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To See Complete Finding Aid:
http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf
telephone conversation with
harold denton 4/2/79
(3 mile island)
THE WHITE HOUSE
WASHINGTON
8:00 am 4/2/79

Watson, are Size & Denton,
Trends favorable
Bubbles, be helpful
Any pressure less than thought.
E2 may be decreasing

Bubble size - 200 ft.3 to 10,000
One - 400 ft.

Recombination - one - 1,000

Electrostatic Copy Made
for Preservation Purposes
April 2, 1979
11:10 a.m.

MR. PRESIDENT

SENATOR EXON CALLED.

[Handwritten note: "dereg Q oil back in Congress plowback"]

PHIL

Electrostatic Copy Made
for Preservation Purposes
Cabinet 4-2-79

> AEC plant
> Energy - fission on farm
> Teamsters 20% > 35/nw
> INF - CACE'S + 90
> Econ - sensing - housing v-
> Ethics
> Debt limit
> MH - no legis. funding?
> Nat Res Res
> Budget status
> Hosp Cost
> 3% > House 4/30
> NEA 487 ktp 147 grants
> SALT - 4/28 Giscard
> Turkey
> Panama - Japan 10/79
> Talk shows
MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER

SUBJECT: Security Violations

Attached for your information are the security violations for the month of March, 1979.
The President has asked that I make you aware of the following security violation(s):

<table>
<thead>
<tr>
<th>Date</th>
<th>Name</th>
<th>Nature of Violation</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/16</td>
<td>Arthur Morrissey</td>
<td>Safe containing classified material found open</td>
</tr>
</tbody>
</table>

cc: The President
The President has asked that I make you aware of the following security violation(s):

<table>
<thead>
<tr>
<th>Date</th>
<th>Name</th>
<th>Nature of Violation</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4</td>
<td>Val L. Koromzay</td>
<td>Confidential material found in incoming mail box</td>
</tr>
</tbody>
</table>

cc: The President
THE WHITE HOUSE
WASHINGTON
02 April 79

The Vice President
Hamilton JOrdan
Stu Eizenstat
Tim Kraft
Bob Lipshutz
Frank Moore
Jody Powell

Jerry RAfshoon
Anne Wexler
Jack Watson
Jim McIntyre
Alfred Kahn
Hugh Carter

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

Rick Hutcheson

RE: CABINET SUMMARIES

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

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

VICE PRESIDENT
EIZENSTAT
JORDAN
KRAFT
LIPSHUTZ
MOORE
POWELL
WATSON
WEXLER
BRZEZINSKI
MCINTYRE
SCHULTZE

ARAGON
BOURNE
BUTLER
H. CARTER
CLOUGH
COSTANZA
CRUIKSHANK
FALLOWS
FIRST LADY
GAMMILL
HARDEN
HUTCHESON
JAGODA
LINDER
MITCHELL
MOE
PETERSON
PETTIGREW
PRESS
RAFSHOON
SCHNEIDERS
VOORDE
WARREN
WISE
March 30, 1979

MEMORANDUM FOR THE PRESIDENT
FROM: Charles Warren
       Gus Speth
       Jane Yarn
SUBJECT: Weekly Status Report

ENERGY MESSAGE. In your speech on energy policy, we urge you to emphasize the need for advantages of a determined national effort to increase energy productivity. In our recent report "The Good News About Energy", we described how the economic, security and environmental interests of the United States would be benefitted by our taking advantage of opportunities available to make energy more productive. In particular, the best way to minimize the potential inflationary impact of energy price increases is to offset them with energy productivity gains. We recognized it would not be easy or cheap but concluded it would be easier and cheaper by far than pursuing supply subsidizing strategies necessary to accommodate our present energy consumption patterns and practices.

The National Energy Act, in large measure, adopted the "conservation ethic" you called for in your April, 1977 speech. With vigorous implementation of the Act, and with broader public understanding of its purpose and benefits, the U.S. can begin the transition from energy profligacy to energy frugality with minimum hardship and sacrifice. We believe that your leadership now will assure the reality of the "ethic" for which you fought so long and hard to have enacted.

We have suggested to the Domestic Policy Staff speech language which develops these themes. We have also proposed several specific, needed conservation initiatives for inclusion in the speech.
March 30, 1979

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze CLS

Subject: CEA Weekly Report

Energy. Much of the time of the Council Members has been devoted to work on the various oil pricing options discussed this week.

Regulation. CEA staff members continue to work on trucking deregulation issues. In addition, analyses are being conducted of a number of proposed regulations preparatory to entering comments.

Anti-inflation. Council Members have drafted comments on the preliminary report of the food inflation task force. There are some serious problems there which we are working with them on.

Our staff is working with the Department of Labor on assessing the impact of various outcomes of the Teamsters' negotiations. We have also been involved with CWPS on the question of any modifications in the wage-price standards.

International. Our staff has been monitoring the progress of the MTN. They are also preparing papers for the IMF consultations.


On Wednesday, March 28, I also testified before the House Judiciary Committee concerning proposed Constitutional amendments to balance the budget.
MEMORANDUM TO: The President
Attention: Rick Hutcheson, Staff Secretary

Subject: Weekly Report of Major Departmental Activities

HUD Authorization Hearings Begin. On Monday, March 26, I testified before the House
Housing and Community Development Subcommittee on the Department's FY 1980 authori-
zation bill. The testimony presented stressed the importance of preserving and using
existing housing resources as we seek to aid families and cities in distress. Among
the initiatives called for in the bill is authority for HUD to assist single-family
homeowners who are having difficulty making their monthly mortgage payments and are
in danger of losing their homes. This is the first in a series of appearances that
HUD officials will be making on the Hill in conjunction with FY 1980 authorizing
legislation and appropriations bills.

Housing Counseling Grants Announced. More than $5.2 million in housing counseling
grant funds have been awarded to professional counseling agencies in 44 states, the
District of Columbia and Puerto Rico. Among the services provided by these funds are
help to low- and moderate-income families facing mortgage foreclosures because of
job loss or major illness and advice about homeownership obligations for prospective
homeowners with limited incomes. Through this program the non-profit and neighborhood
sectors become involved in the urban partnership.

President Cited as a Prudent Manager. A March 27 editorial in The Pensacola (Florida)
Journal applauded the President's actions in handling the emergency needs of flood
victims in southwest Florida. Recognition was also given to the Administration in the
March 13 edition of The Shreveport (Louisiana) Times for the "efficiency and swiftness
with which it did its job in the aftermath of the devastating tornado that struck
Bossier City in December."

Promoting Energy Conservation. On March 20 HUD representatives joined the Council
of Jewish Federations in conducting a "Community Housing and Energy Conservation
Conference" for consumer, neighborhood and voluntary associations in the Washington,
D.C. area. The more than 250 participants were given a broad overview of energy
conservation measures and federal resources available to assist local groups. White
House staff have requested copies of conference materials for possible use in the
President's upcoming energy message.

Progress Report on the South Bronx. Officials of HUD's New York Regional Office have
announced a $1.5 million HUD grant that will go toward creation of the South Bronx
Development Office, to be operated under the direction of Edward Logue. The federal
money will be used in conjunction with a $2 million State grant and some $500,000
in services from New York City. Most of the HUD grant ($1.32 million) will go to the
Urban Academy, a non-profit organization which will provide all required management
services to Mr. Logue's 62 staff member office. Mr. Logue will report to the Mayor's
South Bronx Policy Group, headed by Planning Commission Chairman Robert F. Wagner, Jr.
MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Week of March 26

DNR reorganization proposal is bogged down. There doesn't appear to be any driving force and consequently the opposition is gaining strength everyday. It appears that we don't have a strategy to overcome Ribicoff's objection. If it isn't on track soon, I would recommend sending the plan up, letting them act on it and saying that we tried. The other alternative is to simply withdraw the proposal.

Foreign atomic waste storage on our Pacific Isles has come at a very bad time. We at Interior had no knowledge of the proposal until we read it in the Washington Post. Jackson may call you, I'm told, as he feels he should have been notified since his committee has jurisdiction. Our domestic waste proposal isn't due to reach your desk until next week and to be discussing foreign storage before we resolve domestic storage will cause some consternation.

I am continuing to work with Mo Udall on the Alaska strategy. The real test will take place the end of April when it comes to the House Floor or possibly in the Rules Committee and at that point we may well need your personal help with a few Congressmen. I will advise you in advance if we need your personal involvement.

CECIL D. ANDRUS
Principal Activities of the Department of Justice
for the Week of March 26 through March 30

1. Meetings and Events

This week the Attorney General met with representatives from the National Institute of Municipal Law Officers, participants in the Justice Department Civil Advocacy course, and the White House Fellows. The Attorney General also met with Mayor Marion Barry to discuss federal support services for the District of Columbia Superior Court operation. In addition he discussed the ethics legislation with numerous members of the Congress. He also met with Leonel Castillo to discuss the future of the Immigration and Naturalization Service.

2. Refugee Program

The Attorney General announced his proposal to extend present programs for paroling refugees into the United States by providing for admission of 25,000 Soviet refugees and 35,000 Indochinese. The Administration has also proposed legislation to diminish use of the parole power to meet refugee needs.

3. Council on the Role of Courts

The Justice Department announced that it will provide research support for the new Council on the Role of Courts that will analyze the most effective use of the court system. This group of judges, professors, government officials, legal services representatives, and representatives of court organizations, will be headed by Columbia Law Professor Maurice Rosenberg, who is scheduled to replace Assistant Attorney General Daniel Meador when Mr. Meador returns to the University of Virginia Law School. Mr. Meador will serve as Vice Chairman.

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4. **Environmental Litigation**

A major Clean Air and Water Act settlement was reached with Wheeling-Pittsburgh Steel Corporation requiring equipment installation and attainment of standards at all of the corporation's pollution sources in three states. This is the first settlement covering all plants within one corporation and it is also unique due to loan guarantees by the Economic Development Administration and FHA of $140,000,000.

5. **Graham Martin Case**

The Criminal Division has declined to prosecute former Ambassador Graham Martin for alleged mishandling of classified information discovered in the trunk of his automobile when it was stolen. A significant consideration was Ambassador Martin's age and his serious illness, although the facts may not have otherwise warranted prosecution.
Memorandum for the President

Through: Rick Hutcheson, Staff Secretary

From: Brock Adams

Subject: Significant Issues for the Week of March 26

Section 504 Regulations on the Handicapped - Early next week I will send to HEW for review my proposed final regulation on transportation accessibility for the handicapped under Section 504 of the Rehabilitation Act. The contents of the regulation will be made public at that time.

My staff and I have briefed your staff in some detail about the regulation and have had useful discussions with them about its provisions and their impact.

The regulation meets HEW's requirement that all transportation modes be accessible, and does so at a cost that is significantly reduced from our proposed rule published last June.

Teamsters Strike - Karl Bowers, Federal Highway Administrator in my Department, has been named our coordinator in the Teamsters strike issue. We have developed a detailed plan for dealing with the transportation impacts of the strike, if and when it goes into effect. This plan includes contingency provisions for assigning priorities to the movement of essential goods, coordinating alternative forms of transportation assistance (rails and air), and establishing a central crisis coordination center to handle information and public inquiries. We are working closely with the Department of Labor, your White House staff, the Federal Preparedness Agency and industry in our efforts.
Last week's meeting on the understanding reached between the Administration and the textile and apparel industry was very reassuring to those management and labor representatives who attended; several have indicated to us their appreciation of the strength of your commitment to this program.

The February trade deficit of $1.3 billion announced this week was the smallest in almost two years and a substantial improvement over the $3.1 billion figure for January. Both figures, however, appear to be exaggerated in terms of underlying trends, with January's figure too high and February's correspondingly too low. We still expect the improvement in our trade balance that started during the second part of 1978 will continue in 1979—reflecting, in part, last year's depreciation of the dollar, a slowing in the growth of the U.S. economy, increased foreign economic growth, and the beginning impacts of the Administration's National Export Policy initiatives. The increased price of oil and the turmoil in Iran have, however, lowered our expectations on the magnitude of this improvement.

On Tuesday Secretary Kreps testified before the House Subcommittee on Economic Development on the Department's new role with respect to the Administration's National Economic Development Policy. The Department is working with the White House reorganization task force to have the Administration's proposed reauthorization legislation for the Public Works and Economic Development Act of 1965 ready next week for submission to the Congress. This proposal, entitled the National Public Works and Economic Development Act of 1979, includes the development financing program outlined in your March 1 reorganization message.

The index of leading economic indicators released today showed a decline during February of 0.9%, following little net change over the previous three months. A broader measure of the real money supply is now being used on an interim basis in constructing the index, lessening what would otherwise have been a larger decline in the index during recent months. We continue to interpret the recent behavior of the leading indicators as a sign of a transition to slower economic growth. It now appears that real GNP growth slowed to an annual rate of around 2% during the first quarter; continued moderate growth is likely during the second quarter.

C. L. Haslam
Acting Secretary
March 30, 1979

MEMORANDUM FOR THE PRESIDENT

THRU: Rick Hutcheson

SUBJECT: Weekly Report of GSA Activities

Perpetual Use Restrictions in Conveyances of Real Property

Since you initially expressed an interest in real property conveyances, I have been looking closely at our policies governing such transactions. The matter was discussed by a GSA Advisory Panel comprised of private sector leaders in the field of real property. The panel recommended that restrictions on the use of property conveyed for public purposes at a monetary discount should be perpetual.

Implementation of the panel's recommendation raised strong objection from the Department of Health, Education, and Welfare (DHEW) which governs transfers of real property for health and educational purposes. DHEW maintains that a 30-year restriction is preferable for the following reasons:

1. ensuring the financing of improvements;
2. carrying out the intent of Congress; and
3. precluding excessive monitoring of deed restrictions.

Speaking to the first, and most serious to the grantee, point, Federal procedures afford a grantee the opportunity to purchase property at its fair market value with credit given for the value of the grantee's capital improvements. The use restriction would then be released.

In the absence of a system monitoring the use of property which has been conveyed, property could be sold and fall into any hands. It is not inconceivable that property could be purchased by foreign governments.

One final point: there has been some misunderstanding that the proposal will alter the rights under previous deeds. This is not so. The proposed regulation would have no retroactive effect.
OMB has been asked by both GSA and DHEW to intervene in the interest of establishing a policy that best protects the interest of the Government. Unfortunately, OMB seems to be moving in the direction of DHEW.

If you or members of your staff would like a more in-depth briefing on this issue, you can contact me or Paul Goulding, Acting Administrator of GSA.

Jay Solomon
Administrator

Mr President,

Thanks!
MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. DEBT LIMIT:

The House is now scheduled to take up on Monday at noon the Senate-passed bill to extend and increase the temporary limit on the public debt. Existing legislation expires on Sunday, and Treasury cannot borrow without new legislation. It is likely, but not certain, that we will have enough cash, without new borrowings, to meet all of the Federal Government's Monday obligations. We will definitely run out of cash Tuesday, however, and go into default then, unless there is new legislation. Such a default could have disastrous effects. The new bill should be passed and signed into law on Monday, therefore, and must be enacted no later than Tuesday. The leadership believes that the House will pass the necessary bill on Monday. We are doing everything possible to assure that outcome.

2. REAL WAGE INSURANCE

It appears likely that the Senate Budget Committee will next week vote against including RWI in the 1st Budget Resolution. This would effectively kill the proposal. We are making our case to the Committee, but with virtually no prospect of success.

3. EPG

The Steering Group met with the Vice President today and decided unanimously that we now need a moderate further tightening of monetary policy. I am sending you a separate memorandum explaining our recommendation.

W. Michael Blumenthal
REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

Legislative Action

Senator Ribicoff and Congressman Rodino and Danielson introduced the Regulation Reform Act of 1979 (S. 755 and H.R. 3263), extending E.O. 12044 to all agencies. The preliminary reaction in both Houses has been very favorable. The Administration will testify on April 6 in the Senate (myself, Charlie Schultz and John White).

Council Action

An agenda and initial study plans are currently being prepared. Three types of studies are planned: state-of-the-art studies to improve processes, policy studies to address government-wide regulatory policy issues, and sector studies to correct specific regulatory problems in industries.

A memorandum and full study agenda will be completed by April 16.

Public Involvement

I have had extensive personal discussions with a number of corporate Chief Executive Officers and the Director and staff have been meeting with consumer, environmental, and business groups to discuss Council activities. A full program for public participation is being prepared in consultation with Ann and agency representatives.

Action Item

We have requested a meeting with you and the full Council to discuss the agenda.
March 30, 1979

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

NITRITE. Secretary Califano and I have scheduled a press conference concerning the ban of nitrites at 3:30 p.m. Friday, March 30. A proposal to put a moratorium on the ban will be sent to Congress to allow a phase-out program to be established.

USSR. USDA estimates that this year's total USSR imports will decline to 10 to 12 million tons from last year's 20 to 25 million tons. U.S. exports to the USSR are expected to total 8 to 10 million tons, down from 13.3 last year. The attache also reports that the 1979 plan for total grain production is 226.8 million tons, compared with this year's record crop of 235 million tons.

PRC. China cancelled a previously announced purchase of 300,000 tons of U.S. wheat for delivery in 1979/80 (probably the result of inadequate storage).

FUTURES. Grain and soybean futures have closed lower, partly weakened by China's cancellation of purchases of U.S. wheat, rumors of additional cancellations by other countries, and yesterday's improvement of the U.S. trade deficit in February.

BOB BERGLAND

P.S. Interest rate for CCC farm storage facility loans raised to 10 1/2%; farm real estate loans (FmHA) raised to 9%; farm operating loans (FmHA) raised to 9 1/2%.
MEMORANDUM TO THE PRESIDENT

ATTENTION:  Rick Hutcheson  
             Staff Secretary

FROM    : Graciela (Grace) Olivarez  
          Director


Energy Conservation Award for the President

During this past week, I visited several Community Services Administration (CSA) energy projects in California. One of these projects, the Community Services Department of San Bernardino County, asked me to present you with the attached energy conservation package which not only describes their excellent energy education program but also contains an energy conservation certificate for you.

CSA Grantees Urged to Follow Wage and Price Guidelines

I have just written to all 881 Community Action Agencies to urge them to use the Federal Standard of 5.5 per cent in reviewing and approving cost-of-living increases and to purchase goods and services only from organizations who certify that they are in compliance with the wage and price guidelines. I have attached a copy of the letter.

Crisis Intervention Program

CSA has distributed about $158.3 million of the $200 million allocated for its Crisis Intervention Program. Forty states have now qualified for supplemental assistance totaling $131,438,473. In addition, $3.5 million was distributed for disaster relief and $23,380,817 was distributed under the regular program to 47 states and the District of Columbia.
MEMORANDUM FOR THE PRESIDENT

FROM JOSEPH A. CALIFANO, JR.

SUBJECT: Weekly Report of HEW Activities

- Radiation: The incident at Harrisburg points up extraordinary deficiencies in the government's preparedness to respond. The health and environmental agencies and, for purposes of mass evacuation, the military need to be much more deeply involved than they are. My sense is also that the five-headed Nuclear Regulatory Commission, while perhaps effective as an investigative body or an administrative body to approve licensees, is inherently ineffective in a crisis situation like the one we are in. The task force you have set up (and which I am chairing) to study the adequacy of the government's research on the health effects of low level radiation and of the current division of responsibilities in this research area within the government does not address this situation.

I urge you promptly to designate several leading Americans to study the whole nuclear energy situation from a health, safety, energy and government organization standpoint. There will doubtless be Congressional investigations, but I think something on the order of a more dispassionate Warren or Kerner commission inquiry is called for.

- National Health Plan: As you know, during my testimony before the Senate Finance Committee on Tuesday, Senator Long opened with a relatively conciliatory statement. Comments from Senator Long and others were positive and seemed to indicate a mood to compromise.

Hale Champion's opening conversation with Larry Horowitz of Senator Kennedy's staff indicates that we may be able to come quite close together. Coupled with Long's private conversations with me that he wants a substantial bill this year, for the first time I think we may
have uncorked the genie of another major step toward a national health plan. You should move this item up high on the domestic Presidential agenda.

Throughout, I have, of course, made it clear that action on health insurance proposals has to follow action on hospital cost containment.

- **Inspector General's Report:** I will announce Monday the release of the HEW Inspector General's Second Annual Report. The report reviews the progress we have made in the past year in reducing fraud, abuse and waste, and outlines our plans to achieve savings of $1.3 billion in FY 1979 and $2.1 billion in FY 1980. The report notes that another $2.9 billion can be saved if the Congress passes legislation submitted as part of the FY 1980 budget, including $1.7 billion from the hospital cost containment legislation. The Inspector General recommends many new administrative and legislative actions, and points out the savings which they would achieve. We will examine the report's recommendations for achieving further savings.

- **Ethics Law:** I will testify Monday before the Subcommittee on Administrative Law and Governmental Relations of the House Judiciary Committee on the technical amendments to section 207 of the Ethics in Government Act. I was pleased that agreement has been reached with Congressional leaders on new language which should resolve many of the problems which would have confronted scientists and academicians currently employed by HEW. Griffin Bell did a superb job on this.

- **Nitrites:** Today, Secretary Bergland and I announced the legislation we are submitting to Congress to resolve the botulism/cancer health dilemma posed by the use of nitrites. The legislation will permit adequate time to review the scientific evidence on nitrites and permit a phased withdrawal of its use, hopefully by April 30, 1982, as soon as feasible alternatives are developed.
March 30, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall

SUBJECT: Major Departmental Activities
March 26 - 30

Beyond the Teamsters negotiations, there is nothing to report.
March 30, 1979

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss

Subject: Weekly Summary

We finally completed action on the waiver for countervailing duties and it will be before you in the next few days.

You probably saw in the paper today that I was pretty firm with the Japanese with respect to government procurement. Their offer was far too low, including their refusal to let us bid on any telecommunications in their National Telephone and Telegraph system. My judgment is that they will cave-in eventually if we stay tough and that we are better off without Japan in the Government Procurement Code than if they were in with an obviously low contribution compared to our own. As you know, it's exceedingly difficult to get reciprocity with the Japanese. On the positive side, I think the firmness, which got a big play all across the country, is good for us on the Hill and good for your Administration. It shows that we are not giving this negotiation away, which is what our critics would like to sell the American public.

We have a new problem developing now -- Bob Byrd is organizing a coal-state coalition (because of the Japanese refusal to buy much coal from West Virginia) and that could create some real problems!

Overall, we have developed a strong bipartisan support for the trade package and if the Europeans sign up by April 10th, we will try to introduce the whole package by the first week in May and then I'm going to make every effort to get this through the Congress before the August recess. I know it doesn't sound possible, but if we push properly, we might get it out of the way before SALT and other legislative matters get involved.
THE WHITE HOUSE
WASHINGTON

02 Apr 79

Frank Moore

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

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

VA Presidential Update

FY 1980 Concurrent Budget Resolution - House Veterans Affairs Committee has recommended an increase of $768 million over your budget; the Senate VAC increase is $760 million. Biggest add-on in both recommendations is $374 million in rejecting your proposed cost saving legislation. The HVAC added $149 million to restore the reduction in VA medical care employment. The SVAC added $275 million for a 7% boost in GI Bill allowances and estimated an extra $252 million would be needed for VA compensation payments, but lowered VA requests for pension and educational assistance by a total of $314 million.

The Lure of Education - A just released survey of first term troops indicates the main reason soldiers join the Army is to receive GI Bill education benefits. The 2nd named reason was to learn a skill usable in civilian life, and No. 3 was the opportunity to travel. At the time of the survey, in 1977, most soldiers were eligible for full wartime GI Bill benefits rather than the reduced contributory program in effect since 1/1/77.

VA Loans Boon to Minority Veterans - Although comprising only 11% of the total veteran population, minority veterans obtained more than 15% of all VA home loans in 1978. For instance, black veterans (7.1% of the population) received 10.4% of all loans. Minority veterans also obtained generally more liberal loan terms. Loans covering the full purchase price (no down payment required) went to 84% of black veterans; 76% of American Indian veterans, and 74% of Hispanic veterans - compared to 72% of white veterans and 56% of Asian American veterans.
THE WHITE HOUSE
WASHINGTON
2 Apr 79

The Vice President
Hamilton Jordan

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

Rick Hutcheson
Please take a few minutes to fill out this questionnaire and help me in evaluating the important issues that Congress faces. I would appreciate your opinion on inflation, national defense, and other vital concerns.

**Top Priority for Congress**

1. Which are the most important issues facing Congress this year? Select the two most important.
   a. Improve the nation’s defense ........................................ 13.4
   b. Lower the crime rate .................................................. 13.1
   c. Improve the educational system ..................................... 1.5
   d. Set up a program to provide national health insurance for everyone 4.6
   e. Simplify income tax forms ......................................... 1.1
   f. Pass stricter legislation to improve and protect the environment 3.3
   g. Control inflation ......................................................... 5.9
   h. Lower unemployment .................................................. 2.7
   i. Cut income taxes sharply ............................................ 6.3
   j. Lower Social Security taxes ......................................... 6.6
   k. Improve public transportation ...................................... 1.5
   l. Cut back spending on many federal social programs ............... 4.0
   m. Pass additional legislation to make people use less energy ....... 3.3
   n. Clean up corruption in government ................................ 1.3
   o. Cut back federal spending sharply .................................. 7.2
   p. Reduce the power of federal regulatory agencies .................. 4.3
   q. Cut the defense budget ............................................... 4.3
   r. Other ............................................................................. 4.6

**Inflation, Spending, the Deficit**

1. Which is the best way to curb inflation?
   a. Cut taxes by 30% ......................................................... 5.0
   b. Cut federal spending .................................................. 5.8
   c. Raise interest rates .................................................... 3.1
   d. Cut oil imports .......................................................... 1.4
   e. Control prices ............................................................ 6.4
   f. Cut government regulation of business ............................. 5.9
   g. No opinion ................................................................. 4.7

2. Currently the federal government faces a deficit of about $40 billion while 42 states have been able to amass state budget surpluses. When Congress considers extending the federal revenue sharing program in which the federal government shares a portion of its revenue with state and local governments, which of the following would you favor?
   a. Continue the program as is with state and local governments 26.7
   b. Extend the program for local governments only ................. 26.3
   c. Terminate the program totally ....................................... 4.5

**Funding for Social Security**

1. Which of the following three plans do you favor for full funding of the Social Security system?
   a. Solely by special Social Security taxes paid by working people and employers ........................................ 38.7
   b. Partly by special Social Security taxes paid by working people and employers and partly out of general revenues financed by income taxes ........................................... 46.7
   c. Solely out of general revenues financed by income taxes ................................................................. 10.7

   NO OPINION 4.8
Health Care -- the Alternatives

1. Which one of these health care plans would you like the best?
   a. The present system, which consists of Medicare and Medicaid, as well as coverage bought from private insurance companies by individuals, unions, and the companies people work for.  
   b. The present system with these changes: Employers providing health insurance coverage to all employees with coverage extended to take in all heavy expenses which might arise from long and serious illnesses, and the government providing insurance to the unemployed.  
   c. The present system with two changes: A law requiring employers to provide health insurance to all their employees, and the government providing insurance to everyone who is not employed.  
   d. A comprehensive national health insurance program with all medical and hospital expenses paid for by federal taxes. Under such a program, the government would control hospital costs, locations, fees and other charges.  
   e. A national health insurance service in which everyone would get free health care paid for out of taxes; in such an arrangement, doctors would work for salaries paid for by the government, and hospitals would be managed by the government.

2. Do you favor or oppose bringing federal workers under the Social Security system as are most other American workers?
   a. Favor  
   b. Oppose  
   c. No opinion

Defense, Foreign Relations

1. Do you favor or oppose a SALT treaty between the United States and the Soviet Union which would limit strategic nuclear arms?
   a. Favor  
   b. Oppose  
   c. No opinion

2. Any SALT treaty must allow the United States to be:
   a. Stronger than the Soviet Union  
   b. Just as strong as the Soviet Union  
   c. No opinion

3. Do you favor or oppose President Carter's decision to extend official diplomatic recognition to the People's Republic of China (Mainland China) provided the U.S. continues to trade with and protect Taiwan?
   a. Favor  
   b. Oppose  
   c. No opinion

PLEASE MAIL THIS QUESTIONNAIRE TO OUR MILWAUKEE OFFICE: Sen. Gaylord Nelson, Room 596 Federal Building, 517 East Wisconsin Ave., 53202. To correct an address or to eliminate duplication, please clip your address from this questionnaire and return to the Washington office: Room 221, Russell Senate Office Building, Washington, D.C. 20510.
THE WHITE HOUSE
WASHINGTON

4/2/79

rick --

copy of attached has been given to becky hendrix for jerry along with speech draft...
per president's request, around 8:00 a.m.

--ssc
MEMORANDUM FOR THE PRESIDENT

FROM: JERRY RAFSHOON
       RICK HERTZBERG

SUBJECT: Energy Speech

Attached is a draft of the energy speech written Saturday and Sunday before your trip to Pennsylvania.

It includes the input of everyone concerned; however, they are receiving this first full draft at roughly the same time you do.

This is sent to you for your evaluation of tone, emphasis, and rhetoric. A second draft will follow after once their comments (and yours, if you wish) are received.

(We are sending single copies, with instructions not to make any more copies to Schlesinger, Eizenstat, Kahn, Schultze, Powell, and Kitty Schirmer.)
Frank Moore
Zbig Brzezinski

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

Rick Hutcheson

Zbig Brzezinski -- please forward a copy of the attached to Secretary Vance.
TO: Rep. John Murphy (D-17-N.Y.)

DATE: This weekend

RECOMMENDED BY: Frank Moore and Bob Beckel

PURPOSE: To discuss Panama Canal Implementing Legislation.

BACKGROUND: The House Merchant Marine and Fisheries Committee will begin full Committee Markup of the Panama Canal Implementing Legislation on Monday. The Bill as it has emerged from subcommittee (chaired by Carroll Hubbard D-1-Ky.), is clearly in conflict with the terms of the Panama Canal Treaty. Before subcommittee markup Murphy appeared to be seeking a compromise with the Administration but caved to Hubbard and Bauman in the markup session. We have attached comments on the amendments which cause us the most difficulty.

We suggest you tell Murphy that the Bill in its present form is unacceptable, and urge him to correct the problems in the full Committee markup. We think Murphy does want a Bill you can accept, but is feeling the heat from his right. He should be reminded that nothing short of taking the Canal back will satisfy Bauman, and that Murphy is better off working with you to seek solutions we can all accept.
You may want to offer to meet with Murphy and some Members of the Committee (not the whole Committee) if it will help. The Speaker will follow your call with a meeting on Monday with Murphy.
Panama Canal Treaty Implementing Legislation

The draft legislation which has emerged from the Panama Canal Subcommittee of the House Merchant Marine and Fisheries Committee has a number of provisions which would either conflict with the Panama Canal Treaties or cast doubt on U.S. willingness to carry out its treaty obligations. The bill also contains provisions which could seriously impair operation of the canal during the remaining 21 years of U.S. management:

1. Elimination of Contingency Payment to Panama. The Treaty provides that Panama annually receive payments from tolls of 30 cents a ton on canal traffic, plus a $10 million annuity, plus up to $10 million more "to the extent that revenues exceed expenditures." The draft bill would require that all costs of treaty implementation, even costs which are not Commission expenses (e.g., cost of relocation of U.S. military base), be paid out of tolls before Panama could receive any of its contingency payment. This would in effect preclude the payment from ever being made.

2. Suspension of Treaty Payments. The bill provides that no payments be made to Panama as long as the Canal Commission deems that there is a plausible expropriation claim by U.S. private interests against the Panamanian Government. The Treaty makes no provision for use of tolls to compensate for expropriation; nor are the payments a voluntary contribution, like foreign aid, which might be withheld for Hickenlooper-type reasons. Withholding receipts to which Panama is entitled under the Treaty would be a violation of international law.

3. Restraints on Property Transfers. The Treaty is self-executing in turning over property to Panama. The draft bill provides that no such transfers may be made except by law. It then goes on to authorize only those transfers to be made under the Treaty on its first day. The implication is that later transfers called for by the Treaty may not be authorized, which calls into question our willingness to live up to our treaty obligations.
(FYI, The D.C. Court of Appeals has ruled against the position that property transfers cannot be made by treaty; and the Supreme Court has refused to grant certiorari.)

4. Application of U.S. Law to Panamanian Board Members. The Treaty establishes a Board of Directors to run the canal. The Board is to be composed of five U.S. and four Panamanian members. The Subcommittee's bill would make the Panamanian Board members as individuals subject to prosecution under U.S. law. The Treaty states that the four Panamanians will be proposed by Panama for appointment by the U.S., and it was understood that they would represent the Panamanian viewpoint on the Board. To try to subject them directly to U.S. law would clearly contravene the Treaty's intent.

5. Subordination of the Canal Commission. The Treaty provides that the U.S. will carry out canal operating responsibilities through a commission supervised by a binational board of directors. The bill would have the Secretary of Defense "direct" the operation of the Commission and the board. This would derogate from the treaty-based authority of the board and the Panamanian share therein.

6. Unilateral Assumption of Control in Wartime. The bill would authorize the President to displace the Commission with a U.S. military officer in time of war or national emergency. This proviso if implemented, would violate the treaty, and is unnecessary, since the President can at any time appoint military officers to the board and top management.

7. Corporate Form. Since 1951 the canal has operated efficiently as a government corporation. The corporate form has given the canal company considerable flexibility to make business-type decisions without delay. The Murphy bill would make the commission an appropriated funds agency, required to go to Congress to respond to unexpected developments. Congress currently has fully adequate oversight over the commission budget and policy, and additional controls are possible if required without sacrificing the benefits of the corporate form.
March 29, 1979

MEMORANDUM FOR MRS. ROSALYNN CARTER

Subject: Mental Health Matters

As I survey the scene, we are in far more trouble on mental health matters than we should be:

a) As of this date, there is no Administration health bill in the Congress. HEW is still drafting and no one at the White House has reviewed the final HEW version.

b) Under the rules of the Congress, no new legislation with budgetary implications can be reported out of Committee after May 15. As of this date, there are no public hearings scheduled on mental health by either the Senate or House Health Committees before May 15.

c) The President's Special Mental Health Message, originally planned for March 15, has been delayed due to the delays with the new legislation at HEW.

d) Most of the new money requested in the President's 1980 Budget is tied to the new legislation (which has not even been introduced!). As a result, in all likelihood, 1980 will be a year of net decrease in mental health expenditures.

While at this late date it may be difficult to reverse this trend, we should try. Therefore, I suggest you convene a session with Stu, Joe Califano, someone from OMB and someone from Congressional Relations to see where we are and what can be done. I am convinced that without this kind of personal push by you, things will continue to drift, and 1980 will arrive without a great deal positive to report. That would be a real shame after all your success up to now on behalf of mental health.
MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON

SUBJECT: Status Report--Three Mile Nuclear Facility Report #2

Since talking with you, I have talked with Governor Thornburg, Harold Denton, Joe Califano and Doug Costle.

I advised Joe that no meeting with you is required at this time. Neither do I believe it necessary for me to convene the high level meeting Joe suggested. I will continue to work with the appropriate agency people, and will convene necessary working meetings.

If a higher level session is indicated, I will convene it.

The Governor continues to share my view that there is no current need to make a formal request of you that a state of emergency be declared. While there are minor bureaucratic obstacles to getting the contingency planning and support work accomplished, we are coping with the situation. There is nothing to be gained by a formal declaration, and the request would significantly escalate public anxiety.

Harold Denton reports the situation at the reactor site is stable. It will be several days before a decision is made about the nature of the intervention that will be made to cool the core. Circumstances could change, but if this timetable holds, we will have time to get the military and civilian support systems in a ready condition before any intervention begins.

The major decision will be whether to evacuate as a precaution before intervention.
Following your conversation with Harold, I spoke with Herman Dieckamp, President of General Public Utilities. Senior technical people are now being marshalled from all over the nuclear energy industry to go to the reactor site. Once there, they will provide the necessary advance contingency planning capability that Harold properly wants in place.

I will be meeting later this afternoon to get a detailed report on the status of contingency planning. The briefing will deal with evacuation, health, safety and clean-up issues.

Pursuant to your delegation of authority you should know that Gene Eidenberg and I have authorized the following military support operations through the National Military Command Center:

1. At the request of HEW, helicopter service will be provided to move food and water samples to laboratories for radiological testing. Local traffic conditions made land movement highly unreliable.

2. At the request of the Nuclear Regulatory Commission, C-131 transport of lead bricks from several stockpiles to the facility was authorized. They are needed for "packing" at various points of the facility.

3. At the request of HEW, Air Force transport will be provided to move three tons of Potassium Iodide tablets to the Harrisburg area. It may become desirable to distribute these tablets to the population as a prophylactic to minimize the negative effects of exposure to certain radioactive materials. No decision regarding distribution will be made without further prior consultation with all appropriate state and federal health authorization. The availability of the tablets was recommended by FDA as a precaution.

I am receiving continuous reports from the area and will provide you with reports of this nature as developments warrant.
MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON

SUBJECT: Agenda for the Cabinet Meeting

All Cabinet members are expected to attend except Secretary Kreps, who will be represented by General Counsel, Charles Haslam, and Mr. McIntyre, who will be represented by Deputy Director John White. Secretary Bergland will be accompanied by his newly appointed Deputy, James Williams.

DOMESTIC ISSUES

Three Mile Island Nuclear Plant

I have been in constant contact with the federal officials on site and in Washington, and I am prepared to brief the Cabinet on the status of the situation at the plant and the federal role in assisting state and local officials. As the need arises for support or assistance from the agencies, it is imperative that they move expeditiously. I am available to them 24 hours through Signal.

Energy

You may want to ask Secretary Schlesinger to report on the upcoming energy announcement. Jim is due to testify on the Hill immediately following the Cabinet meeting.

Teamsters

You may want to ask Ray to report on the status of the negotiations and contingency plans in the event of a strike. You may also want to ask Fred to comment on the wage/price guideline aspect of the negotiations.
Anti-Inflation

Jim McIntyre has indicated that the agencies, although cooperating with CWPS in providing both staff and resource support, need clear direction from you as to the priority you give to this support role. He asked that you stress:

-- You approved the additional 90 positions for CWPS;

-- These positions need to be filled as rapidly as CWPS staff can identify the nominees;

-- Support for equipment and services will continue to be needed by CWPS;

-- We must make sure sufficient resources are available to continue the anti-inflation effort prior to the time CWPS receives its supplemental appropriations;

-- Once the supplemental is received, the Council will operate on its own resources. Until then we need to give CWPS our maximum support.

Economic Issues

Charles Schultze can report on current economic indicators.

FOREIGN ISSUES

Egypt-Israel Treaty

You may wish to report on your reactions to the treaty signed last Monday.

Middle East

Cy is prepared to report on the Middle-East situation after the Bagdad meeting.

Assistance to Egypt

Cy is prepared to report on U.S. assistance to Egypt.
SALT II

You may want to comment on the status of SALT II and ask for a report from Cy.

Turkey

Cy is prepared to brief the Cabinet on additional aid to Turkey.

cc: Vice President
MEMORANDUM FOR THE PRESIDENT
FROM: JACK WATSON
SUBJECT: Addition to the Cabinet Agenda:
April 2, 1979
9:00 a.m. Cabinet Room

In addition to the Cabinet agenda suggested in my earlier memorandum, Stu and Bob would like you to make the following points about the Ethics Act:

- I have decided to seek three technical amendments to the Ethics Act -- to make certain that Congressional intent is more clearly reflected in the statute and, thereby, to relieve the basic concerns of senior federal employees about the post-employment restraints.

- Scotty Campbell will detail the amendments today in a hearing before Congressman Danielson's Subcommittee. I believe Joe Califano and Charlie Duncan will also be testifying. In addition, the regulations under the Act are being released today.

- The regulations and the amendments should take care of the problems that many of you have raised over the past several weeks. A briefing for all of your general counsels will be held at the White House later this week.

- It is important that we speak with one voice on this issue. If there is any public confusion about the Administration's belief that these amendments are sufficient to solve the Act's problems, we will inevitably slow down the Congressional process and make the required prompt passage of the amendments much more difficult.
THE WHITE HOUSE  
WASHINGTON  
April 2, 1979  

Anne Wexler  

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

Rick Hutcheson
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MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER

SUBJECT: Activities Report -- Week Ending March 30, 1979

1. Hospital Cost Containment

The coalition of supporting groups has now grown to about 70 organizations. Their efforts are having an impact, according to reports from the Hill. By the end of next week, we expect to have a few companies actively working on the legislation. In addition, during the following week we will seek to consolidate the support from the insurance industry through the meeting scheduled for you with about 20 insurance chief executives.

2. Department of Education

Florida Governor Bob Graham gave very supportive testimony before the House Government Operations Committee this week. You might want to drop him a note. Congressman Erlenborn has scheduled a "Minority Day" for opposition witnesses with emphasis on the higher education community. Although we successfully kept the higher education organizations from adopting negative resolutions, there will be some opposing witnesses from those organizations. We are trying to get countering positive statements from higher education leaders (Terry Sanford of Duke University has already provided us one). Next week we will be activating the public interest groups (mayors, governors, etc.) to work key Congressional districts and states and Carl Holman will convene a meeting of civil rights groups. Although the national Urban Coalition supports the Department, there are still problems with certain other minority groups.

3. Countercyclical Revenue Sharing

As might be expected, Bill Bradley's Newark hearings on Countercyclical were very positive. We have organized the
public interest groups to develop activity in those cities which benefit under the program, aimed particularly at key Congressional districts. Next week's urban policy anniversary briefing will be a good opportunity for you to stress to the business community, labor and urban officials the importance of getting actively involved in the legislative fight.

4. **Natural Resources Reorganization**

Consultations, both on the structure of the Department and for developing support, are underway. Immediate focus is on the user groups involved, particularly the coal, ocean, petroleum and timber industries. Additional consultations will include business organizations and rural groups. The rural groups have organized themselves into "Friends of USDA" and are trying to link with some of the other user groups. Environmentalists are generally supportive, but fear that our negotiations with some of the user groups (particularly timber) might injure their RARE II interests. The fisheries industry is very concerned about the separation of the National Marine Fisheries Services from the economic development and export expertise in the Department of Commerce -- the Economic Development Administration and the Industry and Trade Administration. We are working with them to reaffirm the Administration's continued interest in fisheries development. We will also work with the eight regional fisheries management councils in order to obtain their support. We have alot of work to do!

5. **Multilateral Trade Negotiations**

The actions on the small and minority business procurement problems appear to have satisfied the various groups involved. SBA and STR are working on mailings.

6. **Energy**

Working with Stu, we held eleven consultation meetings between Tuesday and Friday. In general, those more familiar with the energy industry and business representatives urge decontrol but are split over whether or not the tax should be linked. Consumers and minority groups oppose decontrol and, consequently, would prefer a linked tax and limiting any decontrol to areas where increased oil supplies would clearly result. All of the groups gave strong support to additional conservation efforts with general advice being to stay away from "gimmicky" proposals. There is real doubt,
for example, that we can really enforce mandated thermostat settings. Several of the groups, particularly the environmental groups, proposed additional conservation activities and we have turned these over to the Domestic Policy staff for their consideration. We are presently scheduling post-announcement in depth briefings for the most affected constituencies, working with Jack and Stu.

7. Other Matters

— This has been a record week. The attached calendar gives you an idea of the scope of activities involving my office.
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* Energy Consultations
THE WHITE HOUSE
WASHINGTON

April 2, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON

SUBJECT: Decision on Youngstown, Ohio Steel Plant

In the fall of 1977, Youngstown Sheet and Tube Company shut down its Campbell Works steel-producing facility located in Youngstown, Ohio. Approximately 4,500 persons lost their jobs. Shortly after the shut down, the Ecumenical Coalition of the Mahoning Valley was formed to try to develop a plan for reopening the plant.

The Coalition, made up of religious leaders of all denominations, with the help of the National Center for Economic Alternatives, developed a plan to modernize the Campbell Works plant and begin producing steel again. They proposed to create a community based corporation to operate the plant and sought $245 million in EDA loan guarantees plus a $17 million UDAG to help fund the project.

On Friday, March 30, after extensive review of the proposal and continuous consultation with representatives of the Coalition, Bob Hall of EDA announced that we would not fund the proposal. There were two basic reasons: (1) the amount that the Coalition sought in loan guarantees was so far in excess of the $100 million ceiling set for loans in the special steel program, it could not seriously be considered; and (2) the proposal did not seem economically viable based on an analysis of (a) the availability of additional funds, (b) the market study, (c) the available management, and (d) the financial feasibility as it relates to increased labor productivity.
In announcing the decision, we left the door open for further scaled down proposals either at the Campbell Works site or some other site. Hall also agreed to continue to reserve $100 million in loan guarantees for a steel project in Youngstown. I agreed to meet with representatives of the Coalition to discuss the matter further. That meeting will take place Tuesday afternoon, April 3 at 2:30 in the Old Executive Office Building.

As might be expected, the Coalition is extremely disappointed in our turn down and there has been considerable press interest. However; it should be pointed out that your Administration has made considerable investments in the Mahoning Valley area since you came to office. Specifically, in the area of economic development, grants have totalled $11,058,000 since January 1977. This includes $600,000 to the Mahoning Valley Economic Development Corporation to carry out adjustment strategies for development; $4.7 million to Mahoning County to develop an industrial site for new industries; $100,000 to Mahoning County to plan an economic development program; a $1 million revolving loan fund to Western Reserve Economic Development agency to assist new small businesses; and $1.25 million in loan guarantees to Republic Hose Manufacturing Corporation of Youngstown. In addition, other grants are being considered and other agencies have made grants to the Mahoning Valley.

I wanted you to have this information because I expect the Coalition leaders to make some critical statements after our meeting tomorrow about our refusal to fund their proposal. (I plan to support the interagency group's decision to turn down the request for funding and to explain why.) Having already received a shrill and rather emotional telegram from the leaders of the Coalition in response to Bob Hall's letter, I do not expect a much better response following my meeting with them tomorrow.
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THE PRESIDENT'S SCHEDULE

Monday - April 2, 1979

8:00 Dr. Zbigniew Brzezinski - The Oval Office. (15 min.)

8:30 Mr. Frank Moore - The Oval Office.

9:00 Meeting of the Cabinet. (Mr. Jack Watson). The Cabinet Room. (2 hrs.)

11:00 Mr. Jody Powell - The Oval Office.

12:00 Lunch with Vice President Walter F. Mondale.

1:30 Interview with Mr. Finlay Lewis, Minneapolis Tribune. (Mr. Jody Powell) - The Oval Office. (15 min.)

2:00 Meeting with Senator John Glenn. (Mr. Frank Moore) - The Oval Office. (15 min.)
STATEMENT OF THE PRESIDENT TO THE PRESS
Middletown, Pennsylvania April 1, 1979

MY PRIMARY PURPOSE IN COMING HERE IS TO UNDERSCORE MY CONCERN
FOR THE PROBLEMS AT THREE MILE ISLAND AND TO ASSURE THE PEOPLE
OF THIS AREA THAT EVERYTHING POSSIBLE IS BEING DONE TO COPE WITH
THESE PROBLEMS, BOTH AT THE REACTOR AND IN CONTINGENCY PLANNING.

I WANT TO COMMEND GOVERNOR THORNBURGH AND OTHER STATE
AND LOCAL OFFICIALS FOR THEIR LEADERSHIP AND TO EXPRESS MY ADMIRATION
FOR THE CITIZENS OF THIS AREA WHO HAVE BEHAVED IN A CALM AND
RESPONSIBLE MANNER...AND FOR THE CIVILIAN AND GOVERNMENT PERSONNEL
WHO CONTINUE TO DEVOTE THEMSELVES WITHOUT RESERVATION TO SOLVING
THE PROBLEMS AT THE REACTOR SITE.

THE WORKING RELATIONSHIP AMONG STATE, LOCAL AND FEDERAL
AUTHORITIES HAS BEEN GOOD AND PRODUCTIVE.

THE PRIMARY AND OVERRIDING CONCERN FOR US ALL IS THE HEALTH
AND SAFETY OF THE PEOPLE OF THIS AREA. AS I HAVE SAID BEFORE, IF WE
ERR, I WANT IT TO BE ON THE SIDE OF SAFETY AND CAUTION.

I HAVE LEARNED THAT RADIATION IS BEING CLOSELY MONITORED
THROUGHOUT THE REGION SO THAT ANY TREND TOWARD HIGHER LEVELS
WILL BE INSTANTLY RECOGNIZED, AND PROPER PRECAUTIONS TAKEN.

WE HAVE ASSEMBLED A TEAM OF THE NATIONS' LEADING
EXPERTS TO MONITOR THIS SITUATION AND RECOMMEND METHODS TO COOL DOWN
THE REACTOR TO A SAFE LEVEL.

I AM INFORMED THAT THE SITUATION AT THE REACTOR IS STABLE AT PRESENT.

HOWEVER, WITHIN THE NEXT FEW DAYS, IMPORTANT DECISIONS
WILL BE MADE ON HOW TO SHUT DOWN THE REACTOR AS ALWAYS, THE PRIMARY
CONSIDERATION AS THESE DECISIONS ARE MADE, WILL BE HEALTH AND SAFETY.

IF NECESSARY, YOUR GOVERNOR WILL ASK YOU, THE PEOPLE OF
THIS AREA. TO TAKE APPROPRIATE ACTION TO ENSURE YOUR SAFETY.
IF AND WHEN HE DOES, I WANT TO URGE THAT THESE INSTRUCTIONS
BE FOLLOWED CALMLY AND EXACTLY AS THEY HAVE BEEN IN THE PAST.

IT IS TOO EARLY TO MAKE JUDGMENTS ABOUT THE LESSONS
FOR US ALL FROM THIS INCIDENT. ONCE THE JOB OF SATISFACTORILY
DEALING WITH THE IMMEDIATE PROBLEMS IS COMPLETE, THERE
MUST BE A THOROUGH INQUIRY INTO THE EVENTS HERE THAT WILL
ANSWER THE QUESTIONS THAT EXIST IN THE MINDS OF THE AMERICAN
PEOPLE.

I INTEND TO MAKE SURE THAT SUCH AN INVESTIGATION
IS CONDUCTED, AND THAT THE RESULTS ARE MADE PUBLIC.
telephone conversation with
harold denton  4/2/79
(3 mile island)

THE WHITE HOUSE
WASHINGTON

3:45 pm  4-2-79

Ashman returning  50 ft.3 /hr.
50 ft.3 bubble
On fuel at 2107. Than previously feared.
Explosion threat most recent.
4 - 5 miles now down in plane
41 hours = 15 mph / hour

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for Preservation Purposes
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

2 April 1979

TO: THE PRESIDENT
FROM: RICK HUTCHESON

SUBJECT: Memos Not Submitted

1. GRIFFIN BELL sent you a memo listing several actions taken by Justice to follow up on the Report of the National Commission for the Review of Antitrust Laws. Copies of the memo were sent to DPS, OMB and Lipshutz.

2. NASA ADMINISTRATOR ROBERT FROSCH MEMO. Some of the Space Shuttle's thermal protection tiles were damaged in the process of moving the Shuttle from California to Florida. Damage was not serious, and repairs are being made.

3. STU EIZENSTAT MEMO, summarizing the "Twentieth Century Fund Presidential Debates Report." Major points:

   o Presidential debates are good for American democracy; major presidential candidates have an obligation to debate.
   o A non-partisan organization, such as the League of Women Voters, should continue to sponsor the debates.
   o Significant third party candidates should be invited to participate in the debates.
   o There should be 4 presidential and 1 vice presidential debates.
   o During debates there should be more direct confrontation between the candidates, and more control of debate time by the candidates.

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for Preservation Purposes
MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT

SUBJECT: Twentieth Century Fund Presidential Debates Report

In February you approved our recommendation that the Administration not take any public position at this time on changing the "equal time rule" which governs radio and television coverage of political candidates. As part of our policy study of equal time, we have observed the progress of a prestigious Twentieth Century Fund Task Force on Equal Time Law reform, and its report is scheduled to be released next Wednesday, March 21. Membership on the Task Force is varied, and includes such people as Doug Cater from Lyndon Johnson's staff, former Senator John Pastore who was Chairman of the Senate Communications Subcommittee, Helen Thomas of UPI, and Mayor Richard Hatcher of Gary, Indiana. We have been provided with an advance copy of the report and have problems with some of the recommendations (such as the one concerning third party candidates). However, since it is likely to get a good deal of media coverage, we thought it would be useful to briefly review for you the major recommendations. These are:

-- Presidential debates are good for American Democracy and should become a regular feature of Presidential campaigns. Although debates should not be mandated by law, conditions should be created to encourage them and major Presidential candidates as well as incumbent Presidents "have an obligation" to debate.

-- The League of Women Voters, or if this is not possible some other non-partisan organization, should continue to sponsor the debates. A "Presidential Debates Committee," with representatives from business, labor, education and other segments of society, should be created to advise the League on all matters pertaining to the debates. This Committee should be set up preferably this year, but certainly by early 1980.
Significant third party candidates should be invited to participate in the debates. The Presidential Debate Committee should determine which candidates are "significant" by such factors as the number of states in which a candidate appears on the ballot or the percentage of vote in the previous election. If the major party nominees refuse to participate with a third party candidate, an attempt should be made to obtain broadcast coverage in other forums for the minority candidate.

There should be four Presidential and one Vice Presidential debates, and during the debates there should be more direct confrontation between the candidates, non-journalist questioners, and more control of debate time by the candidates. Negotiation for arranging debates should be made public.

Section 315 of the Communications Act which mandates the Equal Time Law should be revised to encourage other kinds of non-debate election programming such as documentaries on campaign issues, free time made available to Presidential candidates, etc.

If asked about this report, we think you can simply say you welcome the recommendations and will review them, but you will not make any decisions concerning debates for some time.

cc: Hamilton Jordan
    Jody Powell
    Jerry Rafshoon
March 13, 1979

The President
The White House
Washington, DC 20500

Dear Mr. President:

My current monthly status report on the Space Shuttle is enclosed.

In preparing to ferry the orbiter Columbia from California to Florida, some temporary water proofing tape came loose and whipped against the Shuttle surface. This damaged some of the temporary and permanent thermal protection tiles. We are making the necessary repairs in place, and expect to deliver Columbia to Florida this weekend. While disconcerting, this incident was not serious and does not affect our confidence in the integrity of the thermal protection system.

The Shuttle main engine test program, which continues to be our major technical challenge and flight schedule determinant, is making progress; the basic designs are sound, and we are concentrating now on the individual fixes normally required in any development program.

Respectfully,

Robert A. Frosch
Administrator

Enclosure
MEMORANDUM TO THE PRESIDENT


You asked that I work with OMB and your staff to pursue legislative proposals recommended by the Commission.

In the two months since the Commission submitted its report, there has been significant progress on many of its recommendations.

First, John Shenefield testified on behalf of the Administration in support of S.390 -- "The Antitrust Procedural Improvements Act of 1979", which would implement many of the procedural proposals the Commission made in connection with expediting complex antitrust cases.

Second, the Antitrust Division is working on language for an Administration bill that would require departments and independent regulatory agencies that make economic regulatory decisions to consider the competitive impact of their decisions and choose the least anti-competitive means of attaining their regulatory objectives. John Shenefield testified on behalf of the Department of Justice in favor of those pro-competition principles as they were embodied in S.382 -- "The Competition Improvements Act", but did not endorse the specific language of the statute. I am hopeful that the Administration will be in a position shortly to submit its own more workable proposal and I have asked the Antitrust Division to accelerate its efforts.
Third, railroad regulatory reform has already been set in motion by the Administration's proposals recently submitted to Congress and strongly supported by the Department of Justice.

Two important items demand our immediate attention: trucking deregulation and the narrowing of the antitrust exemption for the business of insurance.

First, the Administration is considering a variety of proposals to remove the antitrust exemption for rate bureau activity and to deregulate the trucking business. You are, I believe, personally committed to trucking deregulation in general and removal of the antitrust exemption in particular, subject only to the timing and outcome of the Teamsters' negotiations. The Department of Justice is clearly on record in support of trucking deregulation which is one of its highest legislative priorities in this session of Congress. The Department will work with OMB and your staff to prepare an Administration proposal for overall trucking deregulation to be submitted to Congress at the appropriate time.

Second, the Antitrust Commission proposed repeal of the McCarran-Ferguson Act antitrust exemption, which shields an unnecessarily broad area of insurance activity from antitrust applicability, and the enactment instead of narrowly focused protective provisions that would still permit essential insurance activity as regulated by the states. The Antitrust Division will be preparing language to implement this provision for submission to me in the near future.

I am considering the rest of the Commission's legislative proposals and will report to you shortly. In the meantime, OMB and your staff have already been invaluable in assisting our efforts to implement the Commission's recommendations speedily, and John Shenefield and I will continue to work closely with them.

Griffin B. Bell
Attorney General
DATE: 29 MAR 79

FOR ACTION:

INFO ONLY: STU EIZENSTAT
            BOB LIPSHUTZ
            JIM MCINTYRE

SUBJECT: BELL MEMO RE REPORT OF THE NATIONAL COMMISSION FOR THE
          REVIEW OF ANTITRUST LAWS AND PROCEDURES

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

BY:

ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW: