

5/15/79 [2]

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THE WHITE HOUSE

WASHINGTON

May 15, 1979

Dear Mayor Donnelly:

President Carter was pleased to accept the City of Newport mug today which was presented to him on behalf of the citizens of Newport, members of the City Council, and you as Mayor. The President especially appreciated your written words of support and the invitation to visit or vacation in Newport!

Enclosed are photographs which President Carter has inscribed to you and to the citizens of Newport -- sent with his best wishes.

Sincerely,



Susan S. Clough
Personal Assistant/Secretary
to the President

The Honorable Humphrey J. Donnelly, III
Mayor of Newport
City Hall
Newport, Rhode Island 02840

RECEIVED

MAY 14 1979

CENTRAL FILES

6

Dear President Carter,

If possible, could you please autograph a picture of yourself for the citizens of Newport and one for Officer Conti. The picture for the citizens will be hung at our City Hall. The address is City Hall, Broadway, Newport R.I. 02840.

Officer Conti's address is 13 Marlborough Street, Newport, R.I. 02840.

THE WHITE HOUSE
WASHINGTON

to stripping desk

FROM
THE WHITE HOUSE
WASHINGTON, D.C.

5-16-79

Officer Al Conti
13 Marlborough Street
Newport, Rhode Island 02840.



*Best wishes to Al Conti
Jimmy Carter*



Best wishes to The Citizens of Newport
Jimmy Carter 1979



Best wishes to Mayor Humphrey Donnelly
Jimmy Carter



Office of the Mayor
HUMPHREY J. DONNELLY III
CITY HALL
NEWPORT, RHODE ISLAND 02840

Susan
Comply
← LMS
J

May 14, 1979

The President
White House
Washington, D. C.

Dear Mr. President:

On behalf of the citizens of Newport, Rhode Island, the City Council, and myself, I have asked Police Officer Al Conti to present you with a City of Newport mug. This is a personal gift to you and is a token of the esteem that all of us here in Newport have for you, not only as our President, but as an outstanding example of a good and Christian person.

Newport has been a great favorite with several of our past Presidents as a vacation spot because of the many diversified attractions we have to offer. In that regard, inasmuch as I have met your lovely wife and daughter-in-law, Judy, when they were in Newport on various occasions, but have never had the privilege of meeting you personally, please allow me to extend to you and your family an invitation to visit our City some day.

Very respectfully yours,

Humphrey J. Donnelly III
Mayor

HJD:cjf

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THE WHITE HOUSE
WASHINGTON

5-15-79

To Jim Schlesinger

Meet right away with
Graham Clayton re his serving
as Deputy Sec. of Energy.

He would be a superb
addition to your department
and I hope you can
recruit him -

Thanks,
J. C.

bcc: Tim Kraft

THE WHITE HOUSE
WASHINGTON

3:05 p.m.
May 14, 1979

MR. PRESIDENT
SECRETARY BLUMENTHAL
CALLED.

PHIL

PHIL

**Electrostatic Copy Made
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11:00 AM

THE WHITE HOUSE

WASHINGTON

ANNOUNCEMENT OF SUBMISSION OF
MENTAL HEALTH SYSTEMS ACT

Tuesday, May 15, 1979
11:00 a.m.
Press Room

From: Stu Eizenstat
Joe Onek

I. PURPOSE

To announce the submission of the Mental Health Systems Act to Congress.

II. BACKGROUND

On February 17, 1977 you established the President's Commission on Mental Health, with Mrs. Carter as Honorary Chairperson and Tom Bryant as Chairperson. In April 1978 the Commission issued its report and recommendations. The Administration has already begun implementation of some of its recommendations: we have proposed increases in mental health research and increased reimbursement for out-patient mental health care under Medicare. The legislation you are submitting to Congress today (Message attached) seeks enactment of most of the other Commission recommendations.

III. FORMAT AND PARTICIPANTS:

You and Mrs. Carter will make opening statements. Secretary Califano will brief the press and answer questions about the legislation. Tom Bryant will also be present.

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IV. TALKING POINTS

- Millions of Americans are robbed of vital and satisfying lives by mental illness. They suffer, their friends and families suffer, and our whole society suffers.
- One of the first things I did after becoming President was to establish the President's Commission on Mental Health, with Rosalynn Carter as Honorary Chairperson, and Tom Bryant as Chairperson. Both Rosalynn and I knew from our experience in Georgia that people with mental and emotional disabilities were not being adequately cared for. There was too much emphasis on institutional care and not enough on care in the community. There were not enough services for the poor and minorities, and for the elderly and children.
- The Commission's report demonstrated that despite some progress in recent years, these same problems exist throughout the nation. I am today submitting to Congress new legislation -- the Mental Health Systems Act -- which seeks to remedy these problems.
- This legislation establishes a new partnership between the federal government and the states in planning and providing mental health services. It seeks to assure that the chronically mentally ill no longer face the cruel alternative of unnecessary institutionalization or inadequate community care. It provides support for states which are developing quality alternatives to institutionalization.
- The legislation makes federal funding for community mental health services more flexible. In the past federal funding was available only for centers which provided a comprehensive range of mental health services. But there are communities which either cannot afford or do not need a comprehensive center. Under the new legislation, they will be able to get funding for a specific purpose, such as services to disturbed children.

- The legislation places a new emphasis on prevention of mental illness. It awards grants to states and localities to develop mental health prevention programs.
- The bill also increases the availability of mental health personnel in rural and inner city areas by requiring that mental health professionals who receive federal support for their training work for a period of time in underserved areas.
- This bill doesn't stand alone. We have proposed increased support for mental health research. We have proposed increased Medicare reimbursement for out-patient services. All of these actions taken together will help reduce the tragic suffering which mental illness causes in our nation.

PRESIDENT'S MENTAL HEALTH MESSAGE

I am today submitting to Congress the Mental Health Systems Act. This proposed legislation establishes a new partnership between the federal government and the states in the planning and provision of mental health services. It seeks to assure that the chronically mentally ill no longer face the cruel alternative of unnecessary institutionalization or inadequate care in the community. It provides local communities with more flexible federal support for mental health services and places a new emphasis on the prevention of mental illness.

I am deeply committed to reducing the tragic toll which mental illness exacts from our citizens and our country. Less than one month after entering office I signed an Executive Order creating the President's Commission on Mental Health with Rosalynn Carter as Honorary Chairperson. I directed the Commission to undertake an intensive study of the mental health needs of our nation and to recommend appropriate ways of meeting these needs.

During our years in Georgia, both Rosalynn and I became keenly aware of the unmet needs of people in our state who suffered from mental and emotional disabilities. Those with chronic mental illness were too often locked away in isolated institutions far from family and friends. Children and adults with signs of developing mental and emotional problems did not have access to early detection and prevention programs. Community-based care was beginning to develop but was constantly stripped of its full potential by inflexible program models designed for the "average" community, rather than for the particular needs of a given locale or state. Special populations such as the elderly, children, and racial and ethnic minorities were not receiving care designed to meet their special needs. For those who required hospitalization there were almost no alternatives to large state mental hospitals. Aftercare was almost non-existent for patients released from those hospitals who returned to their home communities.

While I am proud of what we accomplished in Georgia to begin to solve these problems, my concern that similar problems exist throughout the nation prompted me to establish the Commission and to ask it to report back to me in one year with its findings and recommendations. The excellent final report of the Commission presented to me last April made clear that the past 30 years had seen tremendous achievement on behalf of our mentally ill population. Not only had there been a dramatic shift of emphasis from inpatient care to community-based care, but great strides had been made in mental health-related research, and thousands of mental health personnel had been trained. However, the report also contained unmistakable evidence that there are unmet needs in every region of our country.

Some of the key Commission findings dramatically illustrated the challenges this nation faces in meeting the needs of the mentally ill:

- According to the most recent estimates, between ten and fifteen percent of the population -- 20-32 million Americans -- need some form of mental health services at any one time.
- Substantial numbers of Americans do not have access to mental health care of high quality and at reasonable cost. For many, this is because of where they live; for others, it is because of who they are -- their race, age, or sex; for still others, it is because of their particular disability or economic circumstance.
- There are approximately 1.5 million chronically mentally disabled adults in mental hospitals, nursing homes and other residential facilities. Many of these individuals could lead better lives in less restrictive settings if mental health and supporting services were available in their communities. The problem is that for them -- and for the hundreds of thousands of patients who have been returned to their communities from large institutions over the past few years -- such support services are seldom readily available. As a result, evidence indicates that half the people released from large state mental hospitals are readmitted within a year of discharge.
- There is insufficient emphasis at federal, state, and local levels on prevention and early detection of mental disorders. Infants and children would especially benefit from expanded prevention efforts, since early intervention with problems in physical, emotional and cognitive development can prevent more serious mental and emotional problems in the future.
- Conflicting policy objectives in various Federal health and mental health programs and between federal and state programs often lead to confusion, fragmentation of services, and a lack of continuity of care for those with mental and emotional problems. In addition, diverse federal planning requirements and poorly developed planning capabilities at the state and local levels have perpetuated the lack of integrated planning necessary to build a nationwide network of accessible public and private mental health services.

- The lack of flexibility in Federal funding of community-based services has prevented some communities from providing services to their underserved populations. Although over 700 Community Mental Health Centers provide services to almost 3 million patients annually, this model of organizing services cannot fit the needs of all people and all communities. Therefore, varying approaches to developing comprehensive community mental health services should be encouraged.
- About two-thirds of all mentally ill persons being treated in this country every year are receiving care in the general health care system. Nevertheless, cooperative working arrangements between general health care settings and community mental health programs are rare.
- Over the past several years, there has been a marked increase in the number of professional and paraprofessional mental health practitioners. However, rural areas, small towns, and poor urban areas still have only a fraction of the personnel they need. Many mental health facilities have a shortage of trained personnel. The mental health professions still have too few minority members, and there is a shortage of specialists trained to work with children, adolescents, and the elderly.
- Since 1969, our national mental health research capacity has undergone substantial erosion and our investment in mental health research is now so low that the development of new knowledge is jeopardized.

To deal with these and other problems in the mental health arena, the Commission developed a series of recommendations for bold new action to improve our nation's mental health. Many of these recommendations served as a blueprint for the proposed Mental Health Systems Act.

The proposed Act charts a new course for mental health care which promises comprehensiveness, flexibility and innovation. For the first time in the history of federal involvement with mental health care, a true, performance-based partnership

would be created between the federal and state governments. Special emphasis is placed on the chronically mentally ill. Recognizing that this population has long been the most neglected of any mentally ill group, the proposed Act provides support to states which are phasing down large state hospitals, upgrading the quality of services in remaining institutions, and providing quality alternatives to institutionalization. I believe that these provisions of the Act will encourage the development of a comprehensive, integrated system of care designed to best serve the needs of chronically mentally ill adults and children.

Another innovation is the proposed Act's emphasis on prevention. States and localities are awarded grants to develop preventive and mental health promotion programs through public and professional education and demonstration projects. Such programs, I believe, will lay the foundation for the future in mental health care as we learn how to prevent mental illness before it occurs.

The proposed legislation gives a new and much needed flexibility to community mental health programs. It authorizes funds for one or more mental health services without requiring that a comprehensive package be developed as a prerequisite for financial assistance. This new flexibility will enable communities to provide services to its most underserved populations -- whether the chronically mentally ill, children, the elderly, racial and ethnic minorities, the poor, rural residents, or other groups -- and build toward a comprehensive system of care for the entire community over time. In addition, by providing financial incentives for closer coordination between ambulatory health care providers and mental health care providers, the Act takes an important step toward assuring that appropriate mental health care is available for all who need help.

The Act also guarantees increased availability of mental health personnel in underserved areas by requiring that mental health professionals who receive federal support for training work in an area with a shortage of mental health personnel for a period equal to the length of the support.

It is, of course, impossible for any one piece of legislation to meet all the mental health needs of the nation. The federal government has already sought to implement many of the recommendations of the Commission in other ways:

- To increase the development of new knowledge about mental illness, the 1980 budget provides additional funding for research into disabling mental illness, and for determining ways to improve the delivery of mental health care.
- To increase the availability of mental health services for the elderly, changes have been proposed increasing the Medicare reimbursement ceiling for outpatient mental health services and decreasing the beneficiary's co-payment requirement. Also, the Child Health Assurance Program will mandate that states provide mental health services for Medicaid-eligible children.
- To assist the chronically mentally ill to function effectively outside of institutions, the Departments of Health, Education, and Welfare and Housing and Urban Development have initiated a joint demonstration project which provides both housing and support services.
- To promote protection of the rights of the mentally ill, the Administration is funding demonstration projects which deliver advocacy services to the mentally ill and is studying existing advocacy programs to determine the appropriate role for the federal government in this area.

I am convinced that these actions and the passage of the Mental Health Systems Act will reduce the number of Americans robbed of vital and satisfying lives by mental illness. I ask the Congress to join with me in developing a new system of mental health care--designed to deal more effectively with our nation's unmet mental health needs.

2:45 PM

THE WHITE HOUSE
WASHINGTON

5/15/79

Mr. President:

Do you want to meet
with Blumenthal today?

yes

no

Phil

C

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THE WHITE HOUSE
WASHINGTON

15 May 79

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

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

Rick Hutcheson

EYES ONLY

ADMINISTRATIVELY CONFIDENTIAL



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

ACTION
FYI

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

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

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

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

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

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/

May 12, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *ccs*

SUBJECT: Weekly Report

Regulation

On Thursday, May 10, Don Kennedy (FDA), John White, and I testified on the Regulation Reform bill before the Senate Judiciary Committee. Senators Kennedy and Culver were in attendance. Senator Kennedy asked about the progress of trucking deregulation and seemed interested in a more definite timetable for an administration announcement. (But he did not press the point). Senator Culver fulminated (arm-waving, shouting, etc.) about the possibility of economic advisers being used as funnels for political pressure and industry viewpoints and riding roughshod over health and safety and environmental regulators. (After a period of restraint, I answered in kind). Our staff will continue to work with DPS staff and OMB staff on this legislation. It appears that we can work successfully with the Judiciary Committee staff.

Energy

On Friday, May 11, I testified on the oil decontrol program and the windfall profits tax before the House Ways and Means Committee. There is, as you know, much interest on their part in "toughening" the tax. Both Blumenthal and I told them the Administration would be glad to work with the Committee to explore ways to do so that had minimum impacts on production incentives. CEA staff is also involved in consultations with representatives of Governors and others concerning the design of the energy assistance to the poor. Governors' representatives naturally have a strong preference for maximum state flexibility. They also appear to feel strongly that some sort of weatherization and crisis intervention programs are important.



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National Health Insurance

A draft memo on phase one of the National Health Plan has been circulated. The Economic Policy Group is concerned about the total cost of the program, the assumptions about the federal role, and about some of the elements of the program.



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

May 11, 1979

C
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MEMORANDUM FOR THE PRESIDENT

FROM HALE CHAMPION

SUBJECT: Weekly Report of HEW Activities

- Cost Containment: We have worked out an agreement with Congressman Fowler, and he will now support the bill. We are working with him to devise a number of amendments which will satisfy Congressmen Jenkins and Gibbons. We believe that, with these amendments, Jenkins and Gibbons will support the bill; Fowler hopes to have the three of them announce their support together.
- Child Health: On Wednesday Secretary Califano will testify before the House Commerce Subcommittee on Health and the Environment (Waxman) on child health. He will describe the CHAP bill and review administrative steps we are taking to coordinate the Department's various child health programs so that all eligible children receive the maximum benefits available under current legislation.
- Ethics: There are a number of people here, such as Don Fredrickson and Arthur Upton, who are still concerned about the ethics law and the effect it may have on their activities when they leave HEW. Although they will be satisfied by passage of the amendments, they have indicated that if the amendments are not enacted within the next five to ten days, they will take steps to leave. I urge you to have your staff do everything they can to get the amendments through this coming week.

