

**4/23/79 [1]**

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THE WHITE HOUSE  
WASHINGTON  
23 Apr 79

Frank Moore

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

Rick Hutcheson

Tim Kraft

1590

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

ACTION  
FYI

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VICE PRESIDENT
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JORDAN
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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

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

Durkin: will be good host, excellent  
speech: disagree on energy: people need hope.  
hit oil cos- promote w/fall tax - need home heat  
oil: need quickest alternative from DOE report (Boy  
Allen) - wood pellets

THE WHITE HOUSE  
WASHINGTON

April 23, 1979

done  
J

MR. PRESIDENT:

It would be a plus for you to call Senator Durkin and Congressman D'Amours today and ask them for their advice on talking points for New Hampshire. Both of them and their wives (Durkin-Pat) (D'Amours-Helen) will be with you on Wednesday. The trip looks good and this would insure good comments from these two about the trip.

PHIL

D'Amours . everything o.k.

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THE WHITE HOUSE

WASHINGTON

April 23, 1979

The Vice President  
Stu Eizenstat  
Hamilton Jordan  
Tim Kraft  
Bob Lipshutz  
Frank Moore  
Jody Powell  
Jack Watson  
Anne Wexler  
Zbig Brzezinski  
Jim McIntyre  
Hugh Carter  
Jerry Rafshoon

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Rick Hutcheson

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THE DEPUTY SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

April 20, 1979

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM : Alan Butchman

*Alan Butchman*

SUBJECT: Significant Issues for the Week of April 16

Recess Activities - At the request of Senator Cannon, Chairman of the Senate Commerce Committee, Secretary Adams is participating in field hearings in Nevada today on the Administration's Railroad Deregulation legislation. The Rail Deregulation proposals have begun to draw considerable public interest. These hearings are aimed at gathering support from western shippers and carriers and are part of our efforts to mobilize political forces locally and nationally.

Earlier in the week Secretary Adams participated with U.S. and Chinese officials at ceremonies welcoming the first Chinese merchant ship to arrive in a U.S. port in 30 years. Others participating in this event marking normalization of relations were Senators Jackson and Magnuson, Chinese Ambassador Chai Zemin, and Vice Minister Peng Dequing.

Anti-Inflation Efforts - We are continuing to have success in our efforts to hold down highway construction costs. To date, bids for 126 projects costing over \$220 million have been rejected as excessive. The State of Florida recently adopted our cost guidelines and received a contract bid for a Florida Keys bridge (Seven Mile Bridge) at \$45 million, some \$12 million below the average of the engineering estimates. This represents positive, visible results from our anti-inflation program.

Fuel Shortages Update - As we reported on April 6, shortages of fuel are hampering various transportation modes. Many suppliers of aviation fuel cannot fill the current needs of the airlines, and this is making it difficult for airlines to continue to expand flights under the Administration's deregulation policy. Demand for jet fuel for the four weeks ending March 30 was 24 percent greater than a year ago, production was up 17 percent and fuel stocks were down 2 percent. The average price in the U.S. for jet fuel going to airlines which have contracts with oil companies rose from 40 cents per gallon in January to 44 cents per gallon in March. The present price in the open market is ranging from 50 to 80 cents per gallon. Internationally, prices are much higher, sometimes exceeding one dollar per gallon.

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There also continues to be sporadic cases of urban bus companies receiving substantial cutbacks in their supplies of diesel fuel. Last Friday our Department intervened when the Tucson, Arizona transit system ran out of fuel and was unable to locate supplies. With assistance from DOE, supplies were found in the spot market, but at a substantially higher price. We are currently reviewing the situation with DOE officials to set up a more reliable arrangement should transit fuel shortages continue to occur.



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

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APR 16 1979

MEMORANDUM FOR THE PRESIDENT

FROM: James T. McIntyre, Jr. 

SUBJECT: OMB Activities Report

Reorganization Assistance - Essex County, N.J. We have been providing assistance to Peter Shapiro, the County Executive, who asked you to provide help in his effort to improve county administration. The work we have been doing the past few months culminated last week in an elaborate ceremony at which the new county administrative code was signed. The County Executive cited the efforts of the OMB staff you dispatched to assist him and the press coverage of the event included his comments. We will be ending our involvement in mid-May after getting the county started on implementing the reorganization.

January 1979 Federal Civilian Employment. The end of January employment data (attached) clearly demonstrates the impact of the Government-wide hiring limitation in effect from October through January. During this period, full time permanent employment decreased by 20,100 employees. I will continue to track this closely and keep you informed of the effects of lifting the limitation.

The Inspectors General. A major effort to orient the new Inspectors General is now under way. The IG's are preparing for their confirmation hearings and at the same time attending sessions hosted by ourselves and the Justice Department. We have also had key members of Congress (Senator Chiles, Representative Fountain) meet with the group. Next week the IG's will get together for three full days of joint sessions at the OPM's Federal Executive Institute.

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President's Commission on Military Compensation (PCMC). We met with OSD representatives and resolved all significant differences on the administration proposal. In addition we met with Chairman Zwick and the other members of the commission to inform them of the administration proposal and enlist their support, which I believe will be important as we move ahead.

The following is a summary of the January 1979 employment numbers from the Office of Personnel Management:

	Employment, subject to ceilings			
	January 31, 1979		December 31, 1978	
	<u>FTP</u>	<u>Total</u>	<u>FTP</u>	<u>Total</u>
Total, all agencies .....	2,464,074	2,832,014	2,473,314	2,855,644
(-) Legislative Branch ...	19,548	39,052	19,560	38,809
(-) Judicial Branch .....	<u>12,157</u>	<u>13,174</u>	<u>12,094</u>	<u>13,112</u>
Executive Branch, Total ..	2,432,369	2,779,788	2,441,660	2,803,723
(-) Postal Service .....	<u>528,922</u>	<u>655,819</u>	<u>528,054</u>	<u>673,807</u>
Net, Executive Branch ....	1,903,447	2,123,969	1,913,606	2,129,916

Federal civilian employment in the executive branch decreased by nearly 10,200 full-time permanent employees between the end of December and the end of January.

During the period of the Government-wide hiring limitation (from the end of October 1978 through the end of January 1979), full-time permanent employment decreased by 20,100.

NYP 4/8/79

# Score One for Mr. Carter in Essex County

By JOSEPH F. SULLIVAN

**P**RESIDENT CARTER may be having trouble slowing inflation or solving energy problems these days, and his Middle East negotiations may get only mixed reviews, but in Essex County he has scored a clear, if unheralded, victory.

When Peter Shapiro, the Essex County Executive, signed a new Administrative Code last week, the lion's share of credit for this so-called "county constitution" properly went to the Board of Chosen Freeholders. However, standing in the background were two members of Mr. Carter's Administration.

It all started last December, when the President called Mr. Shapiro to congratulate him on winning the Executive's post. Someone must have told Mr. Carter that the newly created job was the second most powerful executive post in New Jersey government and that it had been captured by a former Democratic Assemblyman.

At any rate, when Mr. Shapiro finally answered the telephone — after asking his secretary, "The president of what?" when she told him that the President was on the line — he had a

brief conversation during which he managed to ask, unsuccessfully, for more Federal aid and Federal welfare takeover.

Mr. Carter chatted amiably for a few minutes and then, as he was preparing to hang up, offered his help. Mr. Shapiro took him up on it immediately.

Recalling that the President had reorganized the Georgia state government in 1971, when he was Governor, and had made Federal reorganization a personal priority in Washington, Mr. Shapiro said that he had to reorganize the Essex County government in the matter of a few months and needed help.

Jim McIntyre, head of the Office of Management and the Budget in Washington, soon was in touch with Mr. Shapiro. He dispatched to Newark Jack Kelly, a Georgian who had worked on the state reorganization there and is now involved in Federal overhaul efforts, and Victoria Smalley, an Ohioan who had worked for a time in the Office of Fiscal Affairs in Trenton before joining the Carter Administration.

Mr. Shapiro described the two Federal aides as "a tremendous asset to us. Their strength was that they had the ability to see that tasks got done down to the smallest detail, so we weren't surprised by something left undone

two months later that could have delayed the entire process."

Mr. Kelly said that, when he arrived in Essex County in February, he found a number of unrelated activities all geared to the reorganization going on at once.

"There was a transition office, some Freeholders were doing things on their own, the Chamber of Commerce had an

## NEWS ANALYSIS

'Issues Task Force' at work and Mr. Shapiro was working with his own staff," Mr. Kelly recalled. "We suggested that Mr. Shapiro name someone to be in overall charge, and he chose Paul Schaefer, one of his aides. Things worked much better after that."

The first task facing Mr. Shapiro and the Freeholders after the election last November was the striking of a county budget. The \$210 million budget was adopted on time, but nerves were frayed and personal feelings were hurt by the bruising first task for the new County Executive and what was virtually a freshman Board of Freeholders.

"The second thing we recommended was that some effort be made to overcome the bad feelings left over from the budget adoption," Mr. Kelly said.

"There were meetings aimed at establishing communication, and soon the animosity really calmed down and we got to know who among the Freeholders and their aides we could count on for certain things."

Mr. Kelly called "incredible" a charter law that required the passage of a budget almost immediately and then the approval of a new Administrative Code in the matter of a few weeks.

"That's an extremely short time frame," Mr. Kelly said.

He added, however, that he was "tickled" by the opportunity to work on the county reorganization, which saw 68 departments, autonomous agencies, boards and commissions consolidated into eight departments reporting to Mr. Shapiro.

"In Washington, we work on something that appears to end with the press release," Mr. Kelly said. "Here, we got to see the results of our work."

The Georgia reorganization boiled 300 agencies down to 22 and took nine months to complete. Mr. Kelly compared the state task with Essex County's, and came up with an interesting observation.

"The political complexities were far greater here than they were in Georgia" he said. "I was amazed. It was a real education."



VETERANS ADMINISTRATION  
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS  
WASHINGTON, D.C. 20420  
April 11, 1979

2

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

VA Presidential Update

Less Beef Will Bring More "Beefs" - At the request of Alfred Kahn, VA has agreed to cut its beef purchases for hospital patient meals by 2 million pounds by the end of 1979 - a reduction of about 25%. Judging from the reaction to an earlier reduction of 250,000 pounds since last September, veteran organizations likely will lodge vehement protests against this additional slash. Re the earlier reduction, DAV, for example, wrote me "we are dismayed and distressed to learn the White House is boasting about one early success for its anti-inflation efforts - a 30% cut in the number of meals featuring beef served at VA hospitals. Do you as Administrator condone this cost cutting measure? Have you assessed the consequences as to the nutritional needs of the scores of thousands of patients hospitalized every day?"

When news of the latest reduction becomes public, we can expect concerted protests from most of the organizations along with expressions of alarm by committees and individual members on the Hill, and possibly by beef industry interests.

The veteran groups are still in the midst of their fight against reductions in staffs, budgets and beds in our medical care system. They are already arguing that these cuts mean sick and disabled veterans are at the cutting edge of the Administration's fight against inflation. The beef reductions will add considerable fuel to such arguments. VA will do all possible to allay this added alarm through assurance that the nutritional needs of its patients will not suffer, but logic and reason likely will encounter an impenetrable emotional barrier.

Record Minority Contract - VA has awarded a \$7.1 million contract to William Cargile Contractors, Inc., of Cincinnati, to construct a 200 bed domiciliary at our medical center in Dayton. This is the largest VA contract ever processed through the Small Business Administration's minority program. The minority contractor is considered well qualified and completely capable of handling a project of this magnitude.

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**Community** WASHINGTON, D.C. 20506  
**Services Administration**



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April 13, 1979

MEMORANDUM TO THE PRESIDENT

ATTENTION: Rick Hutcheson  
Staff Secretary

FROM: Graciela (Grace) Olivarez  
Director

*GR/Olivarez*

SUBJECT: Weekly Report of Significant Agency Activities  
(Week of April 9 - 13, 1979)

House Appropriations Hearing

On April 10, 1979, I appeared before the House Appropriations Subcommittee on Labor-Health, Education and Welfare to discuss the Agency's Fiscal 1980 budget request. Also appearing were Assistant Directors Frank Jones, Robert Smith and John Gabusi, as well as Associate Director Gerrold Mukai.

Energy Assistance Program for Poor and Elderly

The Community Services Administration (CSA) is working with the Domestic Policy Staff and the Office of Management and Budget in developing recommendations for you to consider in developing a program to assist the poor and elderly cope with the increased costs of energy which would result from decontrol of oil prices. CSA expects recommendations to be finalized within the next ten days.

Crisis Intervention Program

CSA has allocated \$157,319,290 of the \$200 million appropriated by Congress for the Fiscal 1979 Crisis Intervention Program. A total of 40 states have qualified for supplemental assistance. In addition, New Hampshire has been allocated \$800,000 for disaster relief.

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

April 20, 1979

THE ADMINISTRATOR

REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

The few industrial firms that have failed to comply with environmental laws have almost always profited at the expense of the environment. Court remedies have been slow and unsure and usually result in penalties much smaller than the savings of the noncomplying firms.

This summer we will put into effect a new regulatory reform authorized under the Clean Air Act Amendments of 1977 that will end this pattern. We will charge noncomplying firms a monthly fee equal to what they save by not complying. We will do this administratively, using business' own capital budgeting techniques.

This economics-based approach has several advantages over traditional enforcement methods:

- It charges each firm just enough to make compliance economically attractive.
- Administratively imposed incentives are swift and sure.
- Penalties defined by this method are based on an objective economic procedure and are consistent from case to case.

When I was in Connecticut, we introduced this system on the state level. The business community there accepted the approach because they recognized its fairness, and the rate of voluntary compliance in the state was increased sharply. This major regulatory reform could be used well beyond EPA.

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A handwritten signature in black ink, appearing to be "Douglas M. Costle".

**Community** WASHINGTON, D.C. 20506  
**Services Administration**



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April 20, 1979

MEMORANDUM TO THE PRESIDENT

Attention: Rick Hutcheson  
Staff Secretary

FROM: Graciela (Grace) Olivarez *GO*  
Director  
Community Services Administration

SUBJECT: Weekly Report of Significant Agency  
Activities (April 16 - 20, 1979).

Training and Technical Assistance

During the week of April 23, the Community Services Administration (CSA) will notify twenty grantees in 17 states which have been selected to receive 40 days training and technical assistance from the Housing Assistance Council of Washington, D.C. The recipients, who were selected from more than 110 requests, will be given intensive training and technical assistance designed to enhance their capability to serve the poor by providing rural housing/community development assistance through existing federal and state programs. These CSA grantees include Community Action Agencies, State Offices of Economic Opportunity, Migrant and Indian organizations and housing coalitions.

1979 Crisis Intervention Program

A survey is now being conducted to determine the status of funds remaining for the 1979 Crisis Intervention Program (CIP). Inquiries are being made as to which grantees are in need of additional money and which grantees hold a balance that will not be utilized by the May 31 program expiration date. To date, \$150 million has been obligated through CIP and it is believed that approximately \$50 million in unutilized funds will be identified for recapture and reallocation.

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

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April 20, 1979

MEMORANDUM FOR: The President  
Attention: Rick Hutcheson, Staff Secretary

Subject: Weekly Report of Major Departmental Activities

Simplified Application for Disaster Victims. The Federal Disaster Assistance Administration is currently field testing in Arkansas a new Combined Application/Verification Process that is expected to improve services to disaster victims at the same time that it offers protection to the government. Under the new procedures applications for several different forms of assistance are combined into one application review process. This reduces the number of contact points and the processing time for victims and cuts the potential for paying of duplicate benefits by government and private insurance companies.

Supreme Court Decisions Affecting HUD. Earlier this week the Supreme Court ruled that under the provisions of the Fair Housing Act both direct and indirect victims of discriminatory housing practices have standing to sue in federal court against the practice of racial "steering" by realtors. In another opinion the Court denied benefits under the Uniform Relocation Act to tenants displaced from projects acquired by HUD following default on federally insured loans.

FHA Maximum Interest Rates Increased. I have announced today that effective April 23, the maximum allowable interest rate for HUD-FHA insured single-family mortgage loans is being increased to 10 percent. This move is necessary to bring the FHA rate in line with other competitive rates in both the mortgage and financial markets.

Minority Contracting for HUD Research. HUD's Office of Policy Development and Research is actively involved in an effort to expand participation by women and minority contractors and grantees in research related to our programs and activities. We expect to exceed our minority contracting target for Fiscal Year 1979, a figure which represents a 60 percent increase over the goal for FY 77. An example of this effort is a recent one million dollar grant to the National Urban Coalition and Atlanta University for creation of a consortium for urban policy and impact analysis. This conforms well to your recent instructions regarding support for Black colleges.

Employee Idea Saves Department Over \$500,000. Charles Betterton, an employee of our Chicago Region, has received an award for his recommendation concerning changes in the Department's property disposition procedures for high volume field offices. This idea was submitted under a new HUD Ideas Program handbook which recommends more equitable compensation for beneficial suggestions resulting in significant cost-savings to the Federal Government.

A handwritten signature in cursive script, appearing to read "Patricia Roberts Harris".

Patricia Roberts Harris

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THE SECRETARY OF COMMERCE  
WASHINGTON, D.C. 20230

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FYI

REPORT TO THE PRESIDENT

April 20, 1979

Last week I met with Korean Minister of Commerce and Industry Choi Gak Kyu on the occasion of the Ninth United States-Korea Commerce Ministers Meeting, which I cochaired. I assured him of our continued commitment to maintaining an open global trading policy and stressed Korea's responsibility as an advanced developing country to participate more fully in the GATT and other cooperative international efforts. The Korean delegation encouraged increased U.S. exports to Korea. While in the U.S., Minister Choi is heading a buying mission which has contracted to buy 10 Boeing 747 jumbo jets for \$660 million. Their total purchases are expected to amount to \$2.1 billion.

U.S. insurance companies were guaranteed a substantial share of underwriting marine cargo in U.S.-U.S.S.R. bilateral trade according to an agreement signed April 5 with the Soviet Union. Previously this insurance had been underwritten almost exclusively by Ingosstrakh, the Soviet state insurance company. Since the U.S.-U.S.S.R. Maritime Agreement in 1972, insurance premiums on bilateral trade have totaled an estimated \$34.9 million.

Congressional reaction has so far been favorable to the National Public Works and Economic Development bill. Both the House and Senate Budget Committees approved sufficient funds for the program in FY 1980. We are now in the midst of hearings before the House and Senate Public Works and Banking Committees.

  
Juanita M. Kreps

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THE UNDER SECRETARY OF HEALTH, EDUCATION, AND WELFARE

WASHINGTON, D.C. 20201

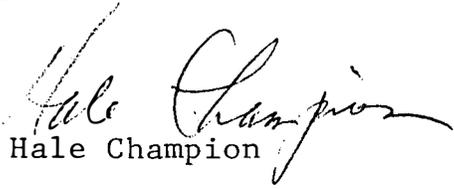
April 20, 1979

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of HEW Activities

- Welfare Reform: Next week Stu Eizenstat and the Secretary will meet with Congressmen Corman and Ullman to try to reach agreement on a welfare reform bill.
- Cost Containment: On Tuesday the Health Subcommittee of Ways and Means (Rangel) is scheduled to begin two days of markup on the Administration's bill. We have worked closely with the Subcommittee and do not anticipate any major problems.
- National Health Plan: While continuing conversations with Senator Kennedy, we have worked out a tentative schedule with Stu designed to put a Phase I decision memorandum on your desk the first week in May.
- Advisory Council Appointment: The Secretary appointed Charlotte Wilen of Atlanta to the Select Panel for the Promotion of Child Health.

  
Hale Champion

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

APR 14 1979

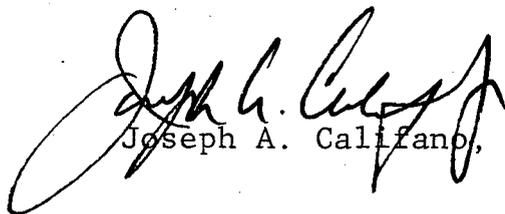
MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of HEW Activities

- RL
- Chicago ESSA Application: The Chicago School District has failed to qualify for funding under the Emergency School Aid Act for the last three years because of its failure to comply with the Act's Civil Rights requirements. This past week, David Tatel, Director of the Office for Civil Rights, personally delivered a letter from me to the Chicago Superintendent of Schools, Joseph Hannon, advising that the school district is again ineligible for ESAA funding. Chicago has submitted four grant applications, totaling \$15.8 million which are at stake. Since Title VI violations and potential bussing are involved, if Chicago fails to submit an acceptable plan, the matter will be referred to the Justice Department. Attached is a copy of a recent editorial from the Chicago Sun Times about our efforts.
  - National Health Plan: I met this week with Senator Long to discuss both Hospital Cost Containment and the National Health Plan. The Senator is truly anxious for a bill this year. I urge you to meet with him soon after you return.  
  
I also met with Senator Kennedy this week. He agreed that his staff and Hale Champion should continue negotiations while I am away next week. We will then get together again when I return.
  - Mental Health Legislation: Neither the House Commerce Committee nor the Senate Labor and Human Resources Committee will be able to consider the Administration's mental health reform initiative in time to pass it this year. The inability of the two Committees to consider it stems from the press of other health legislation: hospital cost containment, child health, health planning, emergency medical services, nurse training and alcoholism and drug abuse. Accordingly, we will move with OMB to assure that the funds requested for our initiative in FY 80 are made available for existing authorities.

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- Social Security Disability Reform Legislation: The House Ways and Means Committee completed mark-up on two bills that substantially carry out the Administration's proposals. The disability insurance bill puts a cap on benefits, provides work incentives and restructures the administrative process. The revenues saved by this bill will be in excess of \$1 billion annually when fully effective, which is somewhat more than under our proposals. This is the first major Administration proposal the Committee has moved on this year.
- Marijuana and Health: Next week, I will release the annual Marijuana and Health Report which shows dramatic increases in the incidence of marijuana use, particularly by the young, in 1977 over 1976. In response to this report and in an effort to give some better direction to our overall efforts in this area, we are reviewing the scientific evidence on marijuana and developing a sophisticated, long-range marijuana research plan.
- Personal: I will be away next week. During my absence Hale Champion will be the Acting Secretary.

  
Joseph A. Califano, Jr.

BUILDING ON 'ACCESS'

School segregation here is an issue that won't -- and shouldn't -- go away. This week, the U.S. Health, Education and Welfare Department raised it anew. HEW said Chicago could devise an acceptable desegregation plan itself or be hauled into court to face an imposed plan.

While HEW carried a big stick, it spoke softly, even encouragingly, and it offered money and advice to help School Supt. Joseph P. Hannon do the job. No less important, HEW seems to grasp the facts of life about Chicago's school population.

Thus, acceptable desegregation won't mean total desegregation with specific quotas for each city school. It can't. Whites make up less than a fourth of the whole system's pupil count.

Yet, with some 106,000 whites in public schools, HEW says an acceptable plan requires doing more to end segregation rooted in past policies and practices.

Do what? HEW wasn't specific, but a few steps seem obvious.

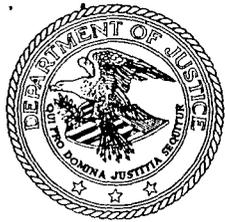
Redrawing district boundary lines, for one, could desegregate some 17,000 pupils, with no busing. That's not a new idea. The Chicago Urban League has urged it. And Hannon himself has proposed it, only to be slapped down by the School Board. But with HEW calling for action by September, it's time the board reconsidered its opposition.

"Pairing" white and black schools so that pupils within, say, a 3-mile limit would attend each for several years could desegregate some 100,000 elementary pupils. A form of pairing based on academic interest exists in Hannon's Access to Excellence plan. Since HEW Sec. Joseph A. Califano Jr. says Access offers many solid programs and could be the "foundation" for a desegregation plan, why not try to make it just that?

Other moves seem possible, too -- moves compatible with quality education and sensitive to the needs of pupils, parents, blacks, whites, Latinos, the city, HEW.

Needed first, we suggest, are willing leaders. Hannon pledges to work with the federal government to "resolve existing problems." Fine. But desegregation leadership will require more than that. The new mayor has promised she will work to change people's attitudes from confrontation to co-operation. She can be a key element. So can Chicago's civic, business, labor, academic and religious communities. The fearful -- white and black -- can be reassured.

Obvious problems lie ahead. But solving them should be easier than exorcising the evils that come with a separated society.



# Office of the Attorney General

Washington, D. C. 20530

April 13, 1979

## Principle Activities of the Department of Justice for the Week of April 7 through April 14

### 1. Judicial Selection

There are currently 167 federal judgeship vacancies (148 under the new law and 19 regular vacancies). Of this total, there are 68 in process at the Justice Department, five pending at the White House, and 21 pending in the Senate. There have been no new confirmations since our last report.

### 2. Three Mile Island Litigation

In the first of what will undoubtedly be a series of lawsuits growing out of the Three Mile Island accident, the court in Johnsrud v. Carter (E.D. Pa.) has denied the plaintiffs' requests for a declaration of a state of emergency and a mandatory evacuation of the four counties immediately adjacent to the nuclear power plant. The court has, however, asked for further information on whether there should be a judicially-mandated warning to Pennsylvania residents as to the long-term health risks of the radiation emitted due to the accident.

### 3. Koreagate Indictments

A federal grand jury in Washington has indicted former North Carolina Congressman Nicholas Galifianakis for committing perjury before a Congressional committee in denying that he had received \$10,000 in cash from South Korean businessman Tong Sun Park. The same grand jury also indicted Korean-American businessman Hancho C. Kim in a related matter for contempt of Congress in refusing to answer a Congressional committee's question about payments of cash to him by a South Korean embassy official who worked for the KCIA.

4. INS Foreign Student Regulation

The INS has ordered tighter controls placed on foreign students studying in the United States. There will be spot checks on individual schools and students for violations of immigration laws and regulations; separation of INS student files from those of other non-immigrants; and a regular system of monthly reports to headquarters on foreign student activities in this country. At random, one percent of the foreign students' files in each field office will be checked each month by personal verification with their schools, and one school in each district shall be personally visited by INS personnel each month for checking purposes.

5. Wilmington 10

On April 6, 1979, District Judge Dupree held a hearing on the habeas corpus petitions pending in the Wilmington 10 case. The United States was represented at the hearing by the Special Assistant to the Assistant Attorney General, Civil Rights Division, who was sent to observe the proceedings and did not formally participate. The attorney for the respondent State used his time to respond to the brief which the United States filed on November 14, 1978, as amicus curiae. Judge Dupree granted the parties until April 20, 1979, to file objections to the Magistrate's March 27, 1979, Recommendation denying all claims for relief. We are presently reviewing the Magistrate's 112-page opinion and are drafting a response which will be filed within the time limit granted to the parties.



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

April 20, 1979

Principal Activities of the Department of Justice  
for the Week of April 16 through April 20

1. Judicial Selection

There are currently 171 federal judgeship vacancies (148 under the new law and 23 regular vacancies). Of this total there are 81 in process at the Justice Department, 8 pending at the White House, and 24 pending in the Senate. The Senate during this Congress has approved only 7 and hearings have been held as to only 5 of the 24 pending in the Senate. Hearings for 11 more are scheduled between now and May 14. The above categories account for 100 of the 171 vacancies, leaving 71 vacancies where no decisions have been made.

2. Wilmington 10

The Civil Rights Division filed a supplemental memorandum at the request of the court in the Wilmington 10 case. The memorandum analyzes the 120-page set of findings and recommendations of the U.S. Magistrate, who had urged the court to deny the petitions for habeas corpus relief. It asserts, as stated in the original brief of the Civil Rights Division, that serious questions are raised by the evidence in the record as to the fairness of the trial.

3. LEAA

On Tuesday, April 17, 1979, Henry S. Dogin was sworn in by the Attorney General as Administrator of the Law Enforcement Assistance Administration (LEAA).

4. Economic Crime

The Department of Justice will establish Economic Crime Enforcement Units to combat white collar crime and corruption in 27 U.S. Attorneys' offices across the country over the next two years. The mission of this program is to better use federal, state and local prosecutors, investigators, auditors and agency people charged with the prevention, detection, investigation and prosecution of economic crime.

5. Bureau of Prisons Statistics

On the average, 71% of the nearly 98,000 persons serving federal sentences in 1978 were under some sort of community supervision: pre-trial diversion programs, probation, parole, mandatory release supervision, or in community treatment centers (half-way houses). Only 29% were confined in institutions. Community treatment centers are currently being used at significantly increased levels from last year; the daily average is now about 3,500, as opposed to about 2,400 a year ago. The federal prison population has remained stable during the past few months at about 26,000, a decrease of more than 3,500 from the population at this time last year.

6. Detroit Metropolitan Correctional Center

The Bureau of Prisons operates local jails in several cities, known as "Metropolitan Correctional Centers." In 1977 and 1978, Congress approved \$16.6 million for the construction of an MCC in Detroit, Michigan. The Bureau has now determined that current needs do not warrant this project, given a declining population of inmates in that district and the improved conditions and expanded space available in the Wayne County Jail (which is used on a contract basis). Moreover, construction costs are now projected to run over the budget by at least \$1.5 million. The Congressional committees will be notified of this project cancellation, although some judicial opposition may be encountered. Only \$730,000 has been obligated to date, nearly half of which was the land purchase price that can now be recovered by a sale of the property.

7. The Copeland Case

*Good* The Court of Appeals for the District of Columbia has sought the Attorney General's view on whether or not the full court should review a decision of one of its panels which overturned an award of \$160,000 in attorneys' fees to a large Washington law firm whose clients prevailed in a discrimination case against the Department of Labor. (The firm originally sought \$206,000 in attorneys' fees for winning some \$31,000 in backpay and other remedial action for the plaintiffs). The panel held that traditional factors for awarding attorneys' fees are applicable when a federal agency is the defendant but that "special caution" is required because the U.S. does not have an "infinite ability to pay" and should not have to pay attorneys the highest rates they normally charge large corporate clients. The panel also suggested a new approach to computing reasonable hourly rates for attorneys in cases against the government, and civil rights advocates, both within and outside the government, fear that its application will chill the ardor of big law firms to bring such cases. The new approach is not mandatory, however, and should merely deter lawyers from submitting such outrageous bills. I will decide my position on Monday, but am inclined not to suggest rehearing.



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

April 20, 1979

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MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson  
Staff Secretary

SUBJECT: Weekly Report

BEEF. The number of cattle on feed is down 6 percent from last year. Tight supplies can be expected to continue through the summer months.

However, the number of heifers on feed is down 14 percent from the same period last year. This suggests that producers are holding back heifers to rebuild their herds and is an encouraging sign.

A handwritten signature in cursive script, appearing to read "Jim Williams".

JIM WILLIAMS  
Acting Secretary

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U. S. DEPARTMENT OF LABOR  
OFFICE OF THE SECRETARY  
WASHINGTON

10

April 20, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *RM*

SUBJECT: Major Departmental Activities  
April 16-20

Recent developments in the Rubber Workers negotiations. In order to clarify the Administration's continuing commitment to the wage and price guidelines and their application to the rubber industry, Fred Kahn, Charlie Schultze and I met this afternoon with the Chief Executive Officers of the Big Four Rubber companies. This meeting went well and accomplished its purpose. A similar meeting with United Rubber Workers president, Peter Bommarito, did not take place as planned. Although he originally agreed to meet, he later concluded that it would not be in his interest if we were not prepared to use the meeting as a mediation session. The parties have agreed to start mediation with the Federal Mediation and Conciliation Service on Monday, April 23. We hope that we can arrange a day-by-day extension of the contract which would avert a strike.

United Airlines/Machinists dispute. In a positive step, United Airlines and the Machinists have agreed to resume bargaining with the services of the National Mediation Board on Monday, April 23 in Denver, Colorado.

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11:55 AM

THE WHITE HOUSE

WASHINGTON

April 23, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: TIM KRAFT TK

RE: Meeting with King's County (Brooklyn) Leader-  
Meade Esposito

PURPOSE: To solidify relations with one of New York's most important political leaders.

BACKGROUND: King's County is the largest Democratically voting county in New York state. In 1976, with Meade's help, it gave the Carter-Mondale ticket a margin of 225,519 votes in a state that was carried by approximately 400,000 votes.

In the media's eye, Meade Esposito is the last of the political leaders who can "deliver". He is the last vestige of Tammany's Irish-Italian political leadership. (Pat Cunningham's fall from grace in the Bronx gave him that dubious distinction.)

Though his abilities to control the county have declined considerably over the last seven or eight years, as Howard Samuels found in 1974, he still can be a powerful ally. His public support of us will be extremely helpful in stabilizing the political environment in New York state during the next year. If he stays friendly with us, it will be taken notice of by Carey, Moynihan, Koch, and Brooklyn's large Congressional delegation, as well as in the news media.

PRESS: Closed; White House photographer only.

PARTICIPANTS: Meade Esposito, Nicolas Clemente (Chairman of the Law Committee of the Kings County Democratic County Committee), Tim Kraft.

DATE, LOCATION: Monday, April 23, 1979 at 11:55a.m.; five minutes in the Oval Office.

TALKING POINTS:

1) Ask him how he has been since you called him last summer. (He was on one of your weekly political call sheets).

2) Compliment him on how successful he was in re-electing his friend from Brooklyn, Hugh Carey. You might mention what a remarkable campaign it was considering the fact that everyone had written Carey off.

3) Meade has been quoted in the New York papers telling other Democrats to "get off Carter's back". He believes that disloyalty amongst the Party membership is the highest of all crimes. He believes that the demise of the Party is making government impossible. You might discuss this with him and ask him how we can specifically get public support for the difficult, controversial decisions we must make. Tell him we need statements of support from his Congressional delegation, city leaders and himself.

THE WHITE HOUSE

WASHINGTON

April 11, 1979

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MEMORANDUM FOR THE PRESIDENT

FROM: EDWARD SANDERS *Ed*

The comment you made at the staff reception yesterday relating to the desirability of viewing problems in their broadest terms and not in narrow parochial terms struck a responsive chord in me. I agree wholeheartedly.

As a matter of fact I had spoken to Stu Eizenstat earlier this week and had suggested to Stu that I become a part of the energy task force that is being formed. I think I can be an effective advocate of your energy program.

I believe that there is a broadly based constituency that can be mobilized in support of your energy program. I would like to help you mobilize these groups.

Have a Happy Easter and a restful holiday.

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THE WHITE HOUSE  
WASHINGTON

4/23/79

Mr. President:

The first meeting of the  
Three Mile Island Commission  
is wed. Did you want to drop  
by for a few minutes?

yes     no

Phil

J

at the  
beginning

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2:03

THE WHITE HOUSE  
WASHINGTON

Mr. President:

Kraft has requested  
that you do a quick photo  
today with Mark Hogan,  
former Lt. Gov. of Colo  
rado and new State Party  
chairman.

approve  disapprove

Phil

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THE WHITE HOUSE  
WASHINGTON

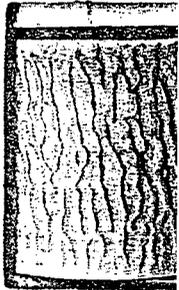
April 23, 1979

Frank Moore

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

Rick Hutcheson

The Vice President  
Stu Eizenstat  
Hamilton Jordan  
Jack Watson



THE WHITE HOUSE  
WASHINGTON

April 20, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore

SUBJECT: Weekly Legislative Report

I. Domestic Policy Issues

1. Budget

First Resolution for 1980

Floor action on the First Budget Resolution will begin this week in the Senate and is likely to commence next week in the House.

The following summarizes the Committees' actions on the First Budget Resolution for 1980 (in billions of dollars):

	<u>Administration</u> (March)	<u>House</u> <u>Budget</u> <u>Committee</u>	<u>Senate</u> <u>Budget</u> <u>Committee</u>
Receipts	503.9	507.8	503.6
Outlays	<u>532.3</u>	<u>532.7</u>	<u>532.4</u>
Deficit	-28.4	-24.9	-28.8
Budget Authority	612.6*	608.4	600.6

\*Revised from the March update to reflect changes in economic development proposals.

Major policy differences between the Administration and the two Committees for FY 1980 are listed on the attached chart.

Third Resolution for 1979

The totals for the Third Resolution for 1979 are as follows (in billions of dollars):

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	<u>Administration (March) *</u>	<u>House Budget Committee</u>	<u>Senate Budget Committee</u>
Receipts	461.8	458.5	457.5
Outlays	<u>495.0</u>	<u>493.0</u>	<u>493.4</u>
Deficit	-33.2	-34.5	-35.9
Budget Authority	558.5	555.8	559.4

\*Revised to reflect the Middle East package.

Unlike the House, the SBC Resolution accommodates most of the defense program supplemental (all but the ships), the supplemental for disaster relief, the international grain reserves, and the entire request for ConRail. Administration requests that are not assumed in the Senate totals include the private sector training initiative, the supplemental for rural housing, and targeted fiscal assistance.

#### Strategy

Jim McIntyre and I have communicated the Administration position of general support for the Resolutions to the Cabinet Secretaries and to the Agency CL people. We have also asked that they coordinate all Hill contacts with the Budget Task Force. Your reinforcement of this directive at Monday's Cabinet Meeting will help ensure that we speak with one voice.

You might indicate to the Cabinet that the Budget Committees' actions are consistent with your overall budget policy and that we will work to resolve significant differences through the authorization and appropriations processes.

We have identified the following areas where exceptions to the general policy of support might be made. They all affect the 1979 Resolution:

- 1) Provide additional funding for food stamp benefits;
- 2) Provide funding for two Iranian ships;
- 3) Provide some start-up funding (about \$50M) for the private sector jobs initiatives;
- 4) Restore funding for disaster assistance (House only); and
- 5) Consider restoring funding for targeted fiscal assistance.

Jim McIntyre will discuss these with Muskie and Giaimo before we recommend any changes to the general policy of supporting both Budget Committees' recommendations.

## 2. Alaska Lands

Originally the Alaska Lands legislation was scheduled for Rules Committee consideration on April 25 and for the House floor April 30 - May 1. However, Chairman Bolling (Rules) has apparently agreed to a request from Chairman Murphy to delay Rules consideration for an unspecified period of time.

This slippage will probably work to our disadvantage as it will give the Breaux-Huckaby proponents a chance to erode the broad-based support gathered over the recess.

Chairman Udall is trying to rebuild the support. He continues to seek co-sponsors for the revised version of last year's House-passed bill which he introduced April 10. He will take a head count this week and will ask the Speaker not to schedule floor action until he has the votes. Udall has indicated he may need White House assistance in this. If the Speaker agrees, the House might take no action this year, allowing your national monuments action to stand; thereby avoiding the necessity of vetoing an unsatisfactory bill.

## 3. Hospital Cost Containment

The Senate Finance Committee has schedule a continuation of its mark-up of HCC May 2-3 and 8-10. The Health subcommittee of Human Resources will be on a similar track.

On the House side, the Ways and Means Health subcommittee will begin mark-up April 24. HEW expects the bill to move quickly, and anticipates all Democratic subcommittee members to support HCC with the possible exception of Cecil Heftel. In the Commerce Health subcommittee, a majority continues to oppose HCC.

## 4. Department of Education

The Department of Education legislation bogged down in the Senate over the Helms prayer amendment after three days of debate. It will be taken up again immediately after the Senate completes action on the Budget Resolution.

It should pass there without great difficulty -- though fights over busing and abortion are expected.

The House Government Operations Committee is also expected to begin mark-up the week of April 30. We expect the committee to pass the bill, though the final margin will probably be fewer than 5 votes. A major battle will be fought over the amendment to delete the transfer of Defense Department overseas dependent schools. A similar effort last year was defeated by a single vote.

Deletion of the DOD schools would be a serious and perhaps fatal blow to the Department.

The bill should be reported by the 15th of May. We will attempt to take it to the Rules Committee and the House floor immediately thereafter. A major effort will be required for both.

#### 5. Department of Natural Resources

Before the recess we consulted with Ribicoff's staff about a "two track" legislative-reorganization plan approach. The staff agreed with our approach; Senator Ribicoff did not. We will continue our efforts. If we can convince Ribicoff we could be able to send a DNR bill to Congress by the middle of May. The reorganization plan which would follow could be transmitted by the 1st of July.

If Ribicoff rejects the two track approach, we will have to decide whether to proceed with DNR. Even with Ribicoff's concurrence, the proposal faces a very formidable uphill fight.

#### 6. Energy

Contingency Plans -- On Tuesday the Interstate and Foreign Commerce Committee will consider a motion to retain the plans in full committee for consideration. Dingell has advised us that he doesn't have the votes in his subcommittee and that he is even concerned about the full committee.

WHCL, DPS and DOE have talked with many of the Committee Members over the recess -- some were out of the country and unreachable. On Monday morning we will

mount an aggressive effort to reach all of them. Some Members have problems with small technical details. Others (led by Moffett) seem inclined to attempt a defeat of all the plans as a means of expressing their displeasure with decontrol.

Windfall Profits Tax -- The task force chaired by Stu has conducted staff consultations with people from the Speaker's office, the House Energy and Power Subcommittee, the Joint Economic Committee, House Science and Technology, Ways and Means, Senate Energy and Senate Finance. This week we will brief relevant Committee Members on Tuesday and Wednesday. Transmittal of the "specs" is scheduled for late Wednesday.

It is clear that the battle lines are being drawn. As a result of our early offensive we appear to be ahead. Spot checks of mail coming to Congressional offices reveals that most favors passage of a windfall profits tax. It will be a difficult fight requiring consistent pressure on our part.

#### 7. Sugar

USDA CL plans to meet with Representatives Vanik and Foley to determine Vanik's interest in introducing the Administration's sugar bill, and in moving it along. Agriculture is also exploring the possibility of an agreement to separate the ratification and implementing legislation for the International Sugar Agreement from the price support legislation. Senator Church has indicated to USDA that he may handle these issues separately, since the sugar industry does not agree with the Administration's price support legislation.

#### 8. Potential Repeal of Davis-Bacon

Senator Tower has introduced legislation to remove the Davis-Bacon requirements from all HUD housing and community development programs. This legislation will be the subject of a hearing on May 2 before the Senate Banking Committee at which Secretary Harris and Secretary Marshall are scheduled to testify. It is likely that Tower will advance this proposal during the Committee's mark-up of fiscal year 1980 HUD authorization legislation scheduled for the week

of May 7. HUD CL reports that Tower can count on all of the Republicans on the Committee with the exception of Heinz who is considered questionable. Of the Democrats, Stevenson and Stewart are questionable and Morgan is leaning in favor.

9. Regulatory Reform

The hearings begun in the Senate Governmental Affairs Committee will resume this week and will continue through April and most of May.

Senator Kennedy's staff has developed a draft bill which has many objectionable provisions. However, Kennedy has not approved it, and we do not intend to react to it until he does.

The House Judiciary Committee will hold hearings during the second half of May.

10. Miscellaneous

DOL reports that the labor coalition may try to totally gut the House budget resolution. They apparently feel that it may be the time to try to sink the whole budget process and take their chances on the outcome for FY 1980. This would be a long-term strategy for which they are willing to take short-term losses.

II. FOREIGN POLICY ISSUES

The following foreign policy legislation will likely require White House/Presidential participation and will be before the Congress over the next few months. We will be sending you a detailed assessment of the legislative prospects for each with the next weekly legislative report.

<u>Issue</u>	<u>Timing</u>
Mid-East Supplemental Authorization	April-May
Turkey Supplemental Authorization	April-May
Bilateral Foreign Assistance Auth.	April-May
Rhodesia Sanctions	April-May
FY'79 Supplemental Appropriations (Mid-East and Turkey)	May-June
FY'80 AID Appropriations	May-July
IDCA Reorganization	May-July
Panama Implementing Legislation	April-July
SALT	May - ?
MTN Legislation	April-September
Jackson-Vanik	?

SALT -- The staffs of the Senate Foreign Relations Committee, the Intelligence Committee, and the Armed Services Committee will propose to their respective Chairmen the following hearing schedule to run sequentially:

SFRC	3 weeks (Administration and public witnesses)
Intelligence	1 week (part open, part closed sessions)
Armed Services	2-3 weeks
SFRC	1 week (wrap-up)
SFRC	1 week (mark-up)

If the Chairmen agree to this schedule, it appears likely that the hearings will run into the fall and perhaps later.

FY '79 DOD Supplemental Budget Request--Both the House and Senate Armed Services Committees have completed action on DOD's FY 1979 Supplemental request. We anticipate early floor action in both Houses with a conference by mid-May. Timing on the Appropriations Committees' actions is not clear. House Appropriations has held preliminary hearings, but will probably delay serious action until the Authorization bill passes the House. The Senate Appropriations Committee will probably act more quickly. Nevertheless, final action is unlikely before mid-June.

FY '80 POLICY DIFFERENCES

Major policy differences between the Administration and the two Committees for FY 1980 include:

CUTS

House

Defense (\$3.0B)  
General Revenue Sharing (\$2.3B)  
Rural Housing (\$0.7B)  
Foreign Aid (\$0.6B)  
Water Resources (\$0.3B)

Senate

Employment & Training (\$1.7B)  
Rural & HUD housing assistance (\$4.9B)  
Foreign Aid (\$1.0B)  
Strategic petroleum reserve (\$1.0B)  
Other Energy (\$0.4B)  
Medicare and Medicaid Reform (\$1B  
in additional outlay savings)  
Water Resources (\$0.5B)  
Credit Union Administration (\$0.5B)  
Highways (\$0.5B)  
Defense (\$0.4B)  
AFDC & Food Stamps (\$0.4B)  
Targeted Fiscal assistance (\$0.2B)  
Education & Social Services (\$0.2B)

INCREASES

Education, training and  
Social Services (\$1.5B)  
HUD housing payments (\$2.2B)  
Energy (\$0.4B)  
Social Security and Railroad  
Retirement (\$0.5B in outlays)  
Other income security benefits  
(\$0.3B in outlays)  
Discretionary health programs  
(\$0.3B)  
Conservation (\$0.3B)  
Farm price supports  
(\$0.2B in outlays)

Conservation (\$0.2B)  
Community Development (\$0.2B)  
Farm Price supports (\$0.2B in outlays)

NOTE: Unless otherwise specified, all figures referred to are Budget authority. Both committees also rejected real wage insurance, which reduces their deficits by \$2.5 billion.

THE WHITE HOUSE

WASHINGTON

April 12, 1979

10  
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MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore

SUBJECT: Weekly Legislative Report

Introduction

This week's report is brief as Congress was in session for only two days. Next week we will provide you with a look ahead to likely Congressional action through June 8. Congress will begin acting on appropriation bills on June 11.

Domestic

1. Budget

-- The Senate Committee completed its action on the First Budget Resolution on Tuesday.

-- The following summarizes the work of both Budget Committees:

(in billions of dollars)

	<u>Administration (March)</u>	<u>House</u>	<u>Senate</u>
<u>3rd Resolution - 1979</u>			
Receipts	461.8	458.5	457.5
Outlays	<u>495.0</u>	<u>493.0</u>	<u>493.4</u>
Deficit	-33.2	-34.5	-35.9
Budget Authority	557.6	555.8	559.4
<u>1st Resolution - 1980</u>			
Receipts	503.9	507.8	503.6
Outlays	<u>532.3</u>	<u>532.7</u>	<u>532.4</u>
Deficit	-28.4	-24.9	-28.8
Budget Authority	612.6	608.4	600.6

-- The Senate Committee reduced CETA (\$1.7 billion in BA), foreign assistance (\$1.2 billion in BA) and Strategic Petroleum Reserves (\$1.0 billion in BA). The deleted counter-cyclical assistance, rural housing and Iranian ships (1979).

2. Alaska National Interest Lands

-- On Monday the full House Merchant Marine and Fisheries Committee approved the Breaux substitute Alaska Lands bill by a voice vote. They did this after rejecting the Administration-supported attempt by Gerry Studds to substitute last year's House bill by a recorded vote of 14-25.

-- According to Chairman Udall, the Speaker has agreed to schedule the Alaska legislation in Rules on April 25, and on the House Floor on April 30 - May 1. Udall intends to offer a revised version of last year's House bill as a substitute measure on the Floor.

-- We will work on a vote count following the recess. If necessary, we will ask the Speaker to delay floor consideration until we are able to get the necessary votes.

3. Department of Education

-- Progress was made on the Department of Education bill in both Houses this week.

-- On the House side, the bill was passed in subcommittee by voice vote (6-3) with no significant amendments added. Moorhead joined Erlenborn and Stangeland in opposition.

-- In the Senate, Helms' prayer rider was stripped from the bill. Manuevering by Byrd allowed Senators to record their support of the prayer amendment on a Supreme Court jurisdiction bill.

-- When the Senate reconvenes, the first order of business will be the budget resolution. Because a 50-hour limit on that legislation has been agreed to, we anticipate that further debate on the Department will not begin until late that week, or during the week of April 30. The time agreement on the Department of Education allows 18 hours for general debate and pending amendments, with further limits for additional actions. Major negative amendments will be offered by Moynihan, Helms and Morgan. Helms may also offer an anti-busing amendment.

4. Energy Taxes

-- The House Ways and Means Committee has set May 9 and 10 for opening hearings. Secretary Blumenthal will be the lead witness. This schedule will slip if the Administration has not drafted and made public its proposals by April 23.

-- Meanwhile, Representatives Cotter and Lederer have introduced bills to recapture 85% of the profits from decontrol and Conable has proposed a 25% levy.

Foreign

1. MTN

-- The House Ways and Means Committee and the Senate Finance Committee will begin MTN hearings April 23. Other committees are expected to follow suit. Both committees have nearly completed their reviews of the Administration's implementing proposal. STR is drafting implementing legislation based on the committee's recommendations. We expect to submit the agreement and the implementing legislation between May 7 - 15.

2. Foreign Aid

-- On Tuesday, the House passed the International Development Cooperation Act by a vote of 220-173.

-- Significant actions:

Passage of a Hamilton amendment (193-177) adding a Presidential waiver on national interest grounds to Derwinski's amendment (voice vote) prohibiting funds for Syria. (Several Members of the pro-Israel Caucus including Ab Mikva supported the waiver).

Defeat of an attempt by Bauman (180-190) to earmark \$20 million for Rhodesia and to recommend that you appoint a team to observe the Rhodesian elections.

Passage of a 5% across-the-board cut on all sections -- except Israel and Egypt, American Schools and Hospitals Abroad, and Title II (Food for Peace). The 5% cut was substituted for a 10% cut by a vote of 259 to 135.

Repeal of the Helms Amendment on the U.N.

Passage of a flat restriction on assistance to Cambodia, Vietnam and Cuba. (Uganda was not included in the prohibition as in previous years).

Passage of a prohibition on assistance to Mozambique, Angola, Tanzania and Zambia unless you determine that it would further U.S. foreign policy interests.

Reassignment of the Peace Corps to IDCA.

Passage of a Lagomarsino amendment which requires human rights reports on all member countries of the U.N.

#### Miscellaneous

-- The House Agriculture Committee staff speculates that the committee may combine many of its issues into one package. These may include international food aid reserve, repeal of the food stamp cap, increase of grain target prices, sugar legislation and the cotton amendments.

-- Aquaculture: USDA reports that Congressman Breaux has indicated the House Merchant Marine Committee plans to approve an aquaculture bill similar to the one that reached your desk last year.

-- Mideast Peace Package: Secretaries Brown and Vance appeared before the Senate Foreign Relations committee Wednesday to present the details of the Mideast Peace Package.

1:30 PM

THE WHITE HOUSE

WASHINGTON

April 23, 1979

MEMORANDUM TO THE PRESIDENT

FROM: Frank Press *FP*

SUBJECT: Background for National Academy of Sciences speech,  
Monday, April 23, 1979, 1:30 pm

The NAS auditorium will be filled with some 800 of the Nation's leading scientists and engineers. Although the audience is by nature reserved, your speech will be popular because of its strong support of research, your energy technology initiative, your interest in fostering industrial innovation, international scientific cooperation and arms control.

You will be greeted by Philip Handler, President of the NAS, a distinguished biochemist from Duke University.

In conversation, or in departure from your prepared speech, you may wish to note the following:

- . Election to the NAS is considered the highest honor that can be given an American scientist or engineer. (Although election to the Soviet Academy results in a doubling of salary and access to chauffeured cars, newly elected NAS members receive a bill for dues and undertake to advise their government without compensation.)
- . In addition to the Einstein Centennial, the NAS is celebrating the Centennial of the U.S. Geological Survey - an organization with a reputation for the highest quality of scientific work and public service in mapping the Nation, locating its minerals and water resources.
- . The Einstein statue which was dedicated yesterday and which you will see upon departure is controversial because of its explicit rather than abstract style. Most NAS members believe that although Einstein did not want a monument, he has become a symbol to the world and that the statue, which captures Einstein's creativity and humanity, will be an inspiration (like the Lincoln Memorial) to future generations.

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THE WHITE HOUSE

WASHINGTON

April 23, 1979

In addition to the members of the National Academy of Sciences, the following industrial and coproration executives have been invited to the NAS convocation. There will be 700 people in the audience.

1. Robert O. Anderson  
Atlantic Richfield  
Chairman of the Board  
Roswell NM
2. Walker L. Cisler  
Overseas Advisory Associates  
President  
Detroit MI
3. William T. Coleman, Jr.  
O'Melveny & Myers  
O'Melveny & Myers, partner  
Washington DC
4. John D. deButts  
AT & T  
Retired Chairman of the Board  
New York NY
5. Mrs. Marian Heiskell  
The New York Times  
Director  
New York NY
6. Mr. J. Erik Jonsson  
Texas Instruments  
Honorary Director  
Dallas TX
7. Honorable Sol Linowitz  
Coudert Brothers  
Coudert Brothers, partner  
Washington DC
8. Paul Mellon  
Washington DC
9. Ruben F. Mettler  
TRW, Inc.  
Chairman of the Board  
Cleveland OH
10. David Packard  
Hewlett-Packard  
Chairman  
Palo Alto CA
11. David Rockefeller  
Chase Manhattan Bank  
New York NY
12. Irving Shapiro  
duPont de Nemours  
Chairman  
Wilmington DE
13. Thomas J. Watson, Jr.  
IBM  
Chairman Executive Committee  
Armonk NY
14. Edgar M. Bronfman  
Joseph Seagram & Sons  
Chairman and CEO  
New York NY

1. C.C. Garvin, Jr.  
EXXON Corp. Chairman and CEO  
New York NY
2. Stephen D. Bechtel, Jr.  
Bechtel Group of Companies Chairman  
San Francisco CA
3. John J. Horan  
Merck & Co. Chairman, President and CEO  
Rahway NJ
4. C.J. Thomsen  
Texas Instruments Foundation President and CEO  
Dallas TX
5. Franklin D. Murphy  
Times Mirror Co. Chairman  
Los Angeles CA
6. Patrick E. Haggerty  
Texas Instruments General Director  
Dallas TX
7. Charles Smith  
3614 Prospect, Wash. DC
8. Robert H. Ahmanson  
Ahmanson Foundation President  
Los Angeles CA
9. William M Dietel  
Rockefeller Brothers Fund President  
New York NY
10. Robert C. Duncan  
Polaroid Foundation President  
Cambridge MA
11. Thomas A. Murphy  
General Motors Corp. Chairman  
Detroit MI
12. Amory Houghton, Jr.  
Corning Glass Works Chairman and CEO  
Corning Glass Works
13. Frank T. Cary  
IBM Chairman  
Armonk NY
14. Robert E. Kirby  
Westinghouse Electric Chairman  
Pittsburgh PA
15. Robert B. Clarke  
Hoffmann-LaRoche Foundation Trustee  
Nutley NJ
16. W.F. Rockwell, Jr.  
Rockwell International Chairman  
Pittsburgh PA
17. Ralph Landau  
Halcon International Chairman and CEO  
New York NY

1. Harold McGraw  
McGraw Hill  
Chairman, President  
New York NY
2. Robert E. Flowerree  
Georgia Pacific Corp  
Chairman and CEO  
Portland OR
3. James T. Hosey  
US Steel Foundation  
Executive Director  
Pittsburgh PA
4. Charles Fogarty  
Texasgulf Inc.  
Chief Executive Officer  
Stamford CT
5. O. Pendleton Thomas  
BF Goodrich Co  
Chief Executive Officer  
Akron OH
6. Robert W. Galvin  
Motorola Corp  
Chairman and CEO  
Shaumbert IL
7. C.W. Verity, Jr.  
Armco Steel Inc  
Chief Executive Officer  
Middletown OH
8. W.S. Lee  
Duke Power Co  
President and CEO  
Charlotte NC
9. W.W. Boeschstein  
Owens Corning Fiberglas  
President and CEO  
Toledo OH
10. Richard L. Gelb  
Bristol-Myers Corp  
Chairman and CEO  
New York NY
11. D.A. McGee  
Kerr McGee Corp  
Chairman and CEO  
Oklahoma City OK
12. Raymond H. Herzog  
Minnesota Mining & Mfg.  
Chairman and CEO  
St. Paul MN
13. Masaru Ibuka  
Sony Corp  
Honorary Chairman  
New York NY
14. James Kerr  
Avco Corp  
Chairman and CEO  
Greenwich CT
15. William F. Symes  
Monsanto Fund  
President  
St. Louis MO
16. Israel Cohen  
Giant Food Co.  
President and CEO  
Washington DC
17. Stephen H. Weiss  
Weiss, Peck & Greer  
Managing Partner  
New York NY

18. W. Kenneth Davis  
Bechtel Power Corp. Vice President  
San Francisco CA
19. Cecil H. Green 3809 Lexington Ave,  
Dallas TX
20. Bern Dibner Chairman Emeritus  
Burndy Corporation Norwalk CT
21. Clair Fultz Chairman  
Battelle Memorial Institute Columbus OH

1:25 pm.

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THE PRESIDENT'S ADDRESS TO THE  
NATIONAL ACADEMY OF SCIENCES

Monday, April 23, 1979

1:25 pm      The President proceeds to motorcade for boarding.

MOTORCADE DEPARTS South Grounds en route  
National Academy of Sciences.

(Driving time: 3 minutes)

1:28 pm      MOTORCADE ARRIVES National Academy of Sciences.

PRESS POOL COVERAGE  
CLOSED ARRIVAL

The President will be met by:

Mr. Philip Handler, President, National  
Academy of Sciences

Mr. Saunders MacLane, Vice-President

Mr. David Goddard, Home Secretary

Mr. Thomas Malone, Foreign Secretary

Mr. Emanuel Piore, Treasurer

The President proceeds to offstage announcement area.

1:30 pm      The President arrives offstage announcement area  
and pauses.

Announcement.

The President proceeds inside auditorium en route  
stage and takes his seat for National Academy of  
Sciences Annual Meeting.

OPEN PRESS COVERAGE  
ATTENDANCE: 680

Introduction of the President by  
Philip Handler.

1:31 pm Presidential remarks.

FULL PRESS COVERAGE

1:50 pm Remarks conclude.

The President, escorted by Philip Handler, departs  
auditorium en route West Lawn.

1:53 pm The President arrives West Lawn and views  
Einstein Memorial.

OPEN PRESS COVERAGE

The President will be met by:

Mr. Robert Berks, Sculptor

Briefing by Robert Berks on Einstein Memorial.

1:56 pm Briefing concludes.

The President proceeds to motorcade for boarding.

2:00 pm MOTORCADE DEPARTS National Academy of  
Sciences en route South Grounds.

(Driving time: 3 minutes)

2:03 pm MOTORCADE ARRIVES South Grounds.

EINSTEIN MEMORIAL



NATIONAL ACADEMY OF SCIENCES

# Robert Berks

Robert Berks, born on 26 April 1922, in Boston, studied at the Museum School of the Boston Museum of Art. During the Second World War, he conducted physical research at Harvard University. During the last three decades Berks has carried on experiments in both art and science. He, his wife and daughters live at the site of his studio in Orient, New York, on the eastern tip of Long Island.

As a portrait sculptor, Robert Berks has created more than three hundred portraits of individuals in public and private life. His subjects include Pablo Casals, Enrico Fermi, Jane Fonda, Jean Paul Getty, Ernest Hemingway, Bob Hope, Robert Kennedy, Martin Luther King, Frank Sinatra, Chaim Weizmann, and William Westmoreland. Berks has executed portraits of four presidents of the United States: Abraham Lincoln, based on the photographs of Matthew Brady, Harry Truman and Lyndon Johnson from life, and, again from photographs, Berks modeled the monumental bronze head of John F. Kennedy currently in the John F. Kennedy Center for the Performing Arts.

The portrait of Albert Einstein resulted from what the artist terms "a rare, unforgettable experience." On the night of 19 April 1953 Berks left the Princeton home of Albert Einstein with a newly completed portrait in clay. He also took with him an indelible image of the scientist at work. Einstein's great luminous head had filled the room with its aura. In contrast, he had worked in complete simplicity, filling page after page with equations. The apparatus with which he had encompassed the universe included an armchair, a footstool, a pen, a pad of paper, and occasionally, an unsmoked pipe. In the weeks that followed the image expanded metaphorically and the concept for a monument emerged.

Mr. President:

NOTE: The Arts Community is divided 50/50 on the quality of the Einstein sculpture which you are viewing today.

Therefore, it's recommended that you certainly take the time to view it, but not to praise it effusively.

Received 10:15 9/23/79

THE WHITE HOUSE  
WASHINGTON

April 23, 1979

Susan  
J

MEMORANDUM FOR SUSAN CLOUGH

FROM: Rick Hertzberg *Rick*

Subject: N.A.S. speech

These are some minor changes that Stu and Frank Press came up with this morning.

The most important is on page 10, the last paragraph. Delete from "we will probably need to curtail..." through "...earth's atmosphere."

ok  
J

Other changes, all very minor but good:

Page 1, 4th line: Should ~~also~~ *also* ~~be~~ *be* ~~deleting~~ *deleting* institution..."

Page 2, next-to-last line: Should be: "But whatever the future holds..."

Page 6, 6th line from bottom: Should be: "...national Administration that distrusted the scientific and academic communities."

Page 14, 5th line from bottom. Delete "of the key".

Page 15, 3rd paragraph, 2nd line: Should be "Yet only a tiny percentage of the world's..."

Page 19, 4th line from bottom: Should reverse these so it reads: "...will continue with a comprehensive nuclear test ban and with SALT III."

These don't matter - or he's already done them.

#

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National Academy of Sciences

I am honored [~~by your invitation~~] to address this distinguished convocation, and to join you in observing the one hundredth anniversary year of Albert Einstein's birth.

The National Academy of Sciences <sup>was</sup> ~~is~~ already a thriving institution when Albert Einstein was born. In 1942, soon after taking out American citizenship, Dr. Einstein was elected to the Academy, becoming at once its newest and ~~its~~ most eminent member. His <sup>Coming to</sup> ~~presence in~~ the United States was a matter of considered choice. In this respect, he was like many thousands of scientists from all over the world, ~~before him and after him~~ -- drawn to this country by an atmosphere of intellectual freedom, adventure, and hospitality <sup>for</sup> the pursuit of scientific truth.

That atmosphere has invigorated American life from ~~the our~~ <sup>nation's</sup> beginnings. Scientist-statesmen such as Benjamin Franklin and Thomas Jefferson were among the authors of our national

independence. Their influence helped establish the young American republic as a place where scientific endeavor was not only encouraged but honored, and it is significant that the Congress and President Lincoln chartered this National Academy of Sciences at the height of our gravest national crisis. In so doing, they demonstrated a deep understanding of the importance of science to the very survival of the nation. ~~The National Academy, a product of that understanding, has been one of its chief sustainers ever since.~~

My own interest in science began long before I ever thought of going into politics. My work as an engineer, Naval officer, farmer and businessman has given me some ~~experience~~ <sup>knowledge</sup> of ~~of~~ the many ways ~~(in)~~ <sup>(in)</sup> which science and technology enrich our lives. As President, I have become <sup>even</sup> more aware ~~than ever~~ of that contribution -- and more determined than ever to ensure that it continues. There is little that we can predict with certainty. But we can be very sure that no matter what the future holds, we will be better prepared for it if we pursue

a strong national program of support for science and technology.

That is why, even in this time of budgetary restraint, I <sup>have remained</sup> ~~am~~  
firmly committed to such a program. ~~The~~ Scientific enterprise  
has been one of the most important sources of our ~~[past]~~ growth  
and our present prosperity, <sup>and</sup> it will also be a key to our  
future strength -- but ~~only if we make it so.~~ *we cannot take this for granted.*

In this centennial year, it is well to remember that faith  
in the future was a notable quality of Albert Einstein's  
Only an optimist could have undertaken the incredibly ambitious  
task that Dr. Einstein set for himself: the discovery and  
explication of the underlying order of the universe. In his  
pursuit of that philosopher's stone, he succeeded in redrawing  
our map of fundamental reality -- with consequences for the  
lives of men and nations that will continue to be felt for  
generations to come.

Throughout his life, Dr. Einstein sought not only to  
discover order in the natural world, but also to promote

order in the <sup>human</sup> ~~political~~ world. Einstein the humanitarian has  
~~as~~ much to teach us as <sup>does</sup> Einstein the physicist. He saw the  
pursuit of science as good in itself; but he also saw that the  
uses of science are only as good -- or as bad -- as the moral  
and political choices that determine those uses. In his own  
words: "Concern for man himself and his fate must always form  
the chief interest of all technical endeavors -- in order  
that the creation of our minds shall be a blessing and not  
a curse."

The tree of science is always beautiful, but its fruits can  
be bitter as well as sweet. Our task is to nourish the tree  
and to harvest the fruits that are sweet. And that task must  
be shared by all of us -- scientists, engineers, industrial  
leaders, educators, and public officials alike.

I hope that science and technology in the United States  
will continue to be <sup>shaped</sup> ~~informed~~ by Einstein's vision of ~~a quest~~  
~~for~~ knowledge that keeps the good of human beings always at the

forefront. <sup>that</sup> It is in that context ~~that I want to discuss some~~  
~~aspects of our policy with you this afternoon. Specifically,~~  
I want to share with you <sup>briefly</sup> some ideas and observations about  
basic research; about a strategy for energy technology; about  
industrial innovation; about scientific cooperation among  
nations; and about the role of science in helping to control its  
own most fearsome offspring, nuclear weapons. And in each of  
these areas, I want to ask for your help in mobilizing our  
scientific ~~and technological~~ resources in the service of ~~the~~  
American people and the people of the world.

The last President to address a convocation of the National  
Academy of Sciences, John F. Kennedy, spoke of basic research  
<sup>these</sup> in words: ~~that bear repeating today.~~ "We realize now," he said,  
"that progress <sup>in</sup> / technology depends on progress in theory; that  
the most abstract investigations can lead to the most concrete  
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One month to the day after President Kennedy spoke those words, he was struck down, ~~and taken from us~~. So began a long period of <sup>political</sup> ~~national~~ trauma in our country, <sup>but in</sup> ~~a period that lasted~~ ~~until the middle of the present decade~~. In many ways these were exciting years in science and technology -- years of breakthrough discoveries in molecular biology, particle physics and many other fields, and of technological progress epitomized by the triumphant landing of men on the moon. Yet for scientists, as for so many of the rest of us, they were also difficult years, ~~as well~~. American science found itself beleaguered by two very different kinds of anti-intellectualism: by the romantic anti-rationalism of the counterculture, ~~on the~~ <sup>on the</sup> one hand and, on the other, by the veiled hostility of a national Administration that <sup>intellectual and</sup> ~~deeply~~ distrusted the scientific community. The latter presented the more serious threat. Federal policy toward science became infected with a simplistic search for the quick fix. Research that seemed to promise a quick payoff was <sup>more</sup> ~~amply~~ funded, while support of basic research was allowed to decline. The future of our scientific and

technological primacy was put at risk.

I came to office determined to reverse that dangerous, short-sighted trend, <sup>and</sup> ~~I come before you~~ today <sup>I</sup> to reaffirm <sup>to you</sup> my commitment to basic research -- the bedrock of our scientific and technological future.

During the two years of my Administration, I have proposed increases of more than 25 per cent in our funding of basic research, [~~placing it at an unprecedentedly high level.~~] I have asked the Congress to support this increased funding, ~~and in doing so to renew its dedication~~ <sup>in order</sup> to meeting the long-term needs of our nation.

I have also sought to strengthen basic research in the <sup>individual</sup> ~~various~~ Federal agencies, <sup>and</sup> ~~I have sought~~ to resolve non-budgetary problems that have inhibited research in our universities -- problems of unnecessary regulation and excessive bureaucratic paper-shuffling. ~~and~~ I am concerned about adequate opportunities for creative young scientists to add to the store of knowledge

in their fields.

Economists estimate that advances in knowledge have accounted for three quarters of our country's economic growth in this century. By itself, that is a decisive reason for us to support the basic research that undergirds our technological might, <sup>but</sup> the value of basic research is <sup>even</sup> ~~both~~ higher and deeper than meeting payrolls <sup>and</sup> ~~or~~ spawning new industries. ~~important as these things are.~~

The fundamental concern of basic research is the discovery of truth about the natural universe. The search for truth is a central part of what it means to be human. [ ~~And I firmly believe that we must support basic research because -- very simply -- that search for truth is something we ought to be engaged in as human beings.~~ ]

No issue illuminates our nation's practical need for science and technology more than the energy problem.

→ And ~~we~~ are in the painful situation of relying on a greedy and unreliable foreign cartel for nearly half the oil we use, ~~and~~

Oil remains by far our most important energy source As that onrushing river of foreign oil flows into our country, a river of money flows out, threatening the health of our economy, the stability of our currency, and <sup>even</sup> <sup>Security</sup> the ~~very independence~~ of our Nation.

Science and technology can change that -- but only if we commit ourselves to a <sup>national</sup> strategy of developing energy alternatives.

We have such a strategy -- one that will enable us to move away from imported oil and <sup>increasingly to non-</sup> ~~eventually,~~ away from fossil fuels ~~altogether~~ -- and I am determined that we will pursue it.

Over the next decade or so, <sup>must</sup> we ~~will of necessity~~ rely mostly on existing technologies, ~~but we will improve our position,~~ ~~and~~ pave the way for future <sup>progress</sup> ~~advances~~, by fostering conservation, domestic production of oil and gas, greater use of coal, the <sup>Safety of</sup> ~~development of~~ safe nuclear <sup>plants,</sup> ~~power,~~ and the use of solar <sup>power.</sup> ~~heating~~

~~biomass, and other innovative sources.~~

From about 1990 through the second decade of the next century, we will pass through a dramatic and sometimes bumpy period of transition. *Conservation will be forced upon us, and* the mix of our energy resources will change as we turn increasingly toward unconventional sources of fuel--synthetic oil and gas from coal, shale oil, and others. More efficient nuclear reactors <sup>can</sup> ~~will~~ stretch our uranium supplies. We will find new ways to increase the productivity of each unit of energy we use, and we will begin to use the sun for a much wider variety of energy purposes.

By the second quarter of the 21st century, <sup>may</sup> ~~we will probably~~ ~~need to curtail our use of energy sources that rely on combustion,~~ ~~because of a buildup of carbon dioxide in the earth's atmosphere.~~ We will have learned to rely on clean, essentially inexhaustible sources of energy. The principal candidates include fusion and such solar technologies as photovoltaics.

We are preparing right now for [each of] these [three] stages of our energy future. Our energy research and development program is already larger than those of all our allies combined.

But ~~I believe~~ we must do more. That is why I have proposed the creation of an Energy Security Fund to supplement our normal budget mechanisms. The revenues for the Fund will come from a <sup>windfall</sup> tax on the unearned, excess profits that would otherwise go to the oil companies because of the decontrol of oil prices -- over and above any needed incentives for exploration and production.

*provide relief to those least able to pay for more costly energy, ~~the~~ and the bulk of it will large sums will*

The ~~bulk of the~~ Energy Security Fund will go to finance projects that are important to our energy future -- including a regional petroleum reserve, better mass transit, coal and oil shale development, and new incentives for solar techniques.

~~The EST will also provide relief to those least able to afford the increasing cost of energy.~~

The Energy Security Fund faces a difficult passage through

*Insert A*

the Congress. ~~I ask for your support in helping our country take this important step away from excessive dependence on the oil cartel.]~~

4/22/79

Chas A

because the public supports  
our proposals.

But we are making progress. Many of those who only a few weeks ago were dedicated to killing outright the windfall profits tax [~~and the Energy Security Fund it was designed to finance~~] have now given up on that fight. But the battle is far from over. Their new strategy seems to be to try to hoodwink the American people by passing a windfall profits tax that is in fact a charade -- a tax [~~that is~~] designed primarily to provide loopholes so the oil companies will get <sup>another</sup> \$4 or \$5 billion in unearned profits on top of the \$6 billion they ~~will~~ would get under decontrol with an honest windfall profits tax.

They will try to pass this charade off on the American people as a "plough back" provision. But it isn't a "plough back"; it is a "plough under" and a "kick back", and what is going to be plowed under is the Energy Security Fund with its aid to research and to the poor, and what is going to be kicked back to the oil companies is the money that would be used to finance those <sup>necessary</sup> programs.

ask

I ~~call on you~~ for your support in the battle to pass an honest windfall profits tax to finance a real E.S.F. <sup>Energy Security Fund</sup> for our Nation.

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And, ~~even more important,~~ <sup>also</sup> I call on all of you in the scientific and engineering communities to fulfill the trust of the American people <sup>by creating</sup> ~~in your ability to create~~ the new energy technologies that are so vital to the future well-being of our nation.

We need innovation on a broader scale as well, <sup>for new ideas</sup> ~~innovation~~ in American <sup>are</sup> ~~industry is~~ central not only to reducing our dependence on foreign oil, but also to our efforts to control inflation, improve productivity, protect the environment, and ensure the prosperity of our people.

We tend to think of the inventiveness of American industry as a kind of <sup>inevitable</sup> birthright, <sup>weak</sup> ~~Yankee ingenuity will find a way --~~ ~~and if that fails, there is always Dixie ingenuity.~~

but complacency is the last thing we can afford. Too many of our industries have gone stale. Innovative industries in countries such as Japan and West Germany put too many of ours to shame. Our competitiveness has begun to slip.

We must nurture ~~innovation, and create~~ an environment in which the new idea and the fresh approach are put to use.

The Federal government bears a large share of ~~that~~ <sup>this</sup> responsibility. We must ~~find ways to~~ change government practices that thwart innovation, while ~~harnessing~~ <sup>enhancing</sup> government policies ~~which~~ <sup>which</sup> ~~to the task of encouraging~~ the development of new products and processes.

My Administration is ~~in the midst of~~ examining this long-neglected problem. Last year, I directed the Secretary of Commerce to begin a major study of industrial innovation. That study, involving some thirty Federal departments and agencies, and consultations with industry, labor, the universities, and the public, will soon be completed. I look forward to reviewing recommendations -- and to acting on them.

Many of you in this room today are leaders of American business and industry, <sup>and</sup> I ~~particularly~~ <sup>emphasize</sup> call on you to ~~do all~~ you can to foster innovation in the companies you serve. Like

Federal support of basic research, industrial investment in *basic and applied research -- in* new products and processes <sup>is</sup> a practical testament of faith in the future.

Since Kepler's day and before, scientists have been perhaps the most international of all professions in their outlook. In our own time, the explosion of communications and technology has made international scientific communication both easier and more urgent than ever.

Albert Einstein himself operated on what even then was a modest budget. He needed little more than a few sharpened pencils and a quiet place to think. But as you know, the task of building upon his work can be <sup>much</sup> ~~considerably~~ more expensive. Many of the key experiments yet to be done -- in both basic and applied research -- are on a monumental scale. Our choice in the years ahead will be <sup>between carrying</sup> ~~to carry~~ out the few large projects we can afford on our own -- or <sup>doing</sup> ~~to do~~ many more in cooperation with other ~~advanced~~ nations.

I believe ~~we~~ <sup>we must</sup> should continue to choose cooperation -- for reasons that go beyond the considerable benefits of sharing costs and ideas. With our traditional friends, scientific and technological cooperation can strengthen existing bonds. With others, it can help bridge political, ideological, and cultural divisions.

One of the most important purposes of international cooperation in science and technology is to meet the development needs of the poorer countries of the world.

The future of the advanced countries is increasingly tied up with that of the developing world. Yet only about one percent of the world's civilian research and development is ~~(today)~~ devoted directly to the problems of the poorer half of humanity -- problems such as poverty, disease, hunger, education, and resource development. ~~(I think)~~ <sup>we</sup> should be doing more.

A year ago, I proposed the creation of a new Institute for Scientific and Technological Cooperation -- to mobilize the

talents of scientists and engineers in this country and in the developing world to address these critical problems. ~~The Institute could change the nature of our relationship with the poorer countries.~~ Instead of providing relief, we would aid the third world in building its own corps of development scientists and decision-makers. And we would join them in mutually beneficial projects in ~~[such areas as]~~ agriculture, medicine, industrialization, and appropriate energy systems.

The Institute for Scientific and Technological Cooperation has been approved by the House of Representatives and is now before the Senate. ~~I hope it will receive the full support of the scientific community.~~ *It needs your full*

Let me turn now to the use and exploration of space, where, ~~we are entering a period at once more practical and more audacious than what has gone before.~~ In space as on earth, our purpose is human betterment -- material, intellectual, and spiritual.

*reap a good*  
In the coming era, we will ~~see considerable~~ return on the

more than \$100 billion the United States has invested in space.

From platforms in space we can <sup>improve</sup> ~~change~~ our world. Every year, satellites make new contributions in such areas as agriculture, environmental monitoring, land use, resource discovery, climatology, and communications.

With the advent of the Space Shuttle, we will have an unmatched ability to work in space. We will see a flowering of research and industrial activities in space, and we will make quantum jumps in international cooperation, ~~in space~~, advancing the causes of peace and human development.

But the increasing practical use of space does not mean that space will become mundane. On the contrary, our exploration of the solar system and the universe beyond will continue.

Mankind's leap into space <sup>has</sup> changed human consciousness forever. The era of manned exploration of deep space is still well in the future, but our senses are already penetrating the outer reaches of the solar system and beyond. No one who has

seen those breathtaking pictures of Jupiter and its moons sent back by Voyager 1 could fail to have been surprised and delighted by them. We can expect many more such surprises, many more such delights, as we probe further into the universe and <sup>its</sup> ~~the~~ mysteries ~~it holds~~.

*Finally, let me say that*  
^ of all the fruits of science, none is more bitter than nuclear weapons. And of all the responsibilities of nations, none is more urgent than the control of this most terrible menace to our lives and our civilization.

All of us are thankful that the recent accident at the Three Mile Island in Pennsylvania ended without harm to the public. That accident may <sup>ever</sup> have ~~inadvertently~~ served some positive purposes.

It has of course led us to redouble our determination to <sup>improve the</sup> ~~make~~ *safety of* nuclear power, ~~safer~~. Even more important <sup>ly</sup>, however, it has reminded us vividly of the dreadful consequences <sup>of</sup> ~~that would attend~~ a nuclear war.

We have lived too long with nuclear weapons. We have grown

*accustomed*

too ~~used~~<sup>^</sup> to their shadowy presence in our lives. We are too apt to forget what the ultimate horror would be ~~like~~: the instant death of millions and the agonizing death of millions more; the destruction of the cultural legacy of mankind; the poisoning of air and soil and water for many dark generations to come. In an all-out nuclear exchange, the victim would be nothing less than the past, the present and the future of our species.

When President Kennedy addressed this body sixteen years ago, the Senate had just ratified the first significant step in nuclear arms control, the atmospheric test ban treaty. The SALT II treaty now nearing completion is part of that same process -- a long, slow ~~process~~<sup>progress</sup> of gradual steps toward sanity, based on mutual self-interest. And after SALT II~~x~~ that process will continue with SALT III and with a comprehensive nuclear test ban.

SALT II will reduce the risk of nuclear war by lowering levels of strategic arms, constraining development of new weapons systems, and contributing to a more stable political

relationship with the Soviet Union. Many of the issues involved in assessing the treaty are very complex technically, and the American people will look to the scientific community to help shape an educated public debate. Many of you devoted much ~~time~~ *effort* and ~~energy~~ to the debate over the SALT I agreement, and your ~~efforts~~ played a major role in forming the consensus that developed behind that treaty. Today I ask you for a renewal of that commitment.

If science gave us nuclear weapons, it is no less true that science has given us the extraordinarily ~~sophisticated~~ means of verifying compliance with treaties governing those weapons. In the great SALT II debate which has already begun, the participation of scientists will be crucial.

*a/s.*  
Albert Einstein ~~once~~ said:

"The importance of securing international peace was recognized by the really great men of former generations. But the technical advances of our times have turned this ethical postulate into a matter of life and death for civilized mankind today, and made it

a moral duty to take an active part in the solution of the problem of peace, a duty which no conscientious man can shirk."

Those words were more prophetic than anyone could know, for they were spoken more than a decade before the explosion of the first atomic bomb. I urge <sup>you</sup> ~~everyone in this room~~ to heed them as

*Conclude SALT II --*  
we ~~must~~ the next step towards arms control and peace. ~~SALT II~~  
~~is that step. I urge you to support it.~~

Americans once had an unquestioning faith in science as a savior. We have grown more skeptical of science, as of so much else. But we still look to our scientists and engineers, our medical researchers and our doctors, our inventors and our thinkers, to improve our lives and <sup>the</sup> lives of our children.

<sup>My</sup> ~~I have made~~ a concern for the state of <sup>American</sup> ~~our~~ science and ~~technology~~ <sup>is now</sup> ~~has made~~ <sup>new</sup> a keystone in building ~~a keystone of our~~ efforts ~~to build~~ a new and solid foundation for our common future. I look to the members of this Academy, to the entire scientific and engineering community, to the Congress, and to the <sup>of our country</sup> ~~American~~ people to join these efforts, <sup>for a greater America.</sup>

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