

4/2/79 [1]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo w/att.	From Brzezinski to The President (7 pp.) re: Intelligence Charter Provisions/enclosed in Hutcheson to Brzezinski 4/2/79	3/30/79	A
memo w/att.	From Mondale to The President (4 pp.) re: Trip to Venezuela and Brazil /enclosed in Hutcheson to Mondale 4/2/79 <i>op. rec. 4/6/08, BAE, 06-198</i>	4/2/79	A
memo	From Young to The President (2pp.) re: Weekly Activities of the US Mission to the UN /enclosed in Hutcheson to Mondale 4/2/79	3/30/79	A
memo	From Brown to The President (2pp.) re: Weekly Activities of Sec. of Defense	3/30/79	A

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Handwriting File 4/2/79 [1] BOX 125

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THE WHITE HOUSE
WASHINGTON

4/2/79

The Vice President

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

Rick Hutcheson

SECRET ATTACHMENT

cc: Zbig Brzezinski

DECLASSIFIED

per 12/26/07 Staff letter
NWJC-06-198

BY APL NARA DATE 4/9/08

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

ACTION
FYI

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

<input checked="" type="checkbox"/>	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
<input checked="" type="checkbox"/>	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE



THE VICE PRESIDENT
WASHINGTON

J

April 2, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: The Vice President *W*

SUBJECT: My Trip to Venezuela and Brazil: Impressions
and Suggestions for Follow-Up

I. Brazil

President Figueiredo seems genuinely interested in putting past irritants in our relationship behind him and in returning to the traditional warm relationship we have had with Brazil. When I extended your invitation to him to visit this summer, he was delighted and accepted immediately with it understood that precise dates would be agreed to via diplomatic channels. On the other hand, I don't think that Brazil will play as active a role internationally -- e.g., on the Middle East, Cuba, North-South dialogue -- as we might wish. Brazil is clearly preoccupied with developing its vast potential. Additionally, as an oil consumer, Brazil does not want to irritate the OPEC countries. The only point about my stop in Brasilia that disturbed me was the fact that Figueiredo moved so quickly after my departure to "intervene" in the labor strike in Sao Paulo and replace the union leadership. Surely, he must have known that this would put us in an embarrassing position. At the conclusion of our conversation when President Figueiredo and I were meeting in private, he said, "We will have our differences but tell your President that we will be the best friend the United States has in the world."

II. Venezuela

good
good

Venezuelans have no reservations whatsoever to continuing their warm relationship with us. President Herrera is less emotional than Perez, and while he is unlikely to play as active a role internationally as his predecessor, I think we can continue to count on Venezuelan support and leadership on international issues of concern to us -- e.g., Cuba, Middle East, Caribbean. While they will take our views into account on oil pricing, we will unquestionably have our differences there.

President Herrera was visibly pleased when I extended your invitation to him to visit Washington sometime in late 1979 or early 1980. He accepted the invitation immediately and said he is looking forward to his talks with you.

SECRET

Classified by the Vice President
Review 4/2/85

DECLASSIFIED
per 12/26/07 State letter
NLSJ-06-178
By BAE NARA DATE 4/9/08

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III. Follow-up to Visit

a. Science and Technology. Both governments eagerly accepted your offer to send Frank Press down to discuss a wide range of science and technology issues. Such a visit will have the added benefit of permitting us to work with the Brazilians on non-nuclear energy cooperation and to work with the Venezuelans on cooperation on heavy oil and tarsands technology -- two issues that are so sensitive that we need an indirect approach, like a trip by Frank. But the interest in S&T demonstrated by Venezuela and Brazil is a manifestation of a broader interest throughout Latin America and other middle-income regions in a new S&T relationship to replace the obsolete aid relationship. State and NSC Staff will meet with Frank Press to chart a South American trip, including perhaps Colombia and Barbados (a regional leader in the Caribbean) as well as Brazil and Venezuela. Frank's trip could, therefore, project a desire on our part to add a new and significant dimension to our relationships with individual Latin American countries. (S)

ok
b. Central America. Great concern for the political deterioration in Central America was expressed by all the leaders we met, but especially by Perez and Herrera. I believe this area requires our urgent attention. I understand that State has begun an interagency review of our policies to the nations of Central America as well as to the region, but I would strongly recommend that we give higher priority to this subject, and begin a Presidential Review Memorandum. If you approve, I believe Zbig should undertake such a PRM with Cy. One issue to be addressed in the PRM should be the desirability of a high-level visit to the region, perhaps by Cy, Warren Christopher or Dave Newsom.

c. Caribbean Policy. President Herrera expressed concern about the implications of the recent coup in Grenada for the entire Caribbean. Economically, he pledged his government's continued support for the Caribbean Group's effort, although he implied that he might not contribute as much resources as Perez did. He said, and Perez made the same point, that we should rely on Barbados much more as an important leader in the Caribbean. We should try to encourage nations in the region to hold the next Caribbean Group meeting there, and we should send a high level delegation, perhaps headed by Andy Young, for political as well as economic consultations in the area. (C)

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d. OPEC/GSP. The Venezuelans strongly criticized the amendment to the tariff law which prohibits us from granting tariff preferences to OPEC countries. The amendment is not important to Venezuela economically, but it is very significant symbolically. We should call this concern to the attention of the Congress, and I will be telephoning Bentsen and Vanik to that effect.

At the close of our talks, President Herrera summed up his position on oil exports as follows:

"Now I do not wish to fail to avail myself of this occasion to say something about a subject which is always most timely, that is, about oil. I would like you to rest assured that if our reserves exceed our forecasts, and if we can ensure logical levels of conservation, we can make a good effort in terms of future production for export. We want to condition Venezuela's income, to our capacity to absorb this additional income without deforming our economic development process, for we know that if resources exceed our capacity to absorb them and if they are not properly directed, the consequences will be most negative. During the last years before nationalization, the former oil companies operating here reduced significantly their prospecting efforts. We are now beginning to prospect again, but at a cost much much higher than if it had been done before. Likewise, if it had been done before, our present level of reserves would be higher. Technically, of course, Venezuela's capacity of production cannot be forced, but we are trying, within the framework of the criteria I mentioned and those relating to conservation, to meet the new requests for oil which have resulted from the recent events in Iran."

I believe Herrera is sincere in his desire to increase oil exports to us, and I believe he will be more inclined to follow through on this positive policy if we expand our cooperation with Venezuela on a number of fronts.

e. Brazil. Former President Perez made an interesting point about Brazil in his meeting with me. Like us, he is encouraged by the democratization process there, and he was glad that you had invited Figueiredo for a State visit. He

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suggested, however, that we should be careful not to make the same mistake Kissinger made, i.e., to be over-enthusiastic in our praise for Brazil. He said that the Spanish speaking countries of Latin America are very suspicious about collusion between the United States and Brazil and effusive statements of praise are easily misinterpreted by them. (S)

f. Intelligence Briefings. In my private meetings with Figueiredo and Herrera, they both accepted our offer of periodic intelligence briefings on international developments. If you concur, I recommend that Zbig work with Stan Turner to implement this offer. (S)

SECRET

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

Q

Transmitted 4/3

March 30, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: John P. White *J.P. White*

SUBJECT: Middle East Treaty Supplemental

In our consultations on the Hill regarding the supplemental for the Middle East treaty, Senator Muskie and others have suggested a letter from you laying out the rationale and urgency of your proposal. They think, and we agree, that such a letter will be valuable in defending the integrity of the package. A proposed letter is attached for your signature.

Attachment

NSC, DPS and Congressional Liaison concur.

(SIX SIGNATURES REQUESTED)

FD 79/300

THE WHITE HOUSE
WASHINGTON

To Chairman Edmund Muskie

I am writing to you to urge your immediate attention to the authorizing legislation and the 1979 supplemental appropriations request I will soon be transmitting to implement the Peace Treaty between Israel and Egypt. This supplemental request requires urgent enactment prior to the likely consideration of other pending supplementals in order to avoid delays which could threaten timely implementation of the Treaty.

The legislation to be transmitted will provide \$4.8 billion in special financial aid to the two countries over the next three years. This will be in addition to ongoing regular programs of military and economic assistance. Because much of the military financing will take the form of guaranteed loans, requiring only fractional appropriations, budget authority for the assistance package will be \$1.47 billion. Estimated budget outlays over the next four years will total \$1.1 billion, with \$350 million occurring in 1979 and \$315 million in 1980.

Within the \$4.8 billion total for special aid, I am proposing that \$3 billion be made available to Israel in two components.

- The first provides \$800 million in grants to cover the direct costs of relocating two Israeli airbases now located on territory to be returned to Egypt.
- The second provides \$2.2 billion in foreign military sales credit financing to Israel. These funds will finance other Israeli relocation costs and some upgrading of force structure consistent with the new territorial arrangements.

For Egypt, I am also proposing a two part aid package totalling \$1.8 billion.

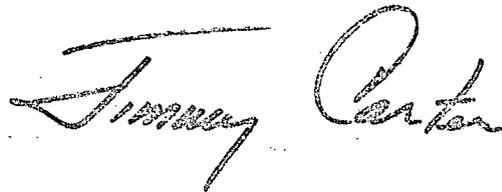
- The larger component provides \$1.5 billion in military sales credit financing on the same terms offered to Israel. It will help Egypt maintain a modern well-equipped military force, and play a responsible role in promoting stability and moderation in the region.
- In addition, I will propose to provide Egypt with \$300 million of special economic aid loans under economic support fund authorities. These funds will help meet Egypt's large development needs and help satisfy the expectations of the Egyptian people for a better life.

As you begin your consideration of these proposals, I urge you to give particular attention to three elements which I can personally assure you are critical.

- First, the proposed assistance is evenhanded. The financing package I will request reflects a careful assessment of the near-term burdens of the treaty balanced against the military and economic circumstances of each country. Our future influence in the Middle East depends on the perception by all affected countries that we do not unfairly support any one country. Alteration of the proposed amounts or terms of assistance to either Israel or Egypt could impair this perception.
- Second, the amounts of aid proposed and the terms offered are the result of a careful balancing of foreign policy needs and fiscal policy constraints. Thus, while substantial U.S. assistance is required to assure successful implementation of the Treaty, I have made every effort to limit United States funding in light of our current budgetary constraints and my desire to avoid imposing any unnecessary burden on the U.S. taxpayer.
- Third, the proposed United States assistance is a coherent, interrelated package which requires urgent congressional action. Piecemeal treatment would threaten both evenhandedness and the careful balance between foreign policy and budget requirements. Delay in congressional action on the legislation could critically disrupt the carefully negotiated timing for Treaty implementation.

I regard this initiative as the most important foreign affairs proposal currently before the Congress. I am sure I can count on your support for favorable and prompt congressional action.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the typed name.

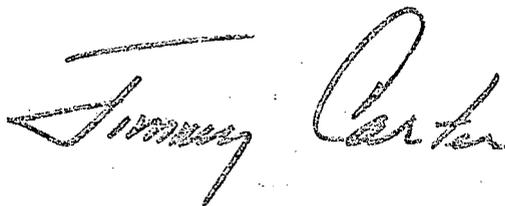
The Honorable Edmund S. Muskie
Chairman, Budget Committee
United States Senate
Washington, D.C. 20510

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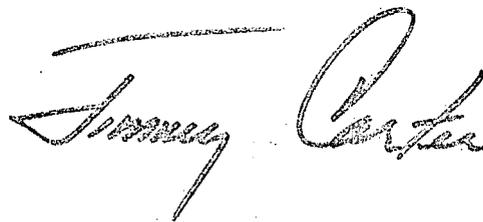
The Honorable Frank Church
Chairman, Foreign Relations Committee
United States Senate
Washington, D.C. 20510

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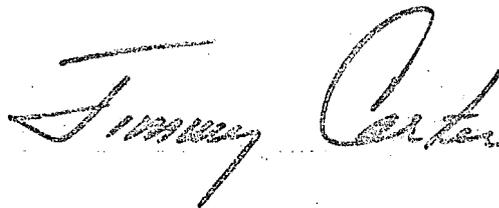
The Honorable Warren G. Magnuson
Chairman, Appropriations Committee
United States Senate
Washington, D.C. 20510

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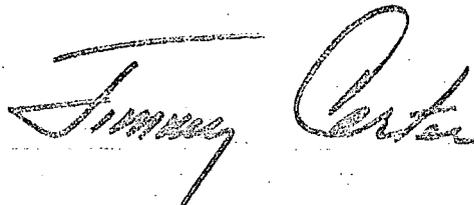
The Honorable Jamie L. Whitten
Chairman, Appropriations Committee
U.S. House of Representatives
Washington, D.C. 20515

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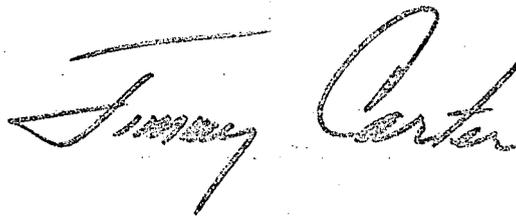
The Honorable Robert N. Giaimo
Chairman, Budget Committee
U.S. House of Representatives
Washington, D.C. 20515

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The Honorable Clement J. Zablocki
Chairman, Foreign Affairs Committee
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE
WASHINGTON

March 31, 1979

MEMORANDUM TO THE PRESIDENT

FROM:

STU EIZENSTAT *Stu*
FRED KAHN *Fred*
CHARLIE SCHULTZE *CLS*

SUBJECT:

DOT Regulations on Accessibility for
the Handicapped

On Monday, April 2, 1979, Brock Adams will transmit to HEW, and release to the press, final regulations under Section 504 of the Rehabilitation Act of 1973 for making urban mass transportation facilities accessible to the handicapped.

These regulations were the subject of a RARG review. While the regulations cover all transportation modes, the only controversial aspect has been the requirement that urban rail systems (subway, trolley, and commuter train) be retrofitted for accessibility even if every point served by rail is also served by bus.

The RARG report concluded that substitution of an extended bus system for subway retrofitting would result in substantially lower total costs than the DOT proposal and urged DOT to provide a more adequate evaluation of the difference in benefits between subway and bus service.

DOT has now done so, and has concluded that only "key" stations should be designated for retrofitting and that cities can obtain waivers from the retrofitting requirements by providing alternative service that is substantially equal in quantity and quality.

Specifically:

- o All new and renovated rapid rail stations must be accessible. However, DOT's original proposal that all

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existing stations in the five cities with older rapid rail systems (New York, Chicago, Boston, Philadelphia and Cleveland), be made accessible has been substantially modified to a "key station" approach coupled with a waiver provision. Key stations would be made accessible within 30 years, the most essential of these within 12 years. Criteria for designating key stations include passenger boardings in excess of average boardings on the system by at least 15 percent; service to major activity areas such as hospitals, government and employment centers, and universities; and serving as important points on the rapid rail line -- end points, transfer stations and interchange points with other modes.

UMTA estimates that these criteria would cover about 40 percent of the stations in the five cities, on average, and should not cover more than 60 percent in any city. Bus, or other feeder service would link accessible and inaccessible stations.

Local transit authorities may be granted waivers from the key-station accessibility requirements if they can show, after local hearings, that alternatives provide substantially equal service. Any alternative plans will have to involve spending at least five percent of the Federal funds made available under Section 5 of the Urban Mass Transportation Act.

- o A key-station approach will apply also for both commuter and light rail (trolley) service, with a waiver possible. A study required by the Surface Transportation Assistance Act that is to be submitted to Congress in January 1980 will also examine the technological feasibility and desirability of making commuter and light rail accessible.
- o Buses are the most widely used means of mass transit. "Transbus" was required by an earlier DOT rulemaking, as the long-term solution to providing accessible buses. Until Transbus is available, this rule will provide that new buses purchased with UMTA funds must have a lift. Within ten years, about half of a city's vehicle fleet will have to be accessible to the handicapped -- a level that should be achieved through the normal bus replacement process.

- o Interim service will be required if accessibility is not accomplished within three years. In many cities, interim service for the handicapped could be provided effectively by accessible bus service. Other cities may prefer to provide a more specialized interim service using vans, taxis or smaller buses. The nature of the interim service will be determined locally, after consultations with the handicapped.

A comparison of the costs imposed by the proposed regulations and the final regulations is attached.

We believe that the RARG process worked well in this case.

SUMMARY OF COSTS

<u>Mass Transit</u>	<u>Original Notice of Proposed Rulemaking</u>	<u>Final Regulation</u>
1. Rapid Rail	\$1.55 billion over 30 years for 100% station accessibility	From \$510 million to \$1 billion over 30 years for key station accessibility, depending on waivers granted
2. Commuter Rail	\$430 million over 30 years	\$190 million to \$290 million over 30 years, depending on waivers granted
3. Light Rail	\$60 million over 20 years	\$15 million to \$33 million over 20 years, depending on waivers granted
4. Bus	\$32 million per year until Transbus	\$32 million per year until Transbus
5. Interim Service	Variable, depending on type of service chosen -- could range from \$450 million to higher figures	Variable, depending on type of service chosen -- could range from \$225 million (if rail waivers sought) to higher figures
<u>Other</u>	\$150 million over 5-10 years	\$100 million over 5-10 years

THE WHITE HOUSE
WASHINGTON

3/31/79

The Vice President
Stu Eizenstat
Zbig Brzezinski
Jim McIntyre

Frank Moore

The attached was returned in the
President's outbox today and is
forwarded to you for your informa-
tion. The President selected Option
A.

The signed originals have been
given to Bob Linder for
appropriation handling.

Rick Hutcheson

cc: Bob Linder

transmitted 4/2



THE VICE PRESIDENT
WASHINGTON

March 30, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: The Vice President *WJ*

SUBJECT: Refugee Legislation and Budget Revisions

I have reviewed the attached papers. On the question of numbers, the 7,000 figure relates to Indochinese refugees. Added to this, there is a 3,000 monthly figure for Soviet Jews and Eastern Europeans, bringing the total to 10,000 a month and 120,000 a year.

Given your refugee policy and our commitments, I believe we would be in terrible shape if we were to roll back to the figure recommended by OMB. Internationally, the effect could be devastating, and this must be weighed against the fact that there is little domestic opposition to your refugee program.

I believe you will retain desired flexibility if you approve the necessary budget authority as recommended by State, HEW and Justice. At the same time, in requesting this authority we should testify that you reserve the right to determine the actual size of the FY80 program at the beginning of the fiscal year. We should further testify that we are encouraging other nations to play a greater role to meet the international refugee problem. I recommend that you sign the memorandum at Tab A. In doing so I recommend that you issue strict instructions that in presentation and testimony before the Congress, the Administration will make clear that a final decision on the scope of the FY80 program will be made by you in September.

RECOMMENDATION

That you sign the memorandum at Tab A.

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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503
MAR 30 1979

*I thought
Vance
Wanted
7000/mo.
J*

MEMORANDUM FOR: THE PRESIDENT
FROM: James T. McIntyre, Jr. *JT*
Director
SUBJECT: Refugee Supplementals/Amendments

Last week you gave us guidance on the substance and funding levels we should seek for supplemental refugee activities of State, HEW, and Justice. In your response to my decision memo (Tab C), you checked Option 1, supported by Dick Clark, State, Justice, HEW, and Zbig. However, your marginal comments (noting that State should be careful not to encourage additional refugees and that you did not want firm commitments to be made now for 1980 or 1981) were consistent with Option 4 which I proposed.

Option 1 proposed (1) that Dick Clark announce now that the Administration currently estimates that the "normal flow" of refugees to the United States in 1980 and 1981 would be 120,000 annually and (2) that budget amendments for State and HEW be transmitted now to the Congress to cover the necessary transportation and resettlement costs.

Option 4 proposed (1) making no estimate on 1980 or 1981 entries at this time and (2) transmitting only those supplemental requests and budget amendments that reflect 1979 and 1980 costs for the 55,000 additional Soviet and Indochinese refugees the Attorney General will soon parole and 1979 and 1980 costs of caring for the increased numbers of African, Soviet and Indochinese refugees abroad in countries of first asylum. A decision and transmittal of appropriation requests is needed yet this week, because Dick Clark must present State's 1979-80 budget requests to the Senate Appropriations Committee on April 3.

Dick Clark argues strongly that 1980 and 1981 estimates of entries should be announced now and the required appropriations sought. His contacts on the Hill indicate that the authorizing and appropriations committees want as complete a picture about money and entries for 1980 as possible. Representative Fascell has been particularly insistent and last week much of a Senate Judiciary Committee hearing was devoted to questions of overall cost.

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Clark believes that he can explain the tentative nature of the 120,000 entry estimate in a way that will not commit the United States or encourage more refugees. He believes that once your definitive decision is made next September on the 1980 "normal flow", budget adjustments can be made upward or downward to reflect that determination. He argues that if he has to wait until next September to seek the additional 1980 appropriations, it will be mid-1980 before Congress takes both authorization and appropriation action. The program then would be facing the same difficult prospect of running out of funds it is facing right now. Clark believes a central problem with the refugee assistance program has been the inability to plan refugee operations ahead because of the repeated practice of awaiting intermittent refugee entry decisions before seeking appropriations. He believes strongly that he would be placed in an indefensible position if he is asked to defend before Congress a 1980 budget request that bears little relationship to the number of refugees we are likely to admit.

On the other hand, I do not see how estimated entries can be announced and the required appropriations can be sought without encouraging refugees to come to the United States or without implying a commitment for the announced level of entries. The current 1980 budget assumes the entry of 64,000 refugees. That fact has not been publicized, but the public announcement now of the doubling of that number and the request for the needed additional appropriations are inopportune. You may decide to take that action in August or September, but I believe we should not add to budget pressures before we have to, especially since social services affecting blacks, Hispanics and the aged were proposed for reduction in the 1980 budget. If high flows are announced now, it would be difficult to make a downward adjustment in September. I believe that refugee entry policies can never be very firm beyond the current or immediate upcoming year and that entry announcements and appropriation requests should await definitive entry decisions.

The budget estimates for both options maintain the \$20 million level of grants to voluntary agencies for the resettlement and care of Soviet and Eastern bloc refugees in both 1979 and 1980. Other domestic refugee assistance costs are reduced in these estimates because of decreased participation by Soviet and Eastern bloc refugees who receive similar services from the voluntary agencies. HEW had requested a \$16 million 1979 supplemental and a similar 1980 budget amendment for the grant program in light of increased Soviet and Eastern bloc refugee flows, arguing that the program level was initially intended to be \$1000 per capita. We do not share this view, and believe such increases are inconsistent with attempts to make refugee assistance more uniform. However, others, especially the recipient voluntary agencies, will object to the lower funding level.

Announce 1980 entry estimate of 120,000 now and seek needed State, HEW and Justice appropriations. (State, Justice, HEW, NSC, DPS, CL recommendation.) If you approve, sign Tab A which includes appropriation requests, as follows:

THE WHITE HOUSE
WASHINGTON

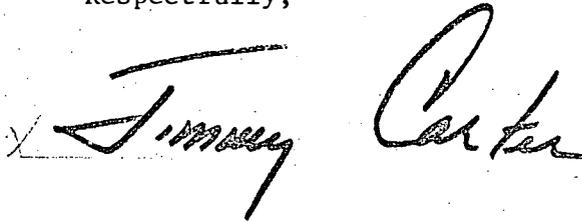
The Speaker of
the House of Representatives

Sir:

I ask the Congress to consider requests for supplemental appropriations in the amount of \$51,853,000 for the fiscal year 1979 and amendments to the request for appropriations for the fiscal year 1980 in the amount of \$262,964,000 for refugee assistance.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Respectfully,".

Enclosures

THE WHITE HOUSE

WASHINGTON

March 30, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
ELLEN GOLDSTEIN

SUBJECT: Refugee Admissions for FY 1980

In your decision memo of March 16 on refugee admissions and budget revisions, you checked option one which projected admissions of 120,000 for FY 1980 and 1981, requiring a budget supplement for FY 1980 of \$200 million. Your written comments, however, have made unclear how to proceed on the FY 1980 supplemental request.

Both authorizing committees in Congress are awaiting the FY 1980 figures before completing mark-up of the State Department authorization. We again want to endorse option one and recommend that you submit immediately to the Congress a FY 1980 supplemental request of \$200 million for these reasons:

- ° Without these new figures, Congress will have no choice other than using our January budget request, which is about half of what is needed for the 120,000 refugee flow. Deciding later in the year to seek additional funds from Congress is not advisable, nor sound policy. The January numbers reflect a sharp decline in U.S. refugee admissions from what we will be accepting from FY 1979. Congressional sponsors of our refugee legislation are supporting generous admission numbers.
- ° The current absence of administration plans and projections for FY 1980 gives the impression to the Congress that we have no firm policy nor position after September 30. This contradicts the goal and spirit of our legislation. Congress would attempt to fill this policy vacuum and try to direct the immediate future of our refugee program. Senator Clark believes that his position, in testimony and in program direction, would be untenable.

- Senator Clark wisely points out that the voluntary agencies must staff up their programs to meet the demands and requirements of our FY 1979 commitment of 10,000 refugees a month between May and September without knowing what we intend to do as of October and beyond. The State Department and HEW both work closely with these agencies in the processing and resettlement of refugees; our programs could not operate without their continued support and involvement.
- The absence of a firm U.S. commitment on refugee flow for 1980 would put a strain on our relations with other countries accepting additional refugees at our insistence and urging.

We again want to concur with the Departments of Justice, State, and Health, Education and Welfare on option one which provides the Administration with responsible and realistic refugee program direction. Option one is flexible and does not preclude lowering refugee flow for FY 1981. Frank Moore and NSC concur.

We believe that OMB overstates the opposition that would be expressed by American minorities. We also do not believe that by setting our refugee admission goals now for FY 80 and FY 81 that we will encourage additional refugees to flee their homes. Any option other than Option One contradicts the objectives of our comprehensive refugee legislation, which was developed to more realistically and practically deal with foreseeable refugee needs and trends. Option One is critical to a sound and responsible refugee policy.

- - - - -

The special Soviet refugee program, which we will continue to support, is described briefly by OMB. We recommend that a program decision on this matter not be decided right now. It deserves closer examination and development of alternate program options.

_____ Agree

_____ Disagree

DEPARTMENT OF STATE
WASHINGTON

March 27, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: Dick Clark *DC*
U.S. Coordinator for
Refugee Affairs

SUBJECT: Budget Revisions Regarding
Refugees for FY-1979 and
FY-1980

I urge you to approve formal transmission to the Congress of the budget amendments totaling approximately \$190 million which are required to finance the U.S. refugee program for FY-1980.

Both authorizing committees (Church and Zablocki) are withholding final approval of the State Department authorization for FY-1980-81 until formal transmission occurs. It is clear that an amendment will be necessary to meet the increased flow of refugees from the Soviet Union and Indochina. During the last seven months of FY-1979, in accordance with your decision, we will be resettling 10,000 refugees per month. The budget amendment request before you is based upon maintaining the same levels of resettlement in FY-1980.

We clearly understand that this budget request will go forward only as a planning figure for authorization and appropriation, not as an irrevocable commitment. You retain the authority to adjust the normal flow before the beginning of the fiscal year. If such

planning figures are not transferred to Congress now, and you were later to decide to continue the present flow of 10,000 refugees per month after September, it is most unlikely that any supplemental authorizations and appropriations could be enacted.

Without transmitting this budget amendment, we are now left to defend our original budget request, which was based on accepting only a little more than 5,000 refugees a month for resettlement to the U.S. (a total of 64,000 in FY-1980). This is half the flow you have approved for the balance of 1979. Congress would probably approve our original request, but the subsequent precipitous drop in our refugee admissions in 1980 would no doubt have a disastrous effect on the voluntary agencies, which have now geared up for 10,000 a month for the rest of this year. Such a move would also damage our relations with the nations we have encouraged to increase their own refugee admissions, as well as the ASEAN nations, which are reluctantly providing first asylum until the refugees can be resettled elsewhere.

It was my understanding that my position was created to bring more rationality to refugee programs by planning and budgeting in accordance with a consistent policy. To do otherwise now would, frankly, defeat the purpose of establishing the position to which you have appointed me.

THE WHITE HOUSE

WASHINGTON

March 29, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: EDWARD SANDERS *Ed*

SUBJECT: Budget Revisions Regarding Refugees for
FY 1979 and FY 1980

Dick Clark has submitted a memo urging you to approve formal transmission to the Congress of the budget amendments totalling approximately \$190 million, which are required to finance the U.S. refugee program for FY 1980. I want to add my support.

In connection with refugees from the Soviet Union, I believe that it is essential to submit the budget amendment for FY 1980.

If these amendments are not submitted, it will mean that the acceptance level for refugees from Eastern Europe, primarily Soviet Jews, will be based on FY 1979 levels. The FY 1979 expected monthly arrival rate was 1400 a month. The present monthly arrival rate is approximately 3500 a month. There are already approximately 10,000 Soviet Jews awaiting resettlement in Rome.

As a matter of basic policy, it seems to me that we must be ready to accept the Russians Jews who are allowed to leave the Soviet Union. Without the budget amendments, and if the monthly rate continues after September 30, we will be able to take only about 50 percent of these refugees.

1:30 pm.

THE WHITE HOUSE
WASHINGTON

April 2, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JODY POWELL *JHP*
RE: Your Interview Today with
Finlay Lewis - 1:30 pm

Finlay Lewis is a reporter from The Minneapolis Tribune who has covered the Vice President since 1974 and was a member of the press corps traveling with the Vice President in the 1976 campaign.

HE WILL PROBABLY ASK why you picked Walter Mondale as a running mate -- what doubts and other considerations went into your decision, whether you were concerned about Mondale's reluctance to keep on campaigning for the presidency (didn't want to spend the rest of his life in Holiday Inns remark), evaluation of Mondale as a Vice President, what kind of Vice President he has been, why you two have hit it off and made something out of the office of the Vice President, assessment of Mondale as a person and as a Vice President.

POINTS THE VICE PRESIDENT'S STAFF WOULD LIKE TO SEE MADE: Basically the same as you have made to other people -- valuable working partner in the presidency, easy access to you, key assignments given the Vice President, reiteration of planning to maintain ticket if you run for re-election.

Lewis has completed the text of his book, which the Vice President's staff says is a "sympathetic but objective" treatment, and all that awaits completion is your interview.

The book is being published by Harper and Row.

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THE WHITE HOUSE
WASHINGTON

4/2/79

Mr. President:

The installation of the solar heating system for the West Wing started today. Attached is the work schedule for the project.

PHIL

①

SOLAR PROJECT

Anticipated Contractor Work Breakdown

- Monday -- April 2 Place tank in basement West Wing Machine Room. Core drill through Machine Room wall.
Open up roof coping and begin replacing wood.
- Tuesday - April 3 Roofers will open up roof and begin to install collector support feet and will continue to replace coping wood. Asphalt melting kittle will be placed on roof which may create fumes of burning tar. An intermittant amount of concrete drilling will also be experienced through the day.
- Wednesday-April 4 Continue type of work began on Monday and Tuesday.
- Thursday -April 5 Continue type of work began on Monday and Tuesday.
- Friday -April 6 Complete work started on Monday and Tuesday.
- Mon-Fri -April 9 No on-site work is scheduled this week.
April 13
- Monday -April 16 An hydraulic reach boom crane will be positioned in the roadway at the North West corner of the press briefing room. The Solar collector panels will be arriving on this day along with the prefabricated steel collector supports and be placed on the roof and welded to the previously installed feet. Workman will also begin installing collector tanks(storage tanks) and associated piping in the West Wing basement Machine Room. Monday, April 16 will be a very active and perpaps noisy day.
- Tuesday -April 17 All major components should be on site. The crane will have been removed the previous day. Workman will be welding and bolting steel collector supports into place. Piping will be installed and misc. brackets drilled into place to hold roof piping. Workman will also be in the basement Machine Room installing tanks, pipes, gauges, etc.
- Wednesday of this week and through next week until Sat. April 28 Work will continue as described in the above April 17 schedule each day including Saturday and Sunday.
NOTE: April 24 air tests will begin to test piping for leaks. If no leaks are detected, pipe covering and painting will begin.
- Saturday -April 28 The system will be charged and tested.
- Sunday -April 29 Operational testing and shake down.

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for Preservation Purposes**

#7

THE WHITE HOUSE
WASHINGTON

3/31/79

Bob Lipshutz
Jody Powell
Jim McIntyre

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original Order has been given to Bob Linder for appropriate action.

Rick Hutcheson

cc: Bob Linder

1299

THE WHITE HOUSE
WASHINGTON

March 30, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ 

RE: Proposed Executive Order Entitled:
"Federal Emergency Management Agency"

The attached proposed Order implements Reorganization Plan No. 3 of 1978, which established the Federal Emergency Management Agency. The Order activates that agency as of April 1, transferring to it appropriate functions from the Departments of Commerce and HUD, as well as transferring the President's authority concerning the Emergency Broadcast System.

This is the first of two Orders dealing with emergency management functions. The second, which will follow shortly, deals with those Presidential functions which were not covered by Reorganization Plan No. 3.

Justice and OMB have approved the attached Order. We recommend that you sign it. Under Reorganization Plan No. 3, the deadline for signature is April 1.


_____ Approve

_____ Disapprove

EXECUTIVE ORDER

FEDERAL EMERGENCY MANAGEMENT AGENCY

By the authority vested in me as President by the Constitution and laws of the United States of America, including Section 304 of Reorganization Plan No. 3 of 1978, and in order to provide for the orderly activation of the Federal Emergency Management Agency, it is hereby ordered as follows:

1-101. Reorganization Plan No. 3 of 1978 (43 F.R. 41943), which establishes the Federal Emergency Management Agency, provides for the transfer of functions, and the transfer and abolition of agencies and offices, is hereby effective.

1-102. The Director of the Office of Management and Budget shall, in accord with Section 302 of the Reorganization Plan, provide for all the appropriate transfers, including those transfers related to all the functions transferred from the Department of Commerce, the Department of Housing and Urban Development, and the President.

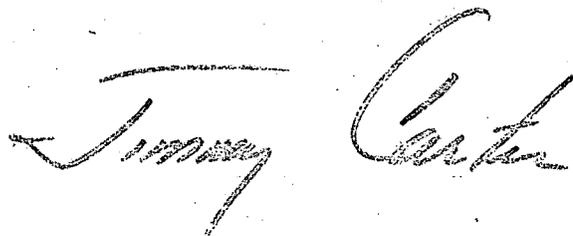
1-103. (a) The functions transferred from the Department of Commerce are those vested in the Secretary of Commerce, the Administrator and Deputy Administrator of the National Fire Prevention and Control Administration (now the United States Fire Administration (Sec. 2(a) of Public Law 95-422)), and the Superintendent of the National Academy for Fire Prevention and Control pursuant to the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), but not including any functions vested by the amendments made to other acts by Sections 18 and 23 of that Act (15 U.S.C. 278f and 1511). The functions vested in the Administrator by Sections 24 and 25 of that Act, as added by Sections 3 and 4 of Public Law 95-422 (15 U.S.C. 2220 and 2221), are not transferred to the Director of the Federal Emergency Management Agency. Those functions are transferred with the Administrator and remain vested in him. (Section 201 of the Plan.)

(b) There was also transferred from the Department of Commerce any function concerning the Emergency Broadcast System which was transferred to the Secretary of Commerce by Section 5B of Reorganization Plan No. 1 of 1977 (42 F.R. 56101; implemented by Executive Order No. 12046 of March 27, 1978). (Section 203 of the Plan.)

1-104. The functions transferred from the Department of Housing and Urban Development are those vested in the Secretary of Housing and Urban Development pursuant to Section 15(e) of the Federal Flood Insurance Act of 1956, as amended (42 U.S.C. 2414(e)), and the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), and Section 520(b) of the National Housing Act, as amended (12 U.S.C. 1735d(b)), to the extent necessary to borrow from the Treasury to make payments for reinsured and directly insured losses, and Title XII of the National Housing Act, as amended (12 U.S.C. 1749bbb et seq., and as explained in Section 1 of the National Insurance Development Act of 1975 (Section 1 of Public Law 94-13 at 12 U.S.C. 1749bbb note)). (Section 202 of the Plan.)

1-105. The functions transferred from the President are those concerning the Emergency Broadcast System which were transferred to the President by Section 5 of Reorganization Plan No. 1 of 1977 (42 F.R. 56101; implemented by Executive Order No. 12046 of March 27, 1978). (Section 203 of the Plan.)

1-106. This Order shall be effective Sunday, April 1, 1979.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned in the lower right quadrant of the page.

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

*return
to me
to read*

ACTION
FYI

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

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<input type="checkbox"/>	KRAFT
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<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VANCE

THE WHITE HOUSE
WASHINGTON

2 Apr 79

Frank Moore

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

Rick Hutcheson

The Vice President
Stu Eizenstat
Hamilton Jordan
Jack Watson

*Administratively
Confidential*

cc Frank
C
/

THE WHITE HOUSE

WASHINGTON

March 31, 1979

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Weekly Legislative Report

I. DOMESTIC POLICY ISSUES

1. Debt Limit Extension -- We were relatively successful in heading off damaging balance-the-budget amendments in connection with Senate consideration of the debt limit extension. The Senate did pass a Long compromise amendment that, in effect, requires the first budget resolution to be in balance starting next year. It also passed a Packwood amendment requiring you to submit an alternative FY 1981 budget that is balanced, if the regular budget shows a deficit. Treasury and most of your staff believe the amendment's requirements may be easily met without substantial additional budget preparation.

We presume you have been thoroughly briefed by Treasury on the crisis that would arise if the debt limit bill were not to clear the House and be signed by you on Monday. Treasury would apparently have to stop payment on \$8 billion in social security checks mailed Friday. The leadership will ask the House on Monday to accept the Senate amendments without conference. The Speaker has arranged for the bill to be pre-enrolled so it can be sent to you for signature minutes after passage.

2. COWPS Reauthorization -- The expected confrontations over the COWPS Reauthorization bill have been delayed until Monday. Senator Byrd was successful in getting a time agreement on the bill.

We expect that the Republicans may still offer an amendment to repeal the minimum wage increases won last Congress. Senator Helms will probably offer his amendment

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to repeal the Credit Control Act, but Chairman Proxmire apparently will now oppose the amendment. It does not appear that the Republicans will offer an amendment to repeal Davis-Bacon, since Senator Williams has agreed to hold hearings in the Human Resources Committee on the issue.

Senator Sarbanes is trying to convince Proxmire to weaken his amendment which would add inflation goals to Humphrey-Hawkins. We believe he will be successful.

Hopefully, we will defeat all amendments and the Senate will pass the bill by mid-Tuesday.

3. Reorganization

Department of Education -- At the request of the Minority, Jack Brooks has agreed to hold an additional day of hearings on Thursday. Subcommittee mark-up may begin April 9th or 10th but probably cannot be completed until after the Easter recess. We remain confident that the bill can be reported by the full Committee before the 15th of May.

We are attempting to bring the bill to the Senate floor before the Easter recess. However, partly because of the Governmental Affairs Committee's delay in filing its report and partly as a result of Republican (Schmitt and Hayakawa) and Democratic (Moynihan) "holds" placed on the bill, we will be extremely lucky to do so. Moynihan testified against the bill in House hearings and may offer a series of opposing amendments on the Senate floor. Nonetheless, we continue to expect a strongly favorable floor vote.

This won't work

Natural Resources Reorganization -- It seems increasingly likely that we will have to resort to the use of legislation if we are to have any chance of success in the Senate. Any other strategy will result in almost certain defeat of the plan on procedural grounds. We have completed a survey of Senate LA's which suggests that at this time fewer than 20 Senators are unalterably opposed to DNR. While support is still very thin, we have identified a target group of Senators around whom we hope to build a core group.

Alaska Gas Pipeline Reorganization -- We have successfully negotiated a compromise with Chairman John Dingell regarding the pipeline reorganization plan. As a result, the plan can be transmitted to the Congress on Monday. Hearings in the House may occur as early as April 9.

4. Supplementals -- Members of both Houses continue to have grave reservations about considering any 1979 supplementals. Our strategy has been to highlight the necessity of a Third Budget Resolution because of the urgency of the Middle East package, and then to suggest that Congress consider several other items with it.

At this point it appears that only part of the pending \$15 billion in supplementals have any chance of enactment. Those of high priority to the Committees appear to be the Middle East peace package, the NASA request, the shipbuilding portion of the DOD request, COWPS, and the pay and other mandatory supplementals.

The House Budget Committee caucus did not put in any of the DOD request, including the purchase of the Iranian ships; nor did they include any of the SBA disaster money. No supplementals are likely to be enacted until early June.

5. FY 80 Budget -- Mark-up begins in both Houses on Tuesday. Following is a summary of information we have about likely actions.

Senate

The Senate Budget Committee staff is completing its recommendations for the First Budget Resolution. The recommendations lean toward a deficit of less than \$29 billion. When their numbers are adjusted to our economic assumptions, this translates into a deficit of less than \$22 billion.

The staff is recommending that most of our \$4 billion in legislative savings proposals be adopted, including part of the social security reforms. In view of their austerity, the outlook for funding the following program areas in the first resolution is not good:

- Real wage insurance
- HUD/EDA increases
- Countercyclical initiative (both FY 1979 supplemental and 1980 program)
- States' portion of general revenue sharing
- Title VI of CETA (Senator Bellmon is proposing to eliminate Title VI in its entirety)

In addition, the Committee may eliminate the twice-yearly inflation adjustment on Federal employee pensions, and may reduce the 5.5 percent Federal pay cap even further

House

The House Budget Committee caucus recommended a substantial number of adjustments:

- Defense -- Reductions of \$4.1 billion in BA and \$1.8 billion in outlays. These were recommended by Giaimo and Obey.
- States' portion of revenue sharing -- eliminated.
- HUD/EDA increases -- cut in half: \$1.765 billion in BA and \$98 million in outlays.
- Research funds -- space shuttle was cut by \$135 million in BA and \$172 million in outlays. Other research programs were cut by \$30 million in BA and \$24 million in outlays.
- Congressman Wirth offered a package amendment to reduce the water resources programs, reduce EPA, and eliminate the urban parks. Congressman Simon offered each item alone, and the committee decided on a tie vote, not to eliminate the urban parks program or reduce EPA by \$400 million. However, they did reduce the water resources program by \$572 million in BA and \$70 million in outlays. It is expected that this will be restored when the full committee marks-up.
- CETA -- this was recommended at our budget level, but there may be a move to add more as cut insurance to offset expected Senate reductions.
- Impact aid -- reduced our projected savings by half.
- The caucus approved most of the legislative savings that were proposed in the budget, including \$500 million for social security.
- Transportation -- they cut \$450 million in the highway program and added \$150 million in the mass transit program.
- Veterans programs -- some cuts were reportedly approved.

-- International financial institutions -- cut \$400 million.

6. Hospital Cost Containment -- Labor and Human Resources Committee (Kennedy) -- The Subcommittee mark-up has been suspended for two weeks while the staff prepares to meet objections raised by conservative members. The outlook for Committee approval of our proposal is good.

Finance Committee (Long) -- The Committee will return to mark-up on April 10 and 11. WHCL and DPS are exploring ways to accommodate key Committee members without abandoning the basic principles of our bill. On the other hand, HEW is taking a hard line. As yet undetermined compromises will have to be made to pick up the votes necessary for Committee approval.

7. National Health Insurance -- The Senate Finance Committee completed hearings on the Long-Ribicoff-Talmadge bill last week. Instead of proceeding immediately to mark-up this week as originally intended, the Committee will wait "a reasonable time" for Senator Kennedy and the Administration to draft and introduce their respective bills.

The Finance Committee sponsors are pushing for 1979 enactment of their bill. The bill provides that (1) the non-budgetary provisions, particularly mandated private catastrophic coverage of employees by employers, would take effect in January of 1981; and (2) the provisions with budgetary impact (such as the expanded medical assistance program) would be phased-in over subsequent years.

Senator Long wants to be able to point to solid accomplishments in the health field during his 1980 campaign.

In addition, considerable thought has been given to combining Phase I of the health insurance plan with HCC to form a single bill. Senator Long and his colleagues feel that (1) health insurance costs will be reduced by savings under HCC; and (2) the health insurance plan contains features desired by the groups opposing HCC, and could neutralize their opposition.

8. Real Wage Insurance -- The Senate Budget Committee will probably vote to delete RWI sometime this week. We cannot be certain of even one vote in support of it.

Prospects in the House Budget Committee are brighter but still uncertain. On the Democratic side, Mattox, Holtzman and Brodhead oppose -- if they were joined by the Republicans and two more Democrats they would prevail.

9. Alaska Lands -- Thursday the Subcommittee on Fisheries, Wildlife and Environment of the House Committee on Merchant Marines and Fisheries reported the Breaux substitute 16-14. This was a substantial improvement over the earlier 22-8 vote.

On the House floor Members will have a clear-cut choice between the Breaux/Huckaby pro-development, technically deficient bill and the Udall/John Anderson substitute, last year's House-passed bill. Interior, WH and USDA CL offices continue to coordinate floor strategy with Udall.

*Veto in
store
if
needed*

II. FOREIGN POLICY ISSUES

1. Security Assistance -- The House passed the Security Assistance Authorizing legislation Thursday on a voice vote. The deletion of FMS for Panama was the only change to the bill as amended by the Foreign Affairs Committee. The \$2.5 million in Panama FMS in the bill was eliminated by a 272-117 vote on an amendment by Congressman Robert Bauman of Maryland.

The Panama vote, which came early in the bill, was analyzed by most Members and staff as a cheap vote against additional aid to Panama. State expects to restore the full \$5 million in the Senate, but a conference will be difficult until the House has taken up the Panama Treaty enabling legislation. The Senate will not mark-up the Security Assistance bill until after the Easter recess.

2. Supplemental Assistance for Turkey -- Preliminary consultations suggest we will have more difficulty in the House than in the Senate in winning approval for a FY 1979 supplemental aid program for Turkey. The most vulnerable part of the Administration's request will be the \$50 million in grant military aid. Zablocki and Hamilton, who have supported us in the past on Turkey, will oppose this part of the program, and they will be joined by the usual formidable coalition led by Congressmen Brademas, Rosenthal and Fascell. The \$100 million in economic assistance faces easier sailing in the House, and prospects seem bright for the whole package

in the Senate given the support we have been pledged by Byrd, Baker, Bentsen and Chafee. To insure smoother coordination of our efforts on behalf of this supplemental, State will put together a small NSC-Defense-State working group.

3. Foreign Assistance -- Secretary Vance testified before the Foreign Operations Subcommittee of House Appropriations Thursday on the FY 1980 foreign assistance request. Almost the entire hearing focused on the Middle East Peace Treaty, the financial package and agreements. Members clearly indicated their support for the amounts but showed a preference that appropriation requests not all come in FY 79. Serious reservations were raised over additional funding for Syria without clear evidence that Syria is contributing to the peace process.

4. Panama Canal -- Thursday, the Panama Canal Subcommittee completed mark-up of the Treaty implementing legislation; the result is largely unsatisfactory to us. The bill now contains a number of points violating the Treaty, and some which will make it far more difficult to run the Canal under the Treaty. For example, the bill would require that no payments could be made to Panama as long as the Canal Commission deems that there is a plausible expropriation claim by U.S. interests against Panama. Chairman Murphy seems to be yielding on what we consider essential points, to gain support from the Republican right. If the final legislation looks anything like the subcommittee bill, State reports it would seriously antagonize Panama and make implementation very difficult. This, plus the overwhelming vote against Panama FMS makes it clear that the implementing legislation is in trouble. Speaker O'Neill will see Murphy Monday to urge him to repair some of the damage.

5. SALT - Current Mood in the Senate -- The delay in submitting a completed SALT Treaty to the Senate has allowed Members to focus on often-misleading press reports over the state of negotiations. Most Senators have been briefed, but many are still reluctant to devote much attention to SALT.

The implications of the loss of monitoring capability in Iran have panicked some of our supporters. State reports that the Administration should present its plans for recouping this loss as soon as possible, before would-be supporters react by locking themselves into excessive requirements for verification.

*Murphy
promised
to eliminate
violations*

Even though the current mood among supportive and undecided Senators ranges from grave concern to less than enthusiastic endorsement, we believe that once the Senate has an opportunity to concentrate on the actual text of the Treaty and Administration spokesmen are no longer so restrained by classification requirements, the Senate and the public will realize it is a well-negotiated document and in the security interests of the United States.

6. Rhodesia -- The McGovern/Hayakawa resolution to send impartial observers to the April elections in Rhodesia passed the Senate March 28 by a vote of 66-27. We believe this resolution may be bottled up in the House Foreign Affairs Committee. If so, Administration opponents may move even before the Rhodesian elections to amend key legislation to lift Rhodesian sanctions immediately. The most likely vehicles for such amendments are the State Authorization bill and the Development Aid bill, both of which will be on the House floor in early April.

7. Base Closure/Realignment Announcement -- Base closure/realignment decisions were publicly announced on Thursday. Affected Members of Congress were briefed on the decisions in an embargoed status on Wednesday. As expected, Members and Senators from states with large reductions were the most vocal in their criticism of the realignment decisions. Particularly upset were Senator Muskie over the reductions at Loring Air Force Base; the New Jersey delegation over the reductions at Fort Dix; the Ohio delegation over large reductions in defense supply agencies throughout the state; and the Florida delegation over the loss of 5,000 military personnel.

8. Supplemental Budget Request -- Congressional action on DOD's FY 1979 Supplemental Budget request continues to move irregularly. The House Armed Services Committee finished their subcommittee markup of the bill Thursday and it is hoped the full Committee will mark-up this week. DOD's request was cut by \$600 million. The most significant cut is \$460 million for the 55 F-16 aircraft originally scheduled for Iran. The MX missile was fully funded.

The Senate Armed Services Committee has asked Secretary Brown to appear at a special hearing Tuesday to explain the impact of the Middle East agreement on the F-16 request. Before adjourning Thursday the Committee adopted a Nunn MX amendment intended to force an early MX missile design and basing mode decision. The Committee plans to continue mark-up on Thursday.

9. Development Aid -- Thursday the full House Foreign Affairs Committee completed mark-up of the FY 1980-81 development aid authorization bill. The bill fully funds the Administration requests. It is expected that Chairman Zablocki will request a rule on Tuesday, and that the House will begin consideration Wednesday. The most significant committee action was the approval of the Institute for Scientific and Technological Cooperation.

Other significant actions taken in the mark-up:

-- Passed a Derwinski Amendment prohibiting assistance to Afghanistan with a Presidential waiver provision.

-- Passed a Derwinski Amendment earmarking \$5 million of unobligated Middle East Special Requirements Funds for Lebanon to assist in the rehabilitation of that country.

Work in Senate

-- Approved a Bonker-Zablocki compromise that would remove the Peace Corps from ACTION and reconstitute it as an autonomous agency with a board of directors under the proposed IDCA framework.

-- Passed a Zablocki Amendment repealing the Helms Amendment prohibiting assessed contributions to the UN for technical assistance.

State will be coordinating an interagency effort to contact members systematically, urging support for the bill with the Helms Amendment repeal provision. Senate mark-up of the State Authorization bill -- a possible vehicle in the Senate for Helms Amendment repeal -- is scheduled for Tuesday but it is not yet certain whether Senator Church will run the risk of offending Senator Hollings by taking this issue up in the authorization process.

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THE WHITE HOUSE
WASHINGTON
2 Apr 79

Stu Eizenstat

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and is forwarded to you for
appropriate handling.

Rick Hutcheson

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STRAUSS
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THE WHITE HOUSE

WASHINGTON

March 31, 1979

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MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Domestic Policy Staff Weekly
Status Report

NATURAL RESOURCES

*Prepare
for
veto*

Alaska: We suffered a major defeat in the House Interior Committee when Congressman Huckaby's substitute bill was passed out with a margin of one vote. We are working closely with Frank Moore's office and the agencies on further strategy. Fortunately, the administrative actions taken in December provide sufficient protection of critical lands to enable us to reject an unacceptable bill. Prospects for prevailing on the House floor are weaker than last year, especially on oil and gas questions. However, efforts are underway to develop options to improve our position.

RARE II: The 45-day consultation period with Governors and Members of Congress concluded on March 15. The final interagency review process and discussion of changes to the January recommendations will begin on March 27 and conclude on April 6. Shortly after that you will receive a decision memo on the final RARE II recommendations. A public announcement of the Administration's RARE II recommendations and administrative release of non-wilderness areas for multiple-use management is scheduled for April 16.

COMMUNICATIONS

Closed Captioning: On March 23, Secretary Califano announced your initiative to bring "closed captioning" television to the hearing impaired. A non-profit institute has been created to provide the captioning which will be transmitted by the networks and picked up by those who purchase special decoding devices through Sears Roebuck.

GOVERNMENT REFORM

Lobby Law Reform: Hearings in House are almost complete. We have asked Senator Chiles to take the lead in the Senate, and are awaiting final word from him.

Judicial Reform: House and Senate Judiciary Committees have begun hearings on the bills described in your judicial reform message. Senator Kennedy, as chairman, has introduced his own comprehensive bill which includes our new proposals.

Election Reform: We are participating in Public Financing Task Force which is working on strategy, but passage will be difficult. Direct election of President amendment will be reviewed in Senate Committee before final floor vote. No House action is expected this session.

Federal Pay Reform: In light of the crowded Senate Governmental Affairs Committee calendar, submission date is being delayed until mid-April. We are working with Scotty Campbell and OMB.

TRANSPORTATION

Maritime policy decision memo will be forwarded to you by April 10.

HOUSING AND URBAN DEVELOPMENT

New York City Financing: The Mayor has agreed to make whatever level of cuts Treasury and the City's Control Board agree is necessary. We have been working with the Mayor to determine which Federal administrative actions he can include in his upcoming budget.

Consolidation of Banking Regulatory Agencies: Senators Proxmire and Ribicoff sharply criticized the Administration's failure to endorse their bill. However, the other key members of the Senate and House Banking Committees expressed their view that the Administration wisely avoided a disruptive and unwinnable fight.

Regulation Q Banking Reform: Per your directive that we move aggressively on banking deregulation, we have asked the banking agencies to accelerate their analysis of Regulation Q. Their support is necessary if we are to proceed to implement any Reg Q reforms administratively rather than through a difficult legislative fight. My view is that our reform efforts must not impair the availability of housing credit, particularly as the economy softens.

DRUG POLICY

Colombia Drug Efforts: In mid-March, Lee Dogoloff traveled to Columbia where he met with a number of Colombian officials, including the Attorney General and the head of the Joint Chiefs of Staff. He was impressed with President Turbay's commitment to deal more aggressively with drug trafficking and illicit marihuana cultivation. Their military campaign against marihuana cultivation and drug smuggling in the northern Guajira region has proved successful and, hopefully, we can continue to provide support for another six months. In general, the political climate seems right for some major initiatives against marihuana and cocaine in Latin America, and we will develop an options paper within the next several weeks.

City Involvement in State Drug Planning: We have met with a number of city leaders who believe that state officials who develop the Federally mandated state drug plans often ignore the specific concerns of cities with serious drug problems. They asked if we would support their efforts to gain a greater voice in the preparation of state plans. After consulting with Jack Watson's office, we agreed to help with Congress and HEW, providing there is no increase in the total funding involved.

Drug Policy Legislation: Senator Riegle introduced a bill which, in effect, would reestablish the Office of Drug Abuse Policy (ODAP) in the DPS. Lee Dogoloff and I met with Riegle and explained that we did not want a legislatively mandated office. Reorganization Plan No. 1 of 1977 transferred the functions of the Director of ODAP to you for redelegation within the EOP. We agreed that before April 9 we would prepare an Executive Order formally assigning drug policy functions to the Associate Director for Drug Policy on the DPS. This would obviate the need for legislation and merely reflect our current operation.

EDUCATION

Department of Education: Hearings were held on March 26 and 27th. Jim McIntyre, Mary Berry and Ernest Boyer testified before the House Government Operations Subcommittee on the 26th. The full Senate will vote on the Department of Education the first week in April. It is expected to pass easily.

1980 Budget: The House Budget Committee is recalculating projected outlays for the Basic Grants and Handicapped Education Programs.

Higher Education Act Reauthorization: HEW testified before the House Postsecondary Education Subcommittee. DPS and OMB have formed a task force to develop policy papers for you on the Higher Education Act. The aim is to time the papers to coincide with the Spring Budget Review.

AGRICULTURE AND RURAL DEVELOPMENT

Sugar: Our proposal for a 15.8¢ market price objective for crop year 1979 and a payment of up to 0.5¢ was well received on the Hill. However, Congress has been unable to resolve the remaining differences, most of which relate to the use of direct payments and the labor provisions. As a result, Congressman Foley has cancelled all further hearings and has advised us that he sees little chance that a bill will be passed. The principle casualty would be the ISA, unless we can get Senator Church to move ahead with ratification.

Crop Insurance: The Department of Agriculture, working in close cooperation with key members of the Congress, is reassessing our all-risk crop insurance proposal and will probably come back to you soon with a scaled-down version. There is a general feeling that we must move cautiously.

Deputy Secretary of Agriculture: Jim Williams, the new Deputy Secretary of Agriculture, is doing very well in his new post. We are working closely with him on a variety of topics.

Meat Imports Legislation: The Congress is again considering several proposals to amend the Meat Import Act of 1964, most of which would further restrict imports. The Food and Agriculture Working Group will have a memorandum for you on this topic soon.

URBAN POLICY

The EDA reauthorization legislation and the increase in UDAG funding have been cleared by OMB. They will be sent to Congress next week, accompanied by a Presidential Message describing the Administration's economic development efforts to date. A reorganization plan transferring the FmHA and SBA programs to EDA is being prepared by OMB.

Our fiscal assistance programs have been well received in the Senate. The Finance Committee has completed hearings and hopes to mark-up the legislation within the next month. We are working with the House Committee in the hope that they will schedule hearings soon.

Next Thursday, we will have a briefing and reception commemorating the accomplishments of the urban policy in its first

year. Jack's and my staff have worked on a booklet commemorating the occasion.

MISCELLANEOUS

1979 Agenda: We continue to monitor the legislative agenda along with the Vice President, Congressional Liaison, and OMB staffs.

THE WHITE HOUSE
WASHINGTON

2 Apr 79

Tim Kraft

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Rick Hutcheson

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CLOUGH
COSTANZA
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THE WHITE HOUSE
WASHINGTON

MARCH 31, 1979

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new list or
use old lists
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J*

MR. PRESIDENT

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