Hale Champion

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EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

C
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May 11, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: CHARLES WARREN
GUS SPETH
JANE YARN

A.S.

SUBJECT: Weekly Status Report

Nuclear Power. Your remarks in Iowa last Saturday on nuclear safety and related issues were excellent. We believe you should build on the approach taken there. In 1976 you had the support of nuclear critics, but it has slipped seriously in recent months. We think that this situation can be greatly improved.

The nuclear power issue should not divide key Democrats. We believe that there is wide agreement on the following points:

- o nuclear power plants should be built and operated so that they are as safe as humanly possible;
- o the country needs the nuclear power plants now operating and will eventually need those under construction (though it may not need more); and
- o U.S. reliance on nuclear power should be kept to a minimum and held to as short a period as possible by putting priority attention on long-term conservation, solar, and other renewable resource energy supplies.

In the weeks ahead these points should be developed into a broadly acceptable policy. At Stu's request we have provided him with a list of about 10 initiatives which could be taken in the near future.

Among our initiatives was one dealing with the 23-7 vote Wednesday by the House Interior Committee for legislation that would halt NRC issuance of new construction permits for nuclear power plants for 6 months. O'Neill is reported as predicting overwhelming support for the proposal on the House floor. A purpose of the halt is to allow new safety restrictions to be developed. Support for this legislation and deferral of our controversial nuclear licensing bill are two of the recommendations in our memo to Stu.

Solar Energy. It is important that your solar energy message be given highest priority. By inaction we are losing the sense of leadership and initiative that you fostered with your Sun Day speech and the interagency Solar DPR. The February Solar DPR report to you provides an excellent basis for a strong federal program and an impressive national goal for solar. We will continue working with others to get a decision memorandum to you quickly.

Community WASHINGTON, D.C. 20506
Services Administration



C

May 11, 1979

MEMORANDUM TO THE PRESIDENT

Attention: Rick Hutcheson
Staff Secretary

FROM: Graciela (Grace) Olivarez 
Director
Community Services Administration

SUBJECT: Weekly Report of Significant Agency
Activities
(May 7 - May 11, 1979)

Rural Energy Initiatives - Fuel Alcohol Development

Following your announcement of the Rural Energy Initiative, the Community Services Administration (CSA) met this week with the Departments of Energy and Commerce to begin implementation of your fuel alcohol development rural initiative.

Urban Initiative -- Anti-Crime Program for Public Housing Projects

CSA joined with the Department of Urban Development and the Law Enforcement Assistance Administration to announce an interagency anti-crime initiative to co-target resources to those public housing projects which propose the most comprehensive and workable anti-crime plans. CSA's Community Action Agencies will work with public housing projects in developing proposals and carrying out the program.

Recycling in Your Community

The ~~attached~~ booklet, Recycling in Your Community: A Guide to Make it Happen, has just been prepared by the Fresno County Economic Opportunities Commission. It will be distributed to Community Action Agencies and other community-based organizations throughout the nation.

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THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

May 11, 1979

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM : Brock Adams

SUBJECT: Significant Issues for the Week of May 7

Automotive Summit Meeting - Arrangements have now been confirmed for you to convene the automotive summit conference on Friday, May 18 at 2:00 p.m. I have been working with Stu Eizenstat, Frank Press, Frank Moore, and Jack Watson on the arrangements for your session with the Board Chairmen of the four major U.S. auto companies.

Update on Milwaukee Railroad - On May 4 a special court hearing permitted the financially distressed Milwaukee Railroad to borrow \$15 million from its subsidiary land company to continue operations into early June. Proceedings are also underway on the Railroad trustee's controversial proposal to stop operations on 7,400 miles of the present 10,000-mile rail system. The Department of Transportation position will be that \$20 million in emergency rail funding is available to assist in a transition. We have asked the solvent rail carriers in the region if they are going to try to effect an orderly acquisition of some of the Milwaukee's properties. The Interstate Commerce Commission is prepared to issue necessary orders to preserve essential Milwaukee service during a 240-day transition period.

Energy - I will be speaking in Chicago, Illinois, Portland, Oregon, and Spokane, Washington next week - National Transportation Week - and will stress SALT II and the urgent need to support the Administration's energy program.

According to information my Department is receiving, the diesel fuel situation for the bus/public transit industry west of the Mississippi is serious. Concern has been expressed about fuel allocations in the Chicago Metropolitan area, in the Oakland, California area, and in Tuscon, Arizona. Diesel fuel stocks in the West are lower than they have ever been previously. Also, major suppliers of jet fuel are not making any new supply commitments, allocation levels are 80 to 95 percent of last year's levels and some prices are running twice as much (from 40 cents to 80 cents) as regulated prices. I have written to Jim Schlesinger about this situation and have offered the assistance of my staff.

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Auto Repair Abuses - On Monday I released the results of an undercover survey of automobile repair shops that found 53 cents of each dollar was wasted on needless repairs. My Department carried out this survey in 62 shops in six States in cooperation with the District Attorneys' offices. This was the first effort to gather auto repair data in a systematic way in several cities and it has received excellent press coverage. Our next steps to reduce auto repair fraud and incompetence will include: encouraging district attorneys to initiate programs to uncover deceptive practices; and convening a consumer conference on this problem in Washington later this month.

Assistance to New York City - Due to a strike by tug boat operators in New York City, pursuant to your instructions last week, I have directed the U.S. Coast Guard to provide assistance in the removal of incinerated garbage from transfer facilities in New York. Since Monday, May 7, 1979, three Coast Guard cutters, working in excess of 15 hours a day, have been hauling barges from Manhattan to a landfill on Staten Island. I have also directed that arrangements be made to receive such reimbursement from the City as is permitted by law. The New York State Supreme Court has ordered the towing company, whose employees are on strike, to deliver three tugs to the City for use in moving garbage. However, the City is having difficulty crewing these vessels because of the labor-management dispute. It therefore appears likely that the Coast Guard operation will continue for at least one week. The Cutters engaged in this operation had been employed in enforcing controls over deep draft vessels since the onset of the tug boat strike, as well as being available to cope with fires, collisions, pollution incidents, and groundings. Thus, the Coast Guard's ability to respond in normal mission areas has been somewhat reduced.

Minority Colleges Workshop - This week the Department held a three-day conference for representatives of more than 100 minority colleges and universities. The conference will acquaint these institutions with research, training, business, and employment opportunities in the Department of Transportation. This conference is part of the Department's aggressive efforts to respond to your Presidential Memorandum of January 17, 1979 requesting that minority colleges and universities be given a fair opportunity to participate in Federal programs.

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

FYI

REPORT TO THE PRESIDENT

May 11, 1979

Secretary Kreps today signed the claims and assets agreement which Secretary Blumenthal had negotiated earlier with the Chinese. During her trip to China, she has also concluded agreements covering meteorology, oceanography, fisheries, trade exhibitions, and exchange of scientific and technological information. You will be provided with more detailed information upon Secretary Kreps' return from China.

Yesterday, action on a bill that contains substantial portions of the Administration's proposals to strengthen and consolidate Federal economic development programs was completed by the House Committee on Public Works and Transportation. The bill is most responsive in its provisions for an expanded private sector development financing program with both the full range of authorities and the total funding level requested. The one major problem area is that, although the bill includes the new eligibility criteria proposed by the Administration, it also continues existing eligibility criteria. This action increases substantially the number of areas eligible for EDA assistance, a situation that will have to be rectified in the course of future legislative action. We hope to have the Administration's eligibility criteria incorporated in the bill passed in the Senate and adopted subsequently by the House and Senate Conference Committee. The House bill also provides authorities and funding levels for the new development grants program proposed by the Administration.

In the Senate, the Administration's bill is being considered by both the Committee on Environment and Public Works and the Committee on Banking, Housing, and Urban Affairs. Because of the logjam of pending legislation, the Public Works Committee did not have time to consider thoroughly the proposed bill and reported out a simple one-year extension to meet the May 15 deadline set by the Budget Committees. However, the extension will include the funding levels we requested. Senator Randolph and others on the Committee have assured us that they intend to examine the Administration's bill in-depth. They will focus on the proposed eligibility system and consolidation aspects of the program after May 15, and hold a second mark-up session during the first week of June.

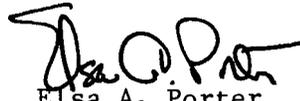
The Senate Banking Committee reported out a bill that contains the requested development financing authorities with reduced funding levels. This Committee also has indicated that it will reexamine the Administration's proposals and its bill in an additional mark-up session in early June. Commerce officials, with assistance from White House staff, will continue to work with the Committees and their staffs to get approval of legislation consistent with the Administration's proposals.

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Significant progress is being made toward Knoxville Energy Expo '82 (Presidential Proclamation 4628). The Department has sent to OMB an FY 1980 budget amendment request and a plan for Federal participation. The authorization bill for the U.S. pavilion will follow separately. Department officials are keeping Senators Sasser and Baker informed of our progress. The Soviet Union has already selected a site at Knoxville and other nations are visiting for that purpose. Construction is planned to begin in February 1980.

Mark-up on legislation to revise and extend the Export Administration Act has been concluded in the Senate Banking Committee and the House Foreign Affairs Committee. Both bills were modified substantially to accommodate Administration positions. We hope that the major remaining differences will be resolved during floor action or in conference.

The Interagency Study of the Economy of Puerto Rico is near completion. The study, which you requested following your March 1977 meeting with Governor Romero-Barcelo, examines Puerto Rico's economic problems and the impact of Federal programs on the island. Commerce has managed the preparation of the 3,500-page report. Last week, Governor Romero-Barcelo indicated his satisfaction with the study and agreed to our plans for publication as soon as possible.


Elsa A. Porter
Acting Secretary



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

May 11, 1979

Principal Activities of the Department of Justice
for the Week of May 5 through May 12, 1979

1. Meetings and Events

On Sunday, the Attorney General gave the commencement address at Duke University School of Law. On Monday, he introduced Senator Kennedy for an address to the Fifth Circuit Judicial Conference meeting in Atlanta. On Tuesday, the Attorney General addressed and answered questions from the employees of the Central Intelligence Agency (a copy of the text has been sent to the President earlier by separate cover). The Attorney General and Chief Justice Burger addressed the Fifth Circuit Judicial Conference on Wednesday.

2. Gasoline Stations Shut-down Investigation

The Department announced on Friday, a civil investigation into the threatened four-day shut-down of gasoline stations later this month in various sections of the country. The Department learned that a number of state retail gasoline dealer associations have urged their members to close their stations from May 17 to May 20, 1979, allegedly to protest Department of Energy regulations that govern their profit margins. Similar shut-downs may also be planned for June and July. Concerted action by dealers to close their stations may constitute both an unlawful withholding of supplies and a concerted refusal to deal (i.e. a group boycott) in violation of section one of the Sherman Act. If the threatened shut-downs violate federal antitrust laws, the Department would take appropriate action to prevent such activity.

3. AFL-CIO v. Kahn

On May 2, 1979, the AFL-CIO and the United Rubber Workers Union sought to have the federal court in the District of Columbia enjoin what they characterized as "Executive Branch interference" in the ongoing labor negotiations with rubber companies. The court refused to grant such a temporary injunction but scheduled a final hearing on the merits for May 16, 1979. The Department is ready to seek an immediate appeal if the unions succeed in convincing the District Court that voluntary wage and price standards coupled with the procurement regulations in Executive Order 12092 add up to illegal "mandatory" wage and price controls.

4. The National Organization for the Reform of Marijuana Laws (NORML) v. Department of State, et al.

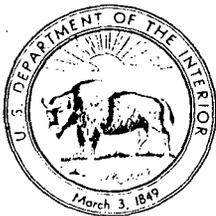
The D.C. Circuit dismissed the appeal in this case pursuant to a stipulation for dismissal. The Department of State strongly endorsed the terms of the stipulation. This concludes a difficult case. In the district court, the Department of State agreed to prepare an Environmental Impact Statement (EIS) and an Environmental Analysis (EA) on the effects of its marijuana and opium poppy eradications program in Mexico, in order to avoid a judicial determination on the applicability of the National Environmental Policy Act outside the United States. While the case was pending in the court of appeals, the President issued Executive Order 12114 concerning overseas environmental effects of federal actions.

5. Foreign Intelligence Surveillance Court

As a result of the Attorney General's consultation with the Chief Justice and the DCI, two new courts will be established next week to implement the Foreign Intelligence Surveillance Act. The Chief Justice will designate seven judges for a court to grant warrants for electronic surveillance for counterintelligence purposes, and three judges will be designated as a Court of Review for government appeals of warrant rulings.

5. Judicial Selection

There are currently 157 federal judgeship vacancies (135 under the new law and 22 regular vacancies). Of this total there are 54 in process at the Justice Department, 13 pending at the White House, and 19 pending in the Senate. The Senate during this Congress has confirmed 22 judicial appointments (17 under the new law and 5 under regular vacancies),



THE SECRETARY OF THE INTERIOR
WASHINGTON

①

May 11, 1979

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Week of May 7.

The Alaska vote will be next week. The vote is looking better, but we could still use your help in the same manner that you delivered Rostenkowski.

The DNR proposal still lacks Byrd's agreement to come out of Ribicoff's Committee with a Plan. Jim McIntyre and I will give you our update as your schedule permits. If you have had further discussions with Byrd or a reaction to his comments at breakfast, I would appreciate knowing.

Remember, the good Lord does not count, against man's allotted time on earth, those days spent fishing. The Blue Fish are waiting.


CECIL D. ANDRUS

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THE SECRETARY OF THE TREASURY
WASHINGTON

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May 11, 1979

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. REVENUE SHARING PROBLEM WITH NEW YORK CITY

The Federal District Court in New York City found last month that New York City used a test for police officers that violated the Civil Rights Act. This may have had the effect of denying both pay and benefits to some 560 officers. The Revenue Sharing Act provides that the Treasury must cut off payments of general revenue sharing to any local government that has been the subject of a holding of a violation of the Civil Rights Act and has not complied with the Act. The reason for the provision in the Act was apparently to get at dilatory practices in jurisdictions across the country and to ensure prompt sanction when a court makes an adverse finding rather than waiting for the completion of a long -- and possibly deliberately delayed -- appeals process.

New York City is convinced that on the merits it will eventually prevail; the public interest law firms representing the plaintiffs are equally convinced that the City is in violation. Complex legal negotiations are going on with the City and lawyers at Treasury and Justice. We believe the situation can be resolved without termination of the next revenue sharing payment (scheduled for July). However, feelings are running high in some quarters in New York; we are sensitive to these feelings.

2. THE DOLLAR

The dollar has remained steady and firm against the German mark and the Swiss franc this week. Although the yen strengthened by some 5 percent against the dollar from last week's lows, continued Japanese intervention in support of the yen was necessary at times. The U.S. purchased small amounts of DM.

Bob Carswell
Robert Carswell
Acting Secretary

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**THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON
20506**

May 11, 1979

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss

Subject: Weekly Summary

I am feeling better every day about the trade bill. The votes are absolutely there and I have met personally or in small groups with 50 percent of the House and Senate. We've arranged with Ullman and Long to pre-conference the Finance and Ways and Means Committees, ironing out technical as well as substantive differences before the bill is finally prepared. This will be done May 21st, 22nd, and 23d. It's a good trade agreement. The implementing bill will be good and we'll get good marks on it. Parenthetically, it's amazing how well the time we've devoted to the staffs of the two key committees is paying off at this crucial stage of the legislative effort.

I've been spending several hours each day on my new assignment, talking with the State Department, the Egyptians, Israelis, Jordanians, Saudis, experts on all sides, including gadflies on the Middle East. Within a few weeks, I'll be sufficiently informed to begin to make a "noise" like a Middle East expert even though my knowledge will be slim.

I don't think you need have any concern about my ability to function with the State Department. Their people have been cooperative and I'm particularly impressed with the professionalism of Hal Saunders.

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

May 11, 1979

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

Subject: Weekly Report of Major Departmental Activities

Public Housing Anti-Crime Program Launched. I have announced an initial funding of some \$30 million for the anti-crime element of the Public Housing Urban Initiatives program which was developed last year. These funds will be used to reduce serious crime and vandalism in distressed public housing projects through such means as improvement of physical security and financing of tenant patrols and police relations programs. About \$8 million of the total funding will come from the Labor Department's Youth Community Conservation and Improvement Projects. Those attending the May 10 Press Conference at which this announcement was made included Members of Congress Claude Pepper and Mary Rose Oakar, Pat Murphy, President of the Police Foundation, and Labor Department Assistant Secretary Ernest Green.

Continuing Availability of Mobile Home Financing. Increases in the maximum allowable charges for FHA-insured mobile home financing have been announced, assuring the continued availability of financing for this important source of lower-priced housing. Effective May 7, the maximum allowable charge for the regular mobile home loan was increased from 12 to 12+1/2 percent. The maximum allowable charge for a mobile home lot loan, or a combination mobile home and lot loan, was raised from 10+1/2 to 11+1/2 percent.

Federal Response to Nuclear Accident. HUD's Region III Administrator and Chairman of the Mid-Atlantic Federal Regional Council has been meeting regularly with Lieutenant Governor Scranton to determine Federal assistance needed by the State as part of the recovery effort from the recent Three Mile Island incident. Pennsylvania has developed a tentative outline of requests for Federal aid in the areas of health, environmental and socio-economic assistance and emergency preparedness. Governor Thornburgh has praised the President, White House staff and Mr. Harold Denton of the NRC for their performance and cooperation.

HUD to Observe Architectural Barriers Awareness Week. During the week of May 13 various exhibits at HUD will call public attention to our role and record in and commitment to removal of physical barriers that limit the daily activities of the handicapped. HUD's activities in this area to date include requiring five percent of all new family units under Section 8 and Public Housing Programs to be designed for use by handicapped persons, requiring communities to commit larger shares of block grant funds to removal of architectural barriers and establishment of a technical assistance program that will improve housing and social services for the handicapped.


Patricia Roberts Harris

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U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

May 11, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *Ray*

SUBJECT: Major Departmental Activities
May 7 - 11

Continuing effort to improve the management of Labor Department programs. Over the past two years, I have worked to strengthen the management of our major programs. Many of these programs had been permitted to degenerate over the past 5-10 years. I believe we have had major success in turning OSHA around and I have also made major personnel and management changes in the Employment and Training Administration (ETA). We are also well on our way to implementing civil service reform and the Inspector General legislation and these will provide us with much needed management tools. However, I believe that more can be done. I am currently reviewing again the personnel and structure of ETA and plan to make some major changes. I have also decided to create a Management Review Task Force reporting directly to me. It will analyze our most difficult programs and propose recommendations for change. I plan to have representatives from OMB on this task force as well as the best personnel from each of our key agencies.

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Department of Energy
Washington, D.C. 20585

May 11, 1979

MEMORANDUM TO: THE PRESIDENT
FROM: JIM SCHLESINGER
SUBJECT: Weekly Activity Report
May 5 - 11, 1979

1. Emergency Rule for Agriculture. This week the Department adopted a special rule which will permit consumers engaged in agricultural production to obtain their current requirements for middle distillates from now until July 31, 1979. Under the rule, suppliers will be required to give first priority to providing product for agricultural production. This amendment was adopted on an emergency basis in order to prevent the interruption of agricultural production activities, particularly during the planting season.
2. Proposed Amendments to the Emergency Rule For Agriculture. The Department this week also announced that it will receive comments on whether the emergency rule for agriculture should be extended beyond the July 31, 1979 expiration date and as to whether any additional actions are necessary to deal with current and possible future supply problems. In addition, we proposed to amend the current rule so as to establish allocation priorities for motor gasoline to insure that ground passenger mass transportation services are entitled to receive 100 percent of their current requirements of middle distillate and motor gasoline.
3. California Gasoline Situation. We are completing the report you requested on the gasoline supply situation in California. You will be receiving it very shortly.
4. Natural Gas Lighting Ban. A final rule was issued this week to carry out provisions of the National Energy Act which prohibit the installation of new or replacement natural gas outdoor lighting fixtures by local distribution companies and direct industrial customers. The Act also prohibits local distribution companies from providing natural gas to residential, commercial and industrial customers for use in outdoor lighting, as well as prohibiting the use of natural gas by direct industrial customers for outdoor lighting. In this rule, the Department delegated to the States its authority for administering prohibitions with regard to gas lighting.

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

May 11, 1979

THE ADMINISTRATOR

REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

This week there were no actions of sufficient
significance to call to your attention.

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

THE WHITE HOUSE
WASHINGTON

5/15/79

Frank Moore

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

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Stu Eizenstat
Jack Watson

ADMINISTRATIVELY CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

May 12, 1979

Frank
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ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Weekly Legislative Report

I. DOMESTIC POLICY ISSUES

1. Energy

Windfall Profits Tax

The Administration's testimony before the Ways and Means Committee will be completed next week. Beginning Wednesday, public witnesses will be heard. Chairman Ullman hopes to proceed rapidly to mark-up.

A large contingent of Committee members are looking at alternatives. They are primarily interested in strengthening the windfall tax, although decontrol is still an issue.

Gasohol

Treasury's proposal to simplify ATF regulations to encourage gasohol production has been sent to OMB and should be cleared by early next week. OMB staff seemed to think that the proposal is noncontroversial and a step in the right direction. We hope to have the legislation ready to introduce within two weeks.

2. Budget

First Budget Resolution - House

Of the numerous amendments taken up last week only one passed--the Solomon Substitute for the Holtzman amendment

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passed 355-66. It would eliminate the foreign tax credit for oil companies. Removing the credit would apparently raise revenues by \$1.6 billion.

*ok
me*

The Speaker has indicated that the House will finish work on the resolution on Monday. He has threatened to keep them in all night if necessary.

3. Appropriations

State-Justice

Mark-up was completed last week. This subcommittee reduced our budget by about \$250 million in BA. The major changes from our request:

	<u>Budget Authority</u> (\$ in millions)
MARAD (reduced subsidy for bulk container ships)	- 66
Census	- 47
NOAA	- 30
Contributions to International Organizations	- 41
SBA	+ 41

Try to hold our position

The Subcommittee directed NOAA to leave open the 22 weather stations we proposed to close. It appropriated no money for the Travel Service, but the Senate is expected to add funding here.

Treasury, Postal Service

Mark-up continues this week.

For the Executive Office, the Subcommittee cut OMB's request by \$400 thousand and OA's request by \$900 thousand (a 7.5-percent reduction for the latter). The COWPS' supplemental request was reduced from \$5.9 million to \$3.0 million, and its 1980 mark was cut from \$8.5 million to \$7.5 million. The 1979 allowance allows only 100 new positions.

imp to restore

Clarence Miller, the Ranking Minority Member of the Subcommittee, played a very active role in mark-up and at one point suggested reducing your personal expense allowance.

Energy and Water Power

Reduced our request by about \$300 million. The bill provided:

- .. funding for six unrequested new starts (they also deleted one of ours) whose total costs exceed our request by about \$150 million (last year the comparable add-on was almost \$2 billion);

Will probably veto

Carl Perkins is continuing his aggressive campaign to fund Yatesville. Committee sources state that this project cannot be funded without including other "hit list" projects -- such as Bayou Bodcau.

Fight hard

- .. no funding for CRBR pending further action on the authorization bill -- if the authorization bill does not delete CRBR, the project will probably be added to the appropriations bill on the House floor;
- .. reductions to selected DOE research initiatives.

In summary, preliminary reports on the "Public Works" mark-up show a much brighter situation than last year.

Schedule for Next Week

The following House Subcommittee mark-ups are scheduled for next week:

Monday	Treasury, Postal Service (continued)
Tuesday	HUD-Independent Agencies
Wednesday	Labor-HEW
Thursday	Military Construction

Labor-Hew continues to be a problem area. Though Chairman Natcher is trying to help, he doesn't seem to have the votes in subcommittee to restrain a move to add about \$1 billion to our request. We will continue to work with him.

1979 Supplementals

- .. The Appropriations Committees' present schedules aim to have a single supplemental bill by June 30. This is

not certain by any means. Jim McIntyre met with Chairmen Whitten and Magnuson last week to urge them to expedite action including the Mid-East peace package.

4. Alaska Lands

General debate on the House floor was completed Friday and the votes on amendments and final passage will occur Tuesday or Wednesday.

9/11 help as needed

At this writing the contest between the Udall/Anderson and the Breaux/Huckaby bills remains close. We still command a 50-60 vote margin, but there are at least that number on the undecided list. To date most of the undecideds have moved to Breaux/Huckaby justifying their positions as being pro-energy.

5. Endangered Species

The Endangered Species Act reauthorization bill has been ordered favorably reported from the Senate Environment and Public Works Committee. Prior to final passage, an amendment by Senator Baker to delete the Tellico Dam from the Act's provisions was defeated by a vote of 3 to 8.

Important

6. Hospital Cost Containment

Last Monday the House Ways and Means Committee deferred action on the bill until a later date. At that time we had only 16 of the 19 votes necessary to report a bill.

HEW reports that there is no Republican support on the Ways and Means Committee for the bill. We will continue to work with Fowler, Jenkins, Gibbons, and Pickle on amendments that we hope will lead them to support the bill.

Further consideration by the Senate Finance Committee (Long) continues to depend on whether the Select Committee on Ethics continues its investigation of Health Subcommittee Chairman Talmadge. The Senate Finance Committee has not announced any specific plans for a future markup.

The House Commerce Health Subcommittee (Waxman) has not announced plans for additional action prior to the final public hearing tentatively scheduled for May 23.

The Senate Human Resources Subcommittee on Health (Kennedy) has announced that it will resume its consideration of the issue on May 16. The subcommittee expects to complete consideration during this session.

7. Targeted Fiscal Assistance

The House has agreed to include \$200 million for the program in the FY '79 Third Concurrent Budget Resolution. Although the recommended \$150 million for the FY '80 budget has survived to date, it may be challenged again on Monday.

The funding then, of course, must survive conference where the Senate members are not expected to receive it warmly. Treasury and Anne Wexler are working with the public interest groups to prepare for conference. If we survive there, we will concentrate on both authorizing Committees, encouraging the Senate to pass the bill expeditiously and the House Subcommittee to hold hearings quickly.

8. Department of Education

We anticipate obtaining a rule by active vote in the next two weeks. We have "targeted" Congressmen Beilenson, Moakley and Pepper and will request the Speaker's help as necessary. Timing currently suggests we could have the bill on the floor before the end of May.

Dick Pettigrew has been active in pressing for an amendment allowing waiver authority for the Secretary of Florida's Vocational Rehabilitation program structure. While the amendment itself may be admirable, the Administration has no position on it due to its negative impact on many education Members of the House. Brademas, Simon, and others are already upset by it and could defect from the bill unless there is a compromise. Others outside the Administration are trying to work out an agreement.

9. Department of Natural Resources

We hope to transmit a bill to create the Department of Natural Resources to the Congress by Tuesday. Any further delay in submission of the bill will force the cancellation of the hearing set for May 22nd by the Governmental Affairs Committee.

We met with Mary Jane Cheechi of Senator Byrd's staff to explore use of a reorganization plan for DNR. The initial response was negative, but she agreed to urge Senator

Byrd to reconsider his present position when the Governmental Affairs Committee completes mark-up of legislation.

10. Alaska Natural Gas Pipeline Reorganization

Both the House Government Operations and the Senate Governmental Affairs Committees favorably reported the pipeline reorganization plan this week.

11. SBA Authorization

A delicate compromise on disaster assistance was reached between key members of the Small Business and Agriculture Committees of both houses.

Key elements of the compromise:

- Return most farm disaster lending to FmHA.
- Interest rates: farmers and businessmen.
 - 5% for those without "credit elsewhere"
 - cost of money for those with potential "credit elsewhere."
 - homes -- 3% for the first \$55,000; cost of money beyond \$55,000.
- \$500,000 ceiling (H.R. 4011)
- 2-year review (H.R. 4011)

Rules is expected to meet on H.R. 4011 (formerly H.R. 90) on Tuesday. In the Senate, Frank Church objected to the unanimous consent request for a time agreement banning non-germane amendments. His proposed amendment to exempt small businesses from OSHA regulations would not be germane, and Church is said to be determined to press this amendment.

A major floor challenge is expected in both House and Senate from Mississippi, Louisiana and Texas delegations to reduce interest rates, to one percent on homes, and to provide forgiveness on prior loans.

12. EDA Reauthorization

House: On Tuesday the House Subcommittee on Economic Development defeated the Administration's amendment to tighten

not acceptable

eligibility under the EDA act by a vote of 9-4. The Roe bill is a two year authorization which includes both the old and the new eligibility systems and incorporates much of the Administration's new and expanded development financing program.

Senate: On Wednesday, the Senate Public Works Committee completed markup on the EDA bill (S.914) and reported out the Subcommittee's one-year extension bill, which retains EDA's current eligibility system.

The Senate Banking Committee completed markup and reported out the Committee's substitute for S.914 today. The Proxmire Committee print retains EDA's current eligibility criteria, modifies provisions of the development financing program and reduces the Administration's funding requests for direct loans, loan guarantees and interest subsidies. Senator Riegle declined to offer his amendment reinstating the Administration's new eligibility criteria due to insufficient votes. The Riegle amendment to restore the Administration's funding levels for the development financing program was defeated 7-6.

13. Davis-Bacon Act

Attempts to repeal Davis-Bacon were defeated in both Banking Committees by narrow margins last week. In Senate Banking a Tower amendment went down 8-6; in the House Banking Committee a Hansen amendment was defeated 18-17.

The crusade will undoubtedly continue in both Chambers when the HUD authorization legislation is taken up.

II. FOREIGN POLICY ISSUES

1. SALT

And so it begins! From a Congressional standpoint SALT has gotten off to a good start. Senate reaction to the SALT II announcement has been cautious with some unexpected bright spots.

Your letter and the Administration's SALT material delivered to the Hill at the time of the announcement received praise for their timeliness and content.

Both Senators Hayakawa and Moynihan have made positive statements about SALT prospects while directing their critical comments toward Soviet adventurism rather than toward the terms of the Treaty.

The SFRC has announced that SALT hearings will begin in late June with final mark-up in September. If this schedule is followed, the Treaty will be moving on a much faster track than we had anticipated. Senator Church has approached Senator Stennis and has urged him to hold hearings during August after the SFRC finishes its initial round of hearings in late July. Stennis has not yet committed to this plan. The Intelligence Committee will begin hearings on verification immediately after the Summit and will probably conclude its work by early July.

Your meeting with key Senators was an unqualified success. Hayakawa repeated directly to the press your statement that the U.S. might appear to be a warmonger if the Treaty were rejected. Both Senators Lugar and Stennis were impressed with your sincerity and your commitment to the ratification effort. However, it appears that Senator Nunn remains unclear about whether you intend to abide by the SALT II terms if SALT is rejected. He continues to raise several questions as to what our response would be to continued Soviet nuclear deployment.

Despite a good start, there are some ominous signs. Howard Baker's comments to the press were more negative than we had anticipated, and he has said privately that there is little chance he will vote for SALT as drafted. His tactics seem directed less toward the offering of amendments than toward an attempt to negotiate instructions. He may urge

changes while the ratification process is proceeding rather than returning the Treaty to you. In this way, he thinks he could extract concessions from you (and he hopes from the Russians) and still vote for SALT before the election. We must begin now to try to persuade him otherwise.

important

As expected, Senator Jackson said changes were needed in the Treaty. More importantly, Senator R. Byrd has raised the MX issue with us. He contends that a negative decision on the big MX and a basing decision would make SALT II ratification almost impossible. We think conservative Democrats have put the MX bug in his ear in the hopes that he will put additional pressure on you as the time for a decision nears. If you decide against the MX, the decision must be handled very carefully so as to avoid another "neutron bomb" debate. If you decide to proceed we should attempt to get the maximum benefits for SALT from such a decision.

he did

Bill Perry briefed Senator Byrd Friday. Byrd may call you.

2. Panama Implementing Legislation

President Royo's visit to the Hill went well. At a coffee hosted by Chairman Zablocki Thursday, Royo smoothly fended off barbs by Hansen and spread considerable sweet reasonableness. The attendance was small but we expect that word of Royo's attitude will spread. He also met individually with several representatives and with Senator Carl Levin (D.-Mich).

We will continue our educational campaign in the House. Hill reaction to your dinner has been good. Meanwhile, State and Defense have nearly completed their campaign to speak personally with nearly 200 members and to make phone calls to more than 100 others.

We believe the vote will be close but we can win on the final passage of the bill. Rep. George Hansen is expected to propose several damaging amendments, which may be adopted. State will follow up with undecided members and will organize our friends to oppose all amendments. General debate is now likely to begin May 21, with the following two or three days for amendments.

The Senate Armed Services Committee is planning about four days of hearings on the Administration (rather

than the Murphy) bill. It is unclear whether these will begin before the Memorial Day recess. If they do not, it may be difficult for us to achieve Senate passage in June as we hoped.

3. Rhodesia

The Senate has postponed consideration of amendments affecting Rhodesia sanctions until next Tuesday. Senator Byrd has agreed to counter Senator Helms' sanctions lifting amendment with a substitute which would require you to make a determination under the Case-Javits provision no later than 14 days after the new Rhodesian government is installed and in any case no later than June 30.

Time has been set aside for another amendment which calls on you to lift the sanctions within 10 days of the new government's installation.

State believes that the Byrd substitute will carry over Helms by a narrow margin, but that the second amendment (sponsored by Schweiker) will be more difficult to defeat.

4. Middle East Peace Supplemental

The House Foreign Affairs Committee reported the Middle East peace supplemental on Wednesday. Clarence Long's subcommittee appropriated the full amount on Thursday, but adopted language mandating that we obligate half the \$800 million grant for Israel after October 1. Presumably, this will offer some relief for an impacted FY 79 budget. The supplemental authorization will come up Monday in the Senate. House floor action is not yet scheduled.

5. Export Administration Act

This week both the Senate Banking and House Foreign Affairs Committees completed mark-up on the Export Administration Act.

Can we change this?

Both versions now have provisions which effectively prohibit swap arrangements for Alaskan oil, and both committees rejected compromise proposals for allowing swaps based on reasonable Presidential findings. Exemptions for the export of U.S. oil to fulfill obligations to Israel were approved on both sides. Only the Senate version, however, includes an exemption for the International Energy Agency.

Timing of floor action on the bills is uncertain.

6. FY 1980 Defense Authorization Bills

Both the House and Senate Armed Services Committees have been marking up their respective FY 1980 Defense Authorization Bills this week. The 15 May deadline appears more doubtful each day. It appears that the House Committee will exceed your budget request by about \$2.5 billion. Major changes in the House version are the substitution of a nuclear carrier for the CVV requested; the AV-8B Harrier; and aircraft for the Navy and Reserves. The House Committee made a significant reduction by eliminating the funding for the ROLAND air defense missile which has considerable NATO standardization.

not acceptable

We do not as yet have a dollar figure on the Senate Committee mark up. They, too, have problems with ROLAND, but DOD feels there is some chance it will survive. The Senate Committee also added the AV-8B Harrier and Navy and Reserve aircraft. Their work continues on Monday.

7. Selective Service Registration

As reported last week, the House Armed Services Military Personnel Subcommittee adopted a recommendation to require selective service registration of eighteen year olds effective 1 January 1981. The full Committee is currently considering this, and DOD expects it to be adopted. This provision has not been raised in the Senate mark-up as far as we know. This issue obviously has the potential to develop into a heated political debate.

III. MISCELLANEOUS

DOE - Although Energy issues have reached an emotional pitch this week, consistent criticism of the Department of Energy is being voiced on the Hill. Both the Secretary and the Department are perceived by our supporters as part of the problem. They are not seen as trying to help find a solution.

COLORADO POLITICS - Colorado rural electric coop leaders reported this week that Fort Collins Republican Congressman James Johnson is testing the water for a race against Gary Hart.

Following President Royo's day with us he told me "I'm now a Jimmy Carter fan." All in all, I think the time he spent in Washington was very helpful both for him and for the members of Congress he met.

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OMB reports concern that Secretary Blumenthal's remarks about inflation estimates may cause us problems in the Budget conference. The two houses have based their budget proposals on different economic assumptions.

INSPECTOR-GENERAL - The Senate, on May 10, approved your nomination of Frank Sato to be DOT Inspector General. Mr. Sato will be the highest ranking Asian-American in the Administration.

MEAT IMPORTS - Your statement to Elk City, Oklahoma farmers last week that you will not allow further increases in meat imports this year has been well received by cattle producers all across the country. This action removes an emotional disincentive to the producers who are replenishing their livestock herds.

THE WHITE HOUSE

WASHINGTON

May 10, 1979

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

HEALTH

Hospital Cost Containment: Mark-up in Ways and Means was put off; more time is needed to garner support. The Health Subcommittee of Senate Human Resources will mark up the bill next week. The Finance Committee mark-up is delayed by the Talmadge Ethics proceedings, but may recommence next week. The Commerce Committee mark-up is delayed by other health legislation.

National Health Insurance: A national health plan meeting with you is scheduled for May 17. Agencies and the EOP are preparing a memo which will lay out all the key issues. Senator Kennedy is expected to announce his comprehensive plan on May 14. HEW, DPS and Jody are conferring on the Administration's response.

NATURAL RESOURCES

Alaska Lands: The House floor vote will probably occur on Tuesday of next week. We have been working intensively with Frank Moore's staff, the Press Office and the agencies. We will shift efforts to the Senate as soon as the House vote has occurred.

Water Policy: Administrative implementation of the entire policy continues. The cost-sharing legislation is also ready for transmittal to the Congress. We have excellent sponsors in the House (Udall, Mineta, Miller) and Senators Randolph and Gravel have agreed to introduce it by request in the Senate. Announcement and transmittal was planned for this week but delayed because of timing problems with SALT and Alaska. Other legislative aspects of the water policy -- Water Resources Council authorization, omnibus water project authorization, appropriations -- have mixed prospects at the moment.

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Endangered Species Act: Senator Baker was unsuccessful in his efforts in the Environment and Public Works Committee to eliminate the Cabinet-level review committee process and to exempt Tellico. However, since we need reauthorization of the Endangered Species Act this Congress, the Tellico issue will likely come up again.

Hazardous Waste/Abandoned Dump Sites: EPA has prepared a legislative proposal that establishes a comprehensive "superfund" approach to releases of oil, hazardous substances and hazardous wastes from spills and from abandoned or inactive sites. Abandoned hazardous waste dump sites are receiving increasing public and media attention. The major issues in this public debate involve the dangers to public health caused by hazardous waste and who should be responsible for paying clean-up, personal injury and damage expenses caused by such contamination. EPA's bill establishes a controversial \$6 billion fund that is derived from a 3¢ per barrel fee imposed on the oil and petrochemical industries. This raises inflation as well as legislative strategy questions of considerable magnitude. You will receive a decision memorandum within the next few weeks on this matter.

Coal Slurry: Support for coal slurry transportation mentioned in the Energy message. Congressman Eckhardt has asked for the Administration's views on his draft coal slurry transportation bill. An OMB interagency review has been conducted and you will soon receive a decision memorandum on the roles of the various interested agencies (DOI, DOE, DOT).

Fisheries Policy: A major fisheries development conference will be sponsored by NOAA on May 23-24 in Washington. A possible Presidential policy statement is being prepared for that Conference as well as Administration recommendations on certain key fisheries issues. A fisheries policy could make the DNR proposal more palatable to the fishery constituencies as well as Congressional leaders. You will soon receive a memorandum on these developments and a policy statement for your consideration.

HOUSING AND URBAN DEVELOPMENT

New York City Financing: The Mayor has agreed to make whatever level of cuts Treasury and the City's Control Board agree is necessary. Recent Federal administrative actions benefitting the City total \$135 million.

Regulation Q Banking Reform: Decision memorandum to you next week.

GOVERNMENT REFORM

Lobby Law Reform: House Subcommittee mark-up has been going smoothly, and all of our amendments to minimize paperwork and protect First Amendment interests have been adopted. Chiles is expected to introduce a bill in the Senate within the next few weeks. Our interagency task force will continue to work on policy amendments.

Federal Court Reform: The expanded magistrates' jurisdiction bill and the Dispute Resolution Center bill are both moving well. Senator Heflin's opposition in the Judiciary Committee is causing problems for our bill to allow arbitration in the Federal courts.

Federal Pay Reform: We are working with Scotty and OMB on drafting the message and preparations for the Campbell-McIntyre press announcement.

Public Financing of Congressional Campaigns: We are working with the legislative task force chaired by the Vice President's staff. There is significant opposition in both the House and Senate, and prospects for passage are not bright.

CIVIL RIGHTS AND JUSTICE

Nazi War Criminal Effort: We have been working with the Justice Department on increasing the resources devoted to the Justice unit investigating possible denaturalization and deportation of alleged Nazi war criminals living in the United States.

HUMAN RESOURCES

Welfare Reform: The final decision memorandum will be submitted to you shortly. We hope to announce the package no later than Tuesday, May 22nd.

Social Security: In cooperation with the EPG, DPS is launching an interagency effort to prepare recommendations on the payroll tax and other major social security issues which will arise this fall in the Congress and in our budget process.

Women's Business: An executive order and implementing directive will be submitted to you this coming week. Sarah Weddington's staff has had the lead.

DRUG POLICY

FBI-DEA Financial Investigation: After a one year joint FBI-DEA financial investigation, 14 persons were arrested in Miami on charges of operating a smuggling ring responsible for bringing 500 tons of marihuana into the United States. This is the first major case based on our policy of pursuing the enormous profits generated by drug trafficking. Two of the defendents were indicted for racketeering and engaging in a continuing criminal enterprise which carries a possible maximum life sentence. The Government will also seek forfeiture of property valued at over \$1,000,000.

Ecuador and Peru: At the request of the State Department, Lee Dogoloff visited Ecuador and Peru, meeting with the President and incoming Vice President of Ecuador. Officials in both countries agreed to increase their drug control efforts and asked for U.S. assistance in reducing the growth of the coca bush and dealing with the health and social consequences of coca paste and cocaine abuse.

11:15

THE WHITE HOUSE

WASHINGTON

May 15, 1979

MEETING WITH GEORGIA CONGRESSIONAL DELEGATION

Tuesday, May 15, 1979

11:15 a.m.

The Cabinet Room

From: Frank Moore
Hubert L. Harris, *J.H.H.*

I. PURPOSE

To discuss various items of concern with you and tie the Delegation closer to the White House.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: The Georgia Delegation from time to time has cast what it believes are tough votes for the Administration. It would be helpful if you would thank them for having stood with us. Encourage them to support us more often, to stop worrying about isolated political consequences, and to start helping you toward 1980. We suggest you specifically thank the seven of them who supported us on gasoline rationing and the five who supported us on the Solarz amendment (targeted fiscal assistance) (see attached lists at Tab A). Listen to their comments and complaints and offer to expedite the service given to them by all staff elements in the White House. Also, you might want to encourage them to become lightning rods for criticism and to try to defend criticism of you and your policies. Offer the services of the White House staff and OMB in answering any criticism.

At Tab B is a detailed description of each Member of the Delegation.

B. Participants: Bo Ginn, Dawson Mathis, Jack Brinkley, Elliott Levitas, Wyche Fowler, Newt Gingrich, Larry McDonald, Billy Evans, Doug Barnard, Ed Jenkins, Frank Moore, Hubert L. Harris, Jr., Bill Cable and Jim Free.

C. Press Plan: White House photographer only.

<u>George Delegation</u>	<u>Gas Rationing</u>		<u>Solarz Amendment</u>	
	<u>For</u>	<u>Against</u>	<u>For</u>	<u>Against</u>
Bo Ginn	+		+	
Dawson Mathis	+		+	
Jack Brinkley		-	+	
Elliott Levitas	+			-
Wyche Fowler	+		+	
Newt Gingrich		-		-
Larry McDonald		-		-
Billy L. Evans	+		+	
Ed Jenkins	+			-
Doug Barnard	+			-

TAB B

1. Bo Ginn (Wife - Gloria) - Bo has consistently been supportive of the Administration on tough issues dating back to the first vote on the B-1. From time to time, he has left us on issues but has always been communicative. He is particularly interested in the Navy submarine base in Camden county, the continued funding of the training center in Brunswick and the creation of a subsidiary SBA office in Statesboro, Georgia, so the farmers will not have to "go to Atlanta to get their money." He has expressed a couple of times a desire for you to invite him to go fishing or in some way involve him in one of your vacation trips down into the first district.

Committee: Appropriations

2. Dawson Mathis (Wife - Sharon) - Dawson, as we all know has been somewhat of a problem. However, this year he has supported us on several key votes (gas rationing, the vote on the Solarz amendment, and the Simon amendment). He is, of course, considering running for the Senate, and is trying to position himself more and more in the middle. His complaints about the Administration tend to be of a departmental nature and are parochial in definition.

Committees: Agriculture and Interior and Insular Affairs

3. Jack Brinkley (Wife - Alma) - As new Dean of the Delegation, Jack has tried to work with us. He feels that he has been let down in the hiring of certain individuals and in the attention he has received from various members of the White House as well as departmental staff. He is concerned about an action taken by Max Cleland, and thanks to good efforts of Jim Free has gotten some relief from the Vice President. Jack is a cooperator, admires you and generally says positive things about us. A pat on the back by you, encouraging him to continue representing Georgia and you (as his Congressman) would be well received and go a long way.

Committees: Armed Services and Veterans' Affairs

4. Elliott Levitas (Wife - