E. May I speak to the director?
- A. I'm sorry, sir. He's in a staff meeting. Could I have your name?
- E. I'm a taxpayer.
- A. All right. Would you like to speak to his secretary?
- E. Yes, please. Could I have her name?
- A. Mrs. Pollard.
- A. Hello (male voice).

- E. May I speak to the director?
- A. Mr. Frye? The director of investigation?

E. No, the director of the Food and Drug Administration in Kansas City.

A. Oh, you were given to the wrong office. I'll transfer.

E. Hello.

E. May I speak to the director?

A. I'm sorry, we're in a staff meeting.

E. Do you have staff meetings at this time every week (9:40 a.m.)?

A. Yes.

E. When could I call back and speak to the director?

A. Well, he's going to a meeting right after this one.

E. What time could I reach him?

A. Well, he's going to a Federal Executives Board luncheon and should be back about 1:30.

E. What is his name?

A. Lloyd Clairborne.

E. Will he talk to anyone?

A. Well, I might ask what you want to talk to him about, but he will talk to anyone.

E. Thank you very much.
(Editor's note: A return call was made at 2:30 p.m. and Mr. Clairborne had not returned).

Department of Health, Education and Welfare
The line was busy the first time.

- E. May I speak to the director?
- A. One moment please.
- A. Mr. Mills's office.

E. May I speak to the director?

A. Mr. Mills is not in. Could the deputy director help?

E. Where could the director be reached?

A. He is in travel status at this time.

E. Could I ask where he could be reached at the end of travel status?

A. I assume here.

E. When could he be reached?

A. He's supposed to be in at the end of this week. Could I ask who's calling?

E. I'm a taxpayer. If I call back later this week, will he talk to me?

A. Yes, I'm sure he will.

E. Could I have your name?

A. Barbara Gumminger.

E. What is the director's name?

A. Max Mills.

E. Okay, thank you.

Department of Housing and Urban Development
A. Regional administrator's office, Marsha Miller.

E. May I speak to the administrator?

- A. Could I have your name?
- E. I'm a taxpayer.
- A. Hello.

E. Is this the administrator?

A. Yes, Harry Sharrat.

E. Do you talk to anyone who calls you?

A. Sure, if I can.

E. Who is your boss?

A. Patricia Roberts Harris, secretary in Washington.

E. Okay. Thank you very much.

Environmental Protection Agency

E. May I speak to the administrator?

A. I'm sorry, he's attending a meeting this morning. Could the assistant administrator help?

E. Where could the director be reached?

A. I'm sorry, I don't think I can reach him right now. He's in a meeting with a film. It would be very difficult for me to reach him. Then he's going to a luncheon.

E. Could I have your name?

A. Mrs. Donahue.

E. Is that the Federal Executives Board luncheon?

A. No, it's a function of the F.E.B.

E. Where is that luncheon?

calling?

E. A taxpayer. What time will he be back?

A. I'm not sure.

E. Will he talk to me if I call back?

A. I'll try to get you in, but I have a number of calls for him. I'm not trying to be rude. I'm trying to be helpful. Are you sure the assistant couldn't help you? He's available right now.

E. No, thank you.

Since I got the impression that several of these executives would be attending the Federal Executives Board luncheon, I decided to find out what the board is and where it was meeting. I didn't find the board's telephone number in the directory, so I called the federal information telephone number and the operator there quickly told me the number was 374-2666.

Federal Executives Board

A. Federal Executives Board. Marsha speaking.

E. May I speak to the director?

A. Well, Mr. Zahn is away right now. Could I take a message?

E. What is his name?

A. Tony Zahn — Z-a-h-n.

E. Could you tell me where he could be reached?

A. Well, just a minute.

A. (Different voice) May I help you? Is this urgent? He's in a Savings Board meeting at the Hilton.

E. What time will he be back?

A. He'll be in meetings all afternoon on Savings Bonds at the Ramada.

E. Could you tell me what the Federal Executives Board is?

A. To tell you the truth, I really don't know. They set up meetings on things like retirement and Savings Bonds.

E. Could I have your name, please?

A. Rose.

E. Thank you.

I determined that the Hilton at the Ramada she was referring to actually was the Ramada Central and assigned a photographer to go shoot a picture of the federal executives discussing Savings Bonds. But he was told that they had gone to the Federal Reserve Bank.

We decided to drop the assignment and see if we could reach executives of major oil companies for their predictions on how much gasoline prices would increase this spring and summer. We were referred by local officials to Oklahoma and Texas.

Maybe I'll try state officials tomorrow.



THE PRESIDENT HAS SEEN.

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

March 11, 1977

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INFORMATION

MEMORANDUM FOR THE PRESIDENT

THROUGH: Mr. Jack Watson

SUBJECT: DOT Issues for Presidential Review

FROM: Secretary Brock Adams

Auto Emission - Auto Fuel - Auto Safety Standards

The Department of Transportation, pursuant to statute, is required to set fuel economy standards for automobile model years 1981-85. The Department is also reviewing passive restraint options for model years 1980-85. These reviews are to be completed by July 1, 1977. I have invited EPA and the new Energy Administrator to participate.

I am informed that OMB is developing with some agencies an Administration position on automobile emission standards that will go through model year 1985. If the Administration position on specific emission standards is set first, then fuel economy and safety standards must follow from that base.

The alternative is to develop emission, fuel, and safety standards at the same time.

Oil Spill Legislation

A Presidential message is now being prepared. I have refrained from testifying until Friday, March 18, to insure that the Administration's position is put in final form before my appearance.

Airline Regulatory Reform

After giving background to the White House Press Corps on your Presidential message on regulatory reform, I am now in the process of preparing my testimony on the topic.

I am scheduled to testify before the Senate Commerce Committee on April 5.

INFORMATIONAlton Locks and Dam 26

The Senate Public Works Committee requested the Department of Transportation to submit by March 14 an economic study of the Corps of Engineers' proposal to replace the existing Lock and Dam 26 on the Mississippi River with a new Dam and Lock. The question has been raised as to whether replacement or rehabilitation of the existing Locks and Dam should be required. I have sent this economic report to Congress. Since the Corps of Engineers has always had exclusive jurisdiction over engineering, I met with Secretary of the Army Clifford Alexander on March 9 to explore the possibility of a cooperative undertaking between DOT and the Army. This joint study could resolve the controversy over the question of the accuracy of the Corps' engineering analysis. This is very sensitive politically, and between Departments.

As soon as we can determine whether an engineering study is required (and have it done if necessary), I will recommend an Administration position with respect to the Alton facility.

St. Louis Airport

On February 25, I met with elected representatives from the States of Missouri and Illinois regarding Federal funding of a new airport for the St. Louis metropolitan area.

As a result of new information brought up at these meetings, I believe the decision should be reviewed, and have developed a schedule which includes a public comment period.

Communication with the Public

On Thursday night I placed telephone calls to a few citizens around the country who had written me either about my appearance on Meet the Press or about some personal transportation problems. These were people such as a retired professor in Massachusetts, who offered to help me wield a pick to get the Northeast Corridor project started, and a gentleman from Tahlequah, Oklahoma who wants better enforcement of the 55-mile speed limit.

I will visit Kansas on the weekend of April 16, at the request of Senator Pearson, for a rural transportation meeting. I will next go to California on April 22 for another town meeting type format for suburban citizens who commute to work through the Bay area by rapid transit, by car, etc., then I will fly the Coast Guard fish patrol plane over the 200-mile limit area and examine the capacity of the Coast Guard to monitor oil tankers entering our ports.

THE WHITE HOUSE
WASHINGTON

March 14, 1977

Stu Eizenstat -

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

Rick Hutcheson

Re: Letter from Delta Air Lines, Inc.
re: Deregulation

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
	X	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON

	FOR STAFFING
	FOR INFORMATION
V	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ENROLLED BILL
	AGENCY BILL
	Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

	CAB DECISION
	EXECUTIVE ORDER
	Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI	
		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
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		JAGODA
		KING
		KRAFT
		LANCE
		LINDER
		MITCHELL
		POSTON
		PRESS
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE

THE PRESIDENT HAS SEEN.

DELTA AIR LINES, INC.
HARTSFIELD ATLANTA INTERNATIONAL AIRPORT
ATLANTA, GEORGIA 30320

W. T. BEEBE
CHAIRMAN OF THE BOARD AND
CHIEF EXECUTIVE OFFICER

March 8, 1977

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Personal and Confidential

Mr. Bert Lance, Director
Office of Management and Budget
Old Executive Office Building
Room 252
Washington, D. C. 20503

Dear Bert:

Thank you so much for the phone call last week.

As I mentioned at the time, we are trying to put some meat on the bones of the outline of Delta's position in relation to deregulation. Dick Maurer will be testifying before the Cannon Committee later this month, and at that time we will have proposed language for certain sections and a full statement of our position.

In the meantime, I am enclosing three copies of an outline of our position so that you, and hopefully the President and Secretary Brock Adams, can have a feel of where we stand.

I am really pleading that time be taken to study in depth the issue of deregulation and CAB Chairman John Robson's input into the present effort. Along this line, I am enclosing a copy of comments made by Mr. Bill Henzey, publisher of Airline Reports. His comments were in the March 3rd issue. He says so well what needs to be said -- that there is an awful lot of maneuvering going on, and it is not necessarily in the best interests of the American people in terms of an air transport system. Bill Henzey also notes later on in the same issue of Airline Reports that:

"SIMPLE AS THAT -- Open the airways to all and a flood of new "companies" would be in business virtually overnight. One hopeful, now on the sidelines, told us he can lease a plane for \$10,000 a month, reactivate the "old agents" across the country, run a few ads and reap the rewards."

One of the problems of moving into deregulation too rapidly is that we may be bringing about huge outlays in subsidies, and no one to my knowledge has done an adequate study of this. Additionally, we may have far too many companies of questionable safety integrity entering the market suddenly and without time

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for the FAA to do thorough investigations of their safety capabilities. Further, we may have our transport system deteriorating into a very large number of small companies forming a hodgepodge of practically unrelated working relationships and with a substantial deterioration of passenger service, or conversely just one or two very large monopoly carriers with long-term deterioration of service.

From the above, I feel sure you think I am totally negative to deregulation. Actually, I am totally negative only to the oversimplification of a very complex problem, and I think if this program of deregulation is not studied much more carefully and in much greater depth, there may be dislocations of such magnitude as to bring discredit to all who are presently sponsoring it.

A great deal will come out during the hearings before Senator Cannon's committee, and I hope the material submitted to the committee will be studied carefully by the executive branch as well as by the legislative.

In addition, I think the executive branch should institute immediately a thorough review of the present CAB posture and of the activities of the CAB Chairman in furthering this posture of deregulation. It is entirely possible in my opinion that things are being covered up in the CAB that should be brought into the open, and that, further, the Chairman may be speaking only for himself. I am extremely suspicious of what is going on there at the moment.

If we can get some real answers by some knowledgeable people as to what will most probably result from deregulation rather than the platitudes that we are hearing, I may very well join the ranks of those who are calling for change, but not necessarily in its present form. At this time, though, we must have:

- (1) Proper studies made, and
- (2) Moderation as we approach the problems.

Incidentally, the GAO study really said, but very few people have taken the time to note that it said, that by cramming people into airplanes in large numbers and in great discomfort and by reducing frequencies so that people have to fly when you want them to fly rather than when they want to fly, you can reduce air fares. All of us in the business have known this for a long time. The two intrastate carriers which are cited constantly by the pro-deregulation people operate in a heavy market where potential passengers have available to them both the high density seating type of planes and the much more comfortable wide seat, acceptable leg room type of service.

Mr. Bert Lance

March 8, 1977

-3-

Importantly, deregulation as it is now proposed is on a collision course with energy conservation. If the present Kennedy-Cannon Bill were enacted, the increase in the use of fuel by what I believe to be innumerable new operators would be staggering. Any deregulation bill simply has to provide for certification of air carriers, and in a manner consistent with our energy supplies and our energy programs.

Bert, the simple truth is that with a legislative mandate to the Civil Aeronautics Board combined with a selection by the executive branch of members of the Board who are progressive, all of the meaningful and legitimate aims of the pro-deregulation people could be accomplished under the present statute.

This has obvious and great advantages since we would not go through the trauma and the multi-year court testing of new legislation and, most importantly, the present act requires the Board to perform its duties to insure service in the best interests of the traveling public. The present act is a positive one. It requires the Board to take such steps as are necessary to provide the ultimate in convenience and necessity for the users of air services.

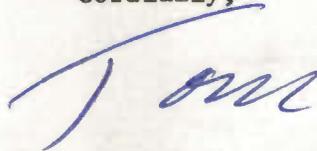
The airlines must be considered a public utility and as such must have regulation to protect the public. If this fact is accepted, then everything else falls into place in terms of providing maximum competition, maximum freedom of pricing, review of applicants as to their capability for service and safety of operation, and so forth.

A new, fresh, forward looking administration of the present act by the CAB can provide all of these things and is much less hazardous. I feel absolutely sure that if I, being in the business, cannot see clearly the end results of the present deregulation efforts, then certainly the amateurs who are crying for reform have absolutely no vision of what the end result will be. The use of the present act to achieve the legitimate aims will insure that a debacle does not result to the embarrassment of all and the tragedy of many.

I am sending you two copies of this letter as well as two copies of the enclosures including a letter from Dick Maurer to Congressman Levitas, hoping that you will give a set to the President and another set to Secretary Adams.

With every good wish always and my deep appreciation for your forbearance.

Cordially,



WTB-hst

Delta Air Lines' Outline of Position Concerning
S. 689, Cannon/Kennedy Regulatory Reform Bill

Following, in brief outline form, is Delta's position concerning the major features of the Cannon/Kennedy bill. This outline does not purport to cover all aspects of the bill.

I. Increased Freedom of Entry and Exit.

Delta is strongly opposed to the bill's increased freedom of entry provisions, including (a) its proposed reverse test for certification (proposing that an application for certificate shall be granted unless the Board finds that such transportation is not consistent with the public convenience and necessity, rather than the current requirement that it shall be granted if found to be required by the public convenience and necessity), and (b) its proposal that air carriers have automatic right, subject to limitations, to add additional markets to their system without CAB certification (restricted discretionary service). Delta, however, would not oppose clarification of the present statute's policy statement so as to make certain that the statute does in fact mandate competition whenever traffic is sufficient to support it. Delta also would not oppose proper provisions for activation or replacement of dormant authority; for requiring CAB review of certificate restrictions; and for administrative expedition. Such provisions, taken together, would significantly increase threat of entry. But the airline industry is not suitable for the Cannon/Kennedy bill's increased freedom of entry provisions.

II. Certificate Restrictions.

Delta would favor a provision requiring the Civil Aeronautics Board to examine all existing restrictions on an expedited basis, and to remove or modify any which it finds to be inconsistent with the policy statement of the statute, as it may be amended. But Delta opposes statutory removal of any type of certificate restriction and statutory prohibition against the imposition of future restrictions.

III. Mergers, Agreements, Control Relationships and Power To Confer Antitrust Immunity.

Delta is opposed to this entire section of the Cannon/Kennedy bill.

Delta does not believe that the CAB's jurisdiction over the subject matter should be withdrawn because considerations pertaining to these matters are not confined to the purely economic ones embraced by the antitrust laws, but also include the special public interest factors applicable to a common carrier, quasi-utility industry such as the airlines. Delta believes that CAB jurisdiction should be retained to consider these broader aspects (with appropriate participation by the Departments of Justice and Transportation in proceedings before the CAB) and to permit CAB grant of immunity from the antitrust laws where that is necessary to ensure an important transportation objective in the public interest.

IV. Rates, Fares and Charges.

While Delta is in general agreement that steps should be taken to provide more pricing flexibility for airline management, Delta cannot wholly endorse the Cannon/Kennedy proposal. Delta is primarily concerned with the definition of "direct costs," which would appear to be an unduly low floor for a proposed zone of pricing freedom. Delta will endeavor to propose an alternative proposal when it testifies on the Cannon/Kennedy bill. As an alternative, Delta may also suggest a plus or minus percent zone (from existing fares at this time, and from fares in existence one year earlier in the future), on an experimental basis.

V. Procedures.

Delta opposes that aspect of the Cannon/Kennedy bill which would give the Civil Aeronautics Board the right to hold or avoid a hearing in Title IV proceedings under the Federal Aviation Act. Delta has no objection to reasonable

measures designed to expedite the administrative process, nor would Delta object to a provision sanctioning use of show cause or other appropriate non-hearing procedures in instances where the Board can reasonably find that there is no material fact in dispute. But where there are material issues of fact, the right to an oral evidentiary hearing on the record and the protection of the Administrative Procedures Act should be retained.

VI. Presidential Review of International Route Cases.

Delta does believe that the presidential powers in this area should be limited, but it does not support simple repeal of Section 801 of the present statute. Delta would prefer confining the President to limited veto power, based solely on foreign relations or national defense considerations.

COMMENTS . . .

MISCHIEVOUS REGULATION -- On the blind side of the deregulation effort but clearly in concert with it is a program within the Civil Aeronautics Board designed to weaken the agency, if not destroy it. It is two-pronged. One phase attempts to prove the Board, as now constituted, is incapable of responding to its allegedly antiquated statutory mandate. The other is aimed at proving that faithful implementation of the statute leads to additional burdens on industry or to abhorrent intrusions into its private affairs. The combination of both, in turn, is expected to dissolve traditional support in Congress and elsewhere for the existing statutory scheme.

It remains for someone in authority to question such activity by officials sworn to uphold and "faithfully execute" the very law they have worked to demolish. Chances are such an inquiry would prove fruitless, if undertaken half-heartedly, because of the subtlety with which the CAB can be destroyed from within while those responsible seek to convey paradoxical pro-consumer and free enterprise images to the public. Yet, perhaps with the carelessness that over-confidence breeds, the destroyers are providing fertile areas for serious inquiry.

The Board's alleged "inadequacy" is exploited by delay both in deciding cases and in responding to requests for expedition in setting cases for hearings. In such matters, intentional delay can be masked under such excuses as "limited staff and resources" or cumbersome bureaucratic procedures. The truth is, however, that the vast majority of cases, once started, are expeditiously processed and languish at the Board level. And while the agency's staff -- one of the smallest in the Federal government -- is clearly overburdened, a significant portion of its time and resources is being (and has been for the past 2 years) devoted to studies, testimony and speeches designed to undermine the statute and structure so vital to public and national progress.

Among those suffering from such misapplied resources are the communities around the country that seek vital new air services but find unexplained delays in even getting their cases assigned to the hearing docket. In many of those cases, the communities have extensive support from their Congressional delegations. To the extent the Senators and Congressmen are left hanging, however, "bureaucratic delay" serves to prove the point to the legislators that the system simply is not responsive to the nation's changing needs.

As if that were not enough, there are the frequent stabs at proving the deregulationists' point that the bureaucracy spawned by the Federal Aviation Act can be obnoxious where it attempts to implement the statute. Most visible in this area is the restructured Institutional Control of Air Carriers Investigation in which every U. S. trunk, local service and supplemental airline as well as dozens of financial institutions, brokerage houses and aircraft lessors are now exposed to the most onerous type of staff intrusion.

On the we're-doing-our-best side of the program are the numerous and often frivolous rulemaking actions designed to project an image of pro-consumerism that reeks more of self-serving public relations than true concern for the air transport user. It is also the prime category of CAB actions which the agency's leadership clears for public press releases.

While there is wide disagreement and often angry reaction from various Board Members and many staff officials to the unfolding campaign, it rarely surfaces. When it does, as in the case of the dispute over priority standards for route hearings, the dissenting views get little public visibility. On the whole, those inside CAB that seethe at what's happening, find they are effectively outmaneuvered in the PR area.

On the delay issue, the pace of decisions is dictated by the Chairman. On the broad subject of deregulation, dissent from within the Board would be siezed upon by the deregulation press as either anti-free enterprise, coziness with the regulated or self-serving job protection. Until someone in authority inquires, the truth of what's going on at CAB will never be discovered. Unfortunately, by the time someone gets around to finding that truth, it may be too late.

- - -

DELTA AIR LINES, INC.
HARTSFIELD ATLANTA INTERNATIONAL AIRPORT
ATLANTA, GEORGIA 30320

R. S. MAURER
SENIOR VICE PRESIDENT-
GENERAL COUNSEL

March 7, 1977

The Honorable Elliott H. Levitas
House of Representatives
Washington, D. C. 20515

Dear Elliott:

Thank you for your letter of February 28 with respect to the GAO report on lower airline fares. I have read through the narrative part of the report only one time, but I was impressed with the fact that the report failed to take into account certain of the comments and criticisms submitted to the GAO by other governmental agencies and also by the fact that it was not submitted to any of the airlines or other privately-owned segments of the aviation industry prior to its finalization and release.

Nevertheless, please let me give you a few initial reactions as a result of my very brief review.

As the report itself states (p. 38), the GAO concludes that its study offers reliable evidence that the airlines could have operated more profitably at a lower cost during the period 1969-74 if they had operated at (a) higher load factors, (b) denser seating, (c) increased average annual aircraft utilization, and (d) use of "some" of the more efficient aircraft available. Obviously, the combination of these factors makes the whole situation very "iffy." And, it should be noted, any significant loosening of present controls--particularly those dealing with entry and exit--will make it much more difficult to achieve any one of the foregoing objectives (freedom of entry on major routes, for example, while producing more competition also would produce increased capacity and lower load factors).

Emphasis should be given to some of the comments of the federal agencies and the "experts" to whom the report was submitted in its initial form, but which the GAO chose not to adopt in its study. For example:

- (1) The CAB doubted the ability of the trunk airlines to achieve a 60% load factor on all routes and over the entire airlines system. Dr. Keeler also advised the GAO that the extensions of his basic assumption to low- and medium-density routes may overstate potential benefits because 60-percent load factors may not be reliable on such routes.

March 7, 1977

- (2) The report assumed that the airlines would use "some" of the most efficient aircraft, to use the GAO's phrase, and the CAB advised the GAO that it considered this assumption unrealistic for various reasons. In fact, it appears to me that the GAO assumed that the airlines would use all "most efficient" aircraft, and obviously this was a most unrealistic assumption.
- (3) The CAB advised the GAO that it felt the rates of utilization assumed to calculate flight equipment capital costs were too high because, among other things, during the base period there were substantial differences between actual stage lengths and the assumed stage lengths on which the GAO report was based.
- (4) The CAB objected to the assumption that two-engine turbo-fan regular-bodied aircraft could have full-coach seating density assuming that no galleys would be required on such aircraft.
- (5) With respect to rate of return on capital, both the CAB and Dr. Douglas advised the GAO that the rates contained in the basic report were too low.
- (6) Both the CAB and the Department of Commerce pointed out to the GAO that its application of the elasticity factor assumed that the demand for air travel would vary in a regular, consistent pattern. The GAO report states that these comments were correct, yet the basic factor utilized was not changed.
- (7) Both Dr. Douglas and the CAB pointed out that neither Dr. Keeler's basic study nor the GAO's revision thereof attempted to evaluate the additional cost of inconvenience to individual travelers--such as the impact of higher load factors, denser seating and possibly less timely flights.
- (8) Dr. Eads pointed out that both Dr. Keeler's study and the GAO revision treated the airline system as an aggregation of individual city-pair markets, instead of as an inter-dependent network.
- (9) The CAB pointed out to the GAO that methodology used tended to understate the percentage of passenger-miles generated in low-density markets and overstated those generated in higher-density markets.

The Honorable Elliott H. Levitas
Page Three
March 7, 1977

- (10) Finally, the CAB pointed out that the GAO report had ignored recent years' attempts by the CAB, in developing and applying rate-making standards, to encourage more efficient airlines. The CAB noted that its current methodology (1) predicates passenger fares on standard, full-fare load factors to eliminate the effect of excess capacity on fare levels, (2) calculates load factors assuming optimum seating densities, and (3) adjusts aircraft utilization rates upward when appropriate. The CAB noted its opinion that these adjustments had resulted in savings to domestic air travelers in 1975 of approximately \$750 million, which was in no way recognized by the GAO study of the period 1969-74.

In addition to the foregoing comments by those who had an opportunity to study the report in full--and I am personally in agreement with virtually all of them--I would call attention to the fact that the GAO conclusions with respect to elasticity completely ignored the actual results of the so-called "no frills" fare experiment on the East Coast, where the carriers, after an experimental period of approximately eighteen months, concluded that the new traffic generated by a 35% fare reduction had come nowhere close to permitting the carriers to break even or make a profit, resulting in a withdrawal of the fares.

At this point in time Jim Callison and I are working on testimony on the Cannon and Kennedy/Pearson bills, looking toward a probable presentation around the end of March. As a result, we are not going to be in a position to devote any substantial time to a study of the GAO report, but I think that the criticisms of the various governmental agencies and independent experts outlined above, to which the GAO failed to respond satisfactorily, cast considerable doubt upon the validity of the report's conclusions.

With best wishes, and sincere appreciation for your interest,

Yours,

Rich Wauert

RSM:ml

*w/0 cc to
WTR, DCA & PO*

THE WHITE HOUSE
WASHINGTON

March 14, 1977

Frank Moore -

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

Rick Hutcheson

Re: Congressional Telephone Call
to Rep. Charles Whalen

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
	X	MOORE
		POWELL
		WATSON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ENROLLED BILL
	AGENCY BILL
	Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

	CAB DECISION
	EXECUTIVE ORDER
	Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI	
		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
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		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE

THE PRESIDENT HAS SEEN.
THE WHITE HOUSE

WASHINGTON

done,
JC

CONGRESSIONAL TELEPHONE CALL

TO: Rep. Charles Whalen (R, 13rd, Ohio)

DATE: Before Monday, March 14, 1977

RECOMMENDED BY: Rick Merrill **RM**

PURPOSE: To thank him for his support for the Rhodesian Chrome Bill.

BACKGROUND: Whalen is the newly elected (succeeding Seiberling) Chairman of Members of Congress for Peace Through Law, a group of over 100 bi-partisan Congressmen and Senators. He is the ranking Republican on the Africa Subcommittee (International Relations) and, will probably be the Republican Floor manager for the bill. He is a solid liberal, rarely votes with the Republicans, but is highly respected and senior on his side of the aisle. He was the only Republican to vote with us against the Republican recommittal motion on the tax bill on March 8. We will be going to him and the other liberal Republicans again and again.

TOPICS OF DISCUSSION:

1. Congratulations on election as MCPL Chairman, express hopes of working together. Pleased that a Republican has been elected to work with a Democratic President.
2. Thanks for leading Republican effort on effort to Repeal Byrd Amendment.
3. Whalen is an economist and a friend of Charles Schultze.

APPROVED BY FRANK MOORE F.M.

DATE OF SUBMISSION: March 10, 1977

0111

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for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

March 14, 1977

Stu Eizenstat
Bob Lipshutz
Jack Watson
Peter Bourne

The attached memorandum to Departments and
and Agencies has been signed by the President
and forwarded to Bob Linder for distribution.

Rick Hutcheson

cc: Bob Linder

Re: Activation of the Office of Drug Abuse
Policy (ODAP) and Revitalization of the
Strategy Council

X

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
	X	EIZENSTAT
		JORDAN
	X	LIPSHUTZ
		MOORE
		POWELL
	X	WATSON

FOR STAFFING
FOR INFORMATION
X FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND

ENROLLED BILL
AGENCY BILL
Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

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		POSTON
		PRESS
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR

SECRETARY OF STATE
SECRETARY OF TREASURY
SECRETARY OF DEFENSE
ATTORNEY GENERAL
SECRETARY OF LABOR
SECRETARY OF HEALTH, EDUCATION, AND WELFARE
SECRETARY OF TRANSPORTATION
U.S. REPRESENTATIVE TO THE UNITED NATIONS
DIRECTOR OF THE OFFICE OF MANAGEMENT
AND BUDGET
DIRECTOR OF CENTRAL INTELLIGENCE
ADMINISTRATOR OF VETERANS AFFAIRS

SUBJECT:

ACTIVATION OF THE OFFICE OF DRUG ABUSE
POLICY (ODAP) AND REVITALIZATION OF THE
STRATEGY COUNCIL

Drug abuse continues to drain our human resources, especially from our youth, with no end in sight. I am determined that we make every effort to reverse this trend, and, therefore, effective with the date of issuance of this memorandum do hereby establish the recently enacted Office of Drug Abuse Policy (ODAP). I look forward to early confirmation of the nominations which I have sent to the Senate of Peter G. Bourne and Lee I. Dogoloff for the positions of Director and Deputy Director respectively.

The Office of Drug Abuse Policy shall be responsible for carrying out the Congressional mandate specified in the law. In addition, and to the maximum extent permitted by law, the Director of ODAP is hereby directed to fulfill the following responsibilities:

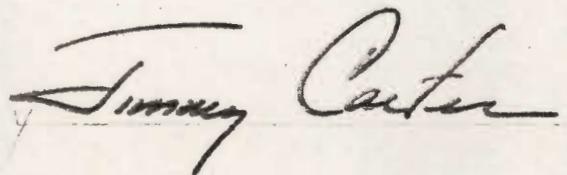
- Recommend government-wide improvements in the organization and management of Federal drug abuse prevention and control functions, and recommend a plan to implement the recommended changes;

- . Study and recommend changes in the resource and program priorities among all agencies concerned with drug abuse prevention and control;
- . Assume the lead role in studying and proposing changes in the organization and management of Federal drug abuse prevention and control functions, as part of my promise to reorganize and strengthen government operations; and
- . Provide policy direction and coordination among the law enforcement, international and treatment/prevention programs to assure a cohesive and effective strategy that both responds to immediate issues and provides a framework for longer term resolution of problems.

In addition, I am abolishing the Cabinet-level committees concerned with international narcotics control, drug abuse prevention, and drug law enforcement created by previous Administrations, and am directing that the Strategy Council, created by the Drug Abuse Office and Treatment Act of 1972, be revitalized and serve as the government-wide advisory committee for this problem area. Also, I am adding the Secretary of the Treasury and the Director of the Office of Management and Budget as fully participating members of the Council. The Director of the Office of Drug Abuse Policy shall serve as Executive Director of the Council.

The Council shall be supported by Working Groups for supply control and demand reduction, and be composed of personnel from each of the concerned agencies.

I am confident that you will provide your full support to ODAP and the Strategy Council in the performance of their tasks.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink on a light-colored background.

THE WHITE HOUSE

WASHINGTON

Date: March 9, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Bob Lipshutz
Jack Watson

FOR INFORMATION:

The Vice President
Hamilton Jordan
Jody Powell
Bob Linder

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Ellen Metsky memo 3/9/77 re attached
memo re Activation of the Office of
Drug Abuse Policy (ODAP) and Revitalization
of the Strategy Council.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 1:00 P.M.

DAY: Friday

DATE: March 11, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR SECRETARY OF STATE
SECRETARY OF TREASURY
SECRETARY OF DEFENSE
ATTORNEY GENERAL
SECRETARY OF LABOR
SECRETARY OF HEALTH, EDUCATION, AND WELFARE
SECRETARY OF TRANSPORTATION
ADMINISTRATOR, VETERANS AFFAIRS
DIRECTOR, CENTRAL INTELLIGENCE AGENCY
U.S. AMBASSADOR TO THE UNITED NATIONS
DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET

SUBJECT: ACTIVATION OF THE OFFICE OF DRUG ABUSE
POLICY (ODAP) AND REVITALIZATION OF THE
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- . Recommend government-wide improvements in the organization and management of Federal drug abuse prevention and control functions, and recommend a plan to implement the recommended changes;

- . Study and recommend changes in the resource and program priorities among all agencies concerned with drug abuse prevention and control;
- . Assume the lead role in studying and proposing changes in the organization and management of Federal drug abuse prevention and control functions, as part of my promise to reorganize and strengthen government operations; and
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THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
	X	MONDALE
		COSTANZA
X		EIZENSTAT
	X	JORDAN
X		LIPSHUTZ
		MOORE
	X	POWELL
X		WATSON

- FOR STAFFING
- FOR INFORMATION
- TO PRESIDENT
TODAY

ACTION	FYI	
		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		H. CARTER
		CLOUGH
		FALLOWS
		HARDEN
		HOYT
		KRAFT
		B. MITCHELL
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SIEGEL
		T. SMITH
		WELLS
		VOORDE

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

March 9, 1977

MEMORANDUM TO: Bill Simon

FROM: Ellen Metsky *Ellen*

This memo is for the President's approval and signature to be sent out.

We have already solicited advice from Stu, Jack, and Mr. Lipshutz and incorporated their responses.

Thank You.

EJM:ss

NY 00 211

March 9, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
 Bob Lipshutz
 Jack Watson

FOR INFORMATION: The Vice President
 Hamilton Jordan
 Jody Powell

RECEIVED 173

77 MAR 9 5:13

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Ellen Metsky memo 3/9/77 re attached
 memo re Activation of the Office of
 Drug Abuse Policy (ODAP) and Revitalization
 of the Strategy Council.

*XC Copy
Onek*

**YOUR RESPONSE MUST BE DELIVERED
 TO THE STAFF SECRETARY BY:**

TIME: 1:00 P.M.

DAY: Friday

DATE: March 11, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur. No comment.

Please note other comments below:

Stu

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: March 9, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
Bob Lipshutz
Jack Watson ✓

FOR INFORMATION: The Vice President
Hamilton Jordan
Jody Powell

977 MAR 9 PM 3 01

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Ellen Metsky memo 3/9/77 re attached
memo re Activation of the Office of
Drug Abuse Policy (ODAP) and Revitalization
of the Strategy Council.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 1:00 P.M.

DAY: Friday

DATE: March 11, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

Please note other comments below:

No comment.

sw

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

1

D. C. Link
1924
1925

✓

THE WHITE HOUSE
WASHINGTON

March 14, 1977

Susan Clough -

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

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

	FOR STAFFING
	FOR INFORMATION
Y	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ENROLLED BILL
	AGENCY BILL
	Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

	CAB DECISION
	EXECUTIVE ORDER
	Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI
	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
X	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING
	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	WELLS
	VOORDE

THE WHITE HOUSE
WASHINGTON

3-12-77

Susan -

Keep me up-to-
date on memoirs -

J

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

March 14, 1977

Frank Moore -

The attached letter has been sent
to Senator Mansfield today.

Rick Hutcheson

Re: Trip to Vietnam & Laos

cc: Ham Jordan

The Honorable Mike Mansfield
4500 Dexter Street N. W.
Washington, D.C. 20007

THE WHITE HOUSE
WASHINGTON

3-10-77

To Sen Mansfield

Thank you for being
willing to go to Viet
Nam & Laos, and for
your gracious & compli-
mentary letter.

I'll try to live up
to your expectations -

Jimmy

United States Senate

WASHINGTON, D.C. 20510

March 10, 1977

Dear Mr. President, —

I have just replaced the phone after notifying you that I felt I must decline your most generous offer to be Ambassador to the United Mexican States.

Personally, it was an offer I would have liked very much to accept. However, in view of the effect the high altitude would have on the heart condition of my wife I felt, regretfully, that I should decline. It was not an easy decision for me, personally, because of my great affection for Mexico and its people as well as my recognition of the significance of that country in our relations both bi-laterally and hemispherically.

United States Senate

WASHINGTON, D.C. 20510

To you, personally, I have a deep appreciation for your understanding. I am overwhelmed by your generosity & thoughtfulness in thinking of me in relation to Mexico and the Presidential Commission on Vietnam. Both were more than I ever envisaged - hence my gratitude to you.

As I said to you, you do not owe me anything; rather, I owe you a great deal for your kindness and consideration. If I can ever be of service to you, I am at your disposal.

May I say that I have been tremendously impressed with the outlook and attitude you have shown in your first several weeks in office. You are giving the Presidency both symbolism and substance and doing it in a way that people are getting to know you, to respect

United States Senate

WASHINGTON, D.C. 20510

You and to have confidence in you.
You have my admiration, friendship and
full support.

With best personal wishes to you
and Rosalynn for your continued success
and good health from Maureen and me,
I am,

Respectfully

Mike Mansfield

THE WHITE HOUSE
WASHINGTON

March 14, 1977

Greg Schneiders

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

Rick Hutcheson

Re: People Events

THE WHITE HOUSE
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

FOR STAFFING
FOR INFORMATION
X FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TODAY
IMMEDIATE TURNAROUND

ENROLLED BILL
AGENCY BILL
Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

CAB DECISION
EXECUTIVE ORDER
Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI
	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING
	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
X	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	WELLS
	VOORDE

THE WHITE HOUSE
WASHINGTON

3-12-77

To Greg
Don't act as a
spokesman for us
on "people" events -

J

Electrostatic Copy Made
for Preservation Purposes

3/14/77

Pat Sumners
Dr. Pat Sumners

405 E. College Street / Clinton, MS 39056

Pat Sumners
Jackson State University
Jackson, Ms. 39056

*Ham -
What can we do
J*

The President
The White House
1600 Pennsylvania Avenue
Washington, D.C.

Dear President Carter:

SC

For over a year my husband, Dr. Jim Currie, and I worked actively in your campaign in various parts of the country. When you needed us, we helped. We had you in our home, drove Rosalynn places, won over uncommitted delegates, provided a place for campaign workers to stay, spoke in your behalf, made up money for you and traveled to various parts of the country at our own expense, as Jim Langford will attest.

After three trips to Washington within two months, Health, Education and Welfare has implied that Carter supporters are not being given consideration for top level positions within HEW. Having been insulted by HEW last week, I left determined not to forget this situation and committed to making you and the public cognizant of the problems at HEW. After spending two thousand dollars flying to Washington, we were told our resumes has been lost. If I had sent only one, this would be understandable. However, I had sent several with packets of background material on myself, my experience and education. Realizing that I am better qualified than the two people who interviewed me at HEW, I am disgusted.

I talked with both Chip and Jim King about this matter, but realize their limitations in handling the problem.

You asked me to trust you. I have. You see where it has gotten me. I am requesting that you do something about this matter with faith you will look into it immediately. I ask for full consideration for a top level job at HEW in Public Affairs, because I am qualified.

Sincerely yours,

Pat Sumners

Pat Sumners
Assistant Professor of Psychology
and Mass Communications

Electrostatic Copy Made
for Preservation Purposes

PS/1j

X

3/14/77

*Ham -
What can we do?
J*

Dr. Pat Sumners

405 E. College Street / Clinton, MS 39056

Pat Sumners
Jackson State University
Jackson, Ms. 39056

The President
The White House
1600 Pennsylvania Avenue
Washington, D.C.

Dear President Carter:

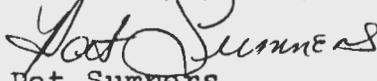
sc
For over a year my husband, Dr. Jim Currie, and I worked actively in your campaign in various parts of the country. When you needed us, we helped. We had you in our home, drove Rosalynn places, won over uncommitted delegates, provided a place for campaign workers to stay, spoke in your behalf, made up money for you and traveled to various parts of the country at our own expense, as Jim Langford will attest.

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Sincerely yours,



Pat Sumners
Assistant Professor of Psychology
and Mass Communications

PS/lj

**Electrostatic Copy Made
for Preservation Purposes**

x

THE WHITE HOUSE

WASHINGTON

Date: March 14, 1977

MEMORANDUM

FOR ACTION:

Hamilton Jordan
Bob Lipshutz - *Don - concurs*
Jack Watson

FOR INFORMATION: The Vice President
Midge Costanza
Frank Moore

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bunny Mitchell/Stu Eizenstat memo re District of
Columbia - Representation in Congress.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 4:00 P.M.

DAY: TODAY

DATE:

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

THE PRESIDENT HAS MEETING TOMMOROW

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
	X	MONDALE
	Y	COSTANZA
		EIZENSTAT
X		JORDAN
X		LIPSHUTZ
	X	MOORE
		POWELL
X		WATSON

*Push
comments line
4:00 PM
staff today
(has been inty
+ team)*

<input checked="" type="checkbox"/>	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
<input checked="" type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input checked="" type="checkbox"/>	IMMEDIATE TURNAROUND

	ENROLLED BILL
	AGENCY BILL
	Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

	CAB DECISION
	EXECUTIVE ORDER
	Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI	
		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HOYT
		HUTCHESON
		JAGODA
		KING
		KRAFT
		LANCE
		LINDER
		MITCHELL
		POSTON
		PRESS
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE

THE WHITE HOUSE
WASHINGTON

March 12, 1977

TO: THE PRESIDENT
FROM: BUNNY MITCHELL *B*
SUBJECT: DISTRICT OF COLUMBIA

Attached for your review is the background paper on District of Columbia issues which was developed for your meeting with Congressional representatives on Tuesday, March 15.

The TAB A memo asks for your action on a recommendation for D.C. voting representation in Congress.

BACKGROUND PAPER

Washington, D.C. is a unique city serving as the Nation's capital, a federal city, an international city, a central city at the core of a thriving metropolitan area, and home for more than 700,000 people. This city has the potential to become a laboratory for testing new ideas towards solving urban problems and to serve as an urban symbol of national pride. To achieve these goals requires concerned Federal leadership.

The D.C. Self-Government and Governmental Reorganization Act of 1973 established home rule for the District and defined the Federal/District relationship in political, financial and territorial terms. A key remaining task is to establish an on-going process to determine, on a case-by-case basis, whether the "federal interest" is involved. Although the city's government is popularly elected and structurally combines powers of state and local governments, substantial control over District affairs (particularly in fiscal matters) remains with the Federal Government. Congress may review acts of the local legislative council, exercise control over the level of the federal payment and other aspects of the local budget, and pass legislation on any matter affecting the operation of the District government. The President appoints local judges and members of various commissions, reviews a veto of the Mayor, and makes budget recommendations.

There is a need to develop with the city an agenda for dealing with specific issues in order to clarify federal/local responsibilities and to cut unnecessary procedural and financial strings. Little of significance is likely to be done in the area of shifting fiscal responsibilities until the release of the D.C. Audit Commission study. However, on several other issues, well directed leadership from the Executive Branch of the Federal Government will result in substantial improvements in the social, political and economic climate of the District of Columbia.

The President should inform Cabinet members of his commitment to the District and instruct them to work in partnership with the District government on matters affecting the city. Also, the President should seek to amend the Home Rule Act in order to limit his responsibility over District affairs to those matters of clear federal interest. By taking these and other steps the President begins the process of defining what is necessary for Federal purposes and desirable for the national image.

The following issues will demand Presidential attention during this session of Congress:

Voting Representation in Congress for D.C.

A Constitutional amendment is required to achieve this goal. Legislation to give D.C. the representation it would have were it a state is unlikely to pass for political, not constitutional reasons. An attached memo (Tab A) explains our recommendation that you support an amendment which provides for immediate voting representation in the House, eventual representation in the Senate, and fits with the conception of the District as a unique political jurisdiction.

Amendments to the Home Rule Act

1. Appointments - Support proposals to eliminate President's duty to appoint local judges and members of commissions dealing with purely local matters.
2. Legislative Process - Support elimination of Presidential review of acts vetoed by Mayor and re-enacted by Council. Support reduction of time for Congressional review of Council passed legislation.
3. Federal "Enclave" - The Home Rule Act draws up a National Capital Service Area around the major Federal buildings and land downtown and proposes administering it under Federal officials. The President has never appointed an NCSA director, agreeing with the city and OMB that this provision of the law should be repealed. Recommend supporting this view.

Fiscal Affairs

1. Federal Payment - The authorized Federal payment reaches a \$300 million plateau in FY 78. Different methods of determining and appropriating the Federal payment should be considered and proposed to Congress.
2. Regional Tax - You disapproved of a commuter tax during the campaign, but legislation has been introduced for same in the 95th Congress. It is clear that D.C. needs to broaden its tax base. OMB should be instructed to explore with the city the regional tax as an alternative solution.

3. Pennsylvania Avenue Development Corporation - Congress should be urged to fully fund this quasi-federal corporation. These funds will begin the redevelopment of the area north of and adjacent to Pennsylvania Avenue, between 3rd and 15th Streets, NW. The District and OMB concur in all of PADC's plans.
4. Temporary Commission on Financial Oversight of the District of Columbia - This Commission is studying all aspects of the city's financial operations. The pace of the study is well behind schedule. They should be urged to expedite the study in order to provide a rational basis for determining the Federal role in District financial matters.
5. D.C. Employee Pensions - Legislation has been introduced regarding the unfunded liabilities (\$1.8 billion) in D.C. pension funds for police, firemen, teachers and judges. The issue arising involves the extent of Federal financial involvement in improving these funds.
6. RFK Stadium - The principal amount on federally guaranteed stadium bonds (\$19 million) is due in December 1979, and no sinking fund has accrued to retire the debt. OMB should explore with the District the need for and extent of federal financial involvement, realizing that an authorization would be required in this session of Congress.
7. Eisenhower Civic Center - An authorization for the center was enacted but the House Appropriations Chairman for D.C. has opposed its construction outside the regular budget process. A request for \$25 million in Federal loans may be made. Treasury officials should work with the city on this matter.

Federal Agency Coordination

1. St. Elizabeth's Hospital - Transfer to the city of this Federal hospital for the mentally ill is being discussed by D.C. and HEW. (But the terms must be ratified in Federal statute.) Congressman Diggs has introduced legislation to create a public corporation to operate the hospital. HEW should be urged to work with the city and Congress to determine to whom the hospital should be transferred and the extent of federal involvement with the hospital subsequent to transfer.

2. Urban Planning - Federal comprehensive planning and approval processes for buildings, landscaping, and aesthetics can be simplified and reorganized to better suit District and Federal interests. OMB should be encouraged to continue its efforts toward drafting legislation to achieve this goal.
3. Metro Financing - Secretary Adams' staff will meet with District officials soon to consider renegotiating the financing package for the subway. Legislation may be introduced on this issue. Presidential support for completion of the system is necessary, though DOT will take the lead in negotiations.
4. Prosecution Services of U.S. Attorneys and Marshalls - For the past two years the city has not reimbursed the Federal Government for prosecution services rendered on behalf of the city. OMB and Justice should be instructed to study how more local responsibility for prosecution under the D.C. Code can be assumed and how future reimbursements can be assured starting in FY 79. Amendments to the Home Rule Act will be required to affect change in this matter.

THE WHITE HOUSE

WASHINGTON

March 9, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT
BUNNY MITCHELL *SM*

SUBJECT: District of Columbia -
Representation in Congress

Background

During the campaign and recently at HEW you stated that you would like to see the voting rights of the District of Columbia in the Congress increased. You doubted the advisability of the District's becoming a State. The Democratic platform endorsed "voting representation" for the District. Legislation has been introduced in the House which is designed to give the District the Congressional voting representation it would have if it were a State. You will probably be asked about the Administration's position on this issue in your meeting next week with Congressmen concerning District of Columbia matters.

Unless the District (excluding a federal enclave) becomes a State, a Constitutional amendment is required to give it voting representation in Congress. Statehood is not widely supported in the District or in the Congress. Few believe the District has the economic base to be a State.

The Senate opposes giving the District a vote in that body. Last year the House fell 45 votes short of the two-thirds required to pass a resolution to amend the Constitution to provide Congressional voting representation for the District. It is unlikely that a D.C. voting representation resolution will pass without Presidential support.

Arguments Regarding Increased Voting Rights for the District of ColumbiaPro

- would give D.C. citizens the same basic constitutional rights enjoyed by other U.S. citizens and end taxation without representation

- since D.C. is treated as a State for purpose of Presidential elections it should be treated as a State for purpose of Congressional representation
- D.C. representation in the Senate would not deprive any State of equal suffrage in the Senate in violation of Article V of the Constitution
- the lack of voting representation in Congress for citizens of the nation's capital contradicts principles of democracy and equality

Con

- D.C. conceived as a unique federal city belonging to the nation; voting representation is inconsistent with this conception
- D.C. metropolitan interests adequately served by non-voting delegate and Congressmen from surrounding counties who serve on relevant committees
- the ramifications of granting full voting representation to a political unit which is not a State are unpredictable
- if D.C. is not to become a State, it should not be granted representation as though it were a State

Options

1. Support an amendment to give the District the voting representation in Congress it would have if it were a State. The language of this proposal, endorsed by advocates of "full voting representation", is consistent with that of the 23rd Amendment (D.C. appointment of Presidential electors). Proponents hold that because the District's population is larger than 10 of 50 states, its voting status should equal these states. Opponents rely on the above noted arguments. Because of political, rather than constitutional, objections this amendment has little chance of being endorsed by Congress.
2. Support an amendment phrased to provide voting representation in the House and such additional representation in the Senate as the Congress may approve. This position represents a political compromise. However, by endorsing it you (a) fulfill your pledge

to support increased voting rights, (b) indicate that the form of representation for D.C. should be other than that given a State, and (c) express a belief that Congress is best able to determine the extent of representation to be accorded to this unique political entity. The disadvantage is that objection will be raised to leaving the District's voting status vulnerable to fluctuating Congressional attitudes.

Former Presidents Johnson and Nixon endorsed proposals similar to this.

3. Reemphasize your commitment to the principle of voting representation for the District without endorsing a specific proposal at this time. Express a willingness to support a Constitutional amendment which is satisfactory to both Houses of Congress. This approach provides time for further study of the problem, but it gives the appearance of your doing less for the District than the previous administrations.

Recommendation

Option #2

_____ Approve

_____ Disapprove

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

Z. Brzezinski

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

Rick Hutcheson

cc: Tim Kraft

Re: Japanese Ambassador's
Request to Meet with You

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12356, SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 16, 1983"

X

THE WHITE HOUSE
WASHINGTON

copy
confidential

THE WHITE HOUSE
WASHINGTON

~~CONFIDENTIAL~~

ACTION

THE PRESIDENT HAS SEEN.

March 14, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI *ZB.*

SUBJECT: Japanese Ambassador's Request
to Meet with You

Japanese Ambassador Fumihiko Togo has requested to see you briefly before Prime Minister Fukuda's visit. Ambassador Togo is sensitive to the fact that although you have held highly publicized discussions with Ambassadors from China, the Soviet Union, and several Western allies, he has not yet met with you. I think it would be useful for you to see Togo early next week, *or this week - prior to Fukuda's arrival.*

RECOMMENDATION:

That you agree to see Ambassador Togo for about 10-15 minutes.

Approve Disapprove

JC

~~CONFIDENTIAL~~ - GDS

~~CONFIDENTIAL~~ *Jay 6/29/89*

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

March 14, 1977

Ham Jordan -

The attached is forwarded to you
for your information.

Rick Hutcheson

Re: Status of Presidential Requests

*cc Rick
Susan*

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12356, SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 16, 1983"

THE WHITE HOUSE
WASHINGTON

CC - HT (~~George Bush~~)
- R/Hutchinson

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12958, SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 16, 1995"

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

13 March 1977

MEMORANDUM FOR THE PRESIDENT

FROM: RICK HUTCHESON *Rick*

SUBJECT: Status of Presidential Requests

Follow-up of Previous Reports

1. Schultze and Powell: Anti-inflation statement -- In Progress (as part of the development of anti-inflation policy).
2. Lance/Eckerd: Effectiveness of Federal Information Centers -- In Progress (expected 3/25).
3. Lipshutz: Draft Executive Order regarding Director of Agricultural Economics at Level IV - Done *done*
4. Eizenstat: Pursue individually through Cabinet Officers regarding potential Legislative Agenda in domestic area -- In Progress (expected 3/25).
5. Eizenstat: What can we do without legislation to maximize openness in government? In Progress (Stu has completed - now being studied by Senior Staff).
6. Vice President: Pursue problem of time spent in hearings -- Done (discussed at 3/7 lunch meeting). *done*
7. Bell: Send the President a brief summary on the report on the Federal prosecution of corrupt officials -- In Progress (expected 3/16).
8. Eizenstat: The President will deliver an early environmental message if good -- In Progress (expected 3/15).
9. Brzezinski: Check on the need for travel for Leo Cherne of PFIAB -- In Progress (expected 3/18).
10. Brown: Let the President know the status of any beyond the first three 747 Command Planes already in operation -- In Progress (expected 3/16).

**Electrostatic Copy Made
for Preservation Purposes**

11. Lance/Turner: Reduce DCI staff, if possible back to its pre-reorganization figure. Give the President an assessment of the total personnel needs when possible -- In Progress (OMB has completed; in staffing and expected to President 3/15).
12. Bell: Check out Lionel Castillo further and compare him with others -- Done. *done*
13. Blumenthal: Go over tax reform principles, general goals, and procedures with EPG; then submit back to the President your 2/8 memo with any amendments and/or comments -- In Progress.
14. Brzezinski/Warren: Advise the President on what we can do regarding international restraints with the hope of getting other nuclear nations to join -- In Progress (expected with PRM Report 3/16).
15. Eizenstat: Prepare a draft message to Congress on the opportunity for regulatory reform -- In Progress (next part expected 3/18).
16. Lance/Schultze: What rules on overtime should be established to prevent circumventions of employment limits in government? -- In Progress.
17. Bell: What is the proper and legal way to handle the requests from ex-Presidents and ex-Vice Presidents for transportation, secret service protection for overseas trips, and some personal use of government employees? -- Done (Watson summary of Bell memo with President). *done*
18. Schlesinger: As a special favor to the President, please include Willen/Wyler in energy conference or discussion -- Underway.
19. Eizenstat: Consult with Cabinet after our position on regulation/business is in draft form -- In Progress (expected 3/18).
20. Bell: You know of the President's promise to make the Attorney General independent of White House control and influence. Please consult with your advisors and prepare draft legislation -- In Progress (expected 3/17).
21. H. Carter: Give the President options on getting rid of the Presidential yacht -- In Progress (expected 3/18).

**Electrostatic Copy Made
for Preservation Purposes**

22. Brzezinski, Powell, Vance, Fallows: Begin planning on the fireside chat on foreign/defense matters -- In Progress (with Fallows).
23. Eizenstat: Status on consumer protection bill -- Done. *done*
24. Jordan: Give the President a complete list of all appointments we need to make -- In Progress (with Cabinet).
25. Jordan: Have Jagoda see the President regarding the selection committee on the humanities -- Done (another member added). *done*
26. H. Carter: The letter from Rep. Jack Brooks regarding guidelines under which military passenger aircraft will be used by the Executive Office of the President should be checked with the Attorney General and sent to the President for approval -- In Progress (expected 3/18).
27. Schneiders: Give the President a brief status report on the mailroom backlog, etc. -- Continuing (by H. Carter).
28. Schultze: Comment on setting up the labor/business advisory committee on which Meany has commented -- In Progress (expected 3/14).
29. Brzezinski: At a convenient time set up Kissinger, Vance et al to have supper with the President's family -- Scheduled for 3/18.
30. Blumenthal/Schultze: Let the President have your comments regarding the proposed organization of the EPG -- Done. *done*
31. Jordan: Let's firm up the Navy Renegotiation Board Monday -- In Progress.
32. Jordan: Please comply with Gloria Spann's request regarding the 5-man Motorcycle Advisory Council for Roger Hull and Dr. Charles Hartman -- Underway.
33. Vance, Lance, Blumenthal, Eizenstat, Schultze: Please prepare a brief memo on the legal and proper role of the Special Trade Representative. The President then wants to meet with you and Strauss to have a clear understanding of the interrelationships among you -- In Progress (expected 3/16).

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34. Vance: Are we moving on the PRC Claims Settlement? *done*
-- Done (3/10 evening report). We should get the Senate to ratify the test ban treaty with the Soviets -- In Progress.
35. Eizenstat: Find out how many different econometric models we are using for international analysis, and whether the CIA needs to know -- In Progress (expected 3/14).
36. Brown: What is your assessment and what can we do about the personnel ratio of flag officers -- In Progress (expected 3/15).
37. Cabinet Officers: Please designate someone who can speak for you concerning personnel appointments so that the President can give the name to Governors and other high officials -- In Progress.

3 March 1977

1. Califano: Please prepare brief presentation of charts for our next Cabinet meeting on the reorganization effort -- Done. *done*
2. Brown: Checking with Mike, can you give the President your best estimate of the FY 77 and FY 76 shortfall in the DOD. Also, can the projected amounts be minimized? -- Done. *done*
3. Schultze, Blumenthal, Vance: What can we do about the Bahama banks? -- In Progress.
4. Lance: Have someone check with Cabinet-level officers and let the President know what can be done regarding the excessive numbers of executive level and supergrade officials -- In Progress (expected 3/14).
5. Brzezinski: Tell Cy the President would like to see the Foreign Minister of South Korea while he is in Washington regarding human rights/aid -- Done. *done*

7 March 1977

1. Lipshutz: Stop the use of R.C. Carter's efforts to use the name "Carter" -- In Progress.

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2. Powell: See the President regarding John Pennington -- In Progress (message conveyed to Jody).
3. Brzezinski: Give the President a brief memo on the Oil Preference legislation -- Done.

done

8 March 1977

1. Vice President: Please pursue ratification of treaties as marked that are pending before the Senate -- In Progress.

9 March 1977

1. Watson: Inform Andrus of former Sen. McFarland's recommendation of Bill Gookin for the Bureau of Reclamation -- Done (message conveyed).
2. Eizenstat: Assess priority and proper functions of Corps -- In Progress.
3. Brzezinski and Fallows: Have message on foreign assistance rewritten -- In Progress (with NSC for final review, expected 3/15).

done

Domestic Policy Status Report from Eizenstat

1. Election Reform: Done (to you 3/14).
2. D.C. Voting Representation: Background memo for meeting with House District Committee to you by 3/14.
3. Consumer Issues: Decision memo on additional legislative proposals in Congress endorsed by consumer groups to you by 3/15.
4. Water Resources Projects: Recommendations to you by 4/15.
5. Clean Air Act: Decision memo to you by 3/17.
6. Community Services Agency: Recommendations on Aragon's memo -- Done.
7. Youth Employment - Done.

done

done

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8. Banking Reform: Background memo to you 3/17. Reform package prepared by 4/15.
9. Community Development: The bill has been introduced on the Hill.
10. Hospital Cost Containment: Legislation to Hill expected by 4/1.
11. Health Message: Stu has asked HEW to draft a message including cost containment as well as other items. Draft expected 3/20.
12. Minimum Wage: Recommendations expected at 3/21 EPG meeting.
13. Farm Legislation: Bergland refining his proposal after Monday EPG meeting. He is asking Sen. Talmadge for a week's delay in testifying. There should be a proposal to you by 3/16.
14. Sugar: ITC ruled injury to domestic industry but has not recommended any action yet. You will have 60 days to act once they do. EPG asked Bergland to work with other agencies in refining options. Proposal to you by end of March.
15. Food Stamps: Legislative reform proposal now being developed by USDA, in coordination with OMB, HEW, CEA and Treasury. Proposal to accompany farm legislation expected 3/16.
16. Hatch Act Reform: To be included in election reform message.
17. Undocumented Aliens: Staff has met with DOJ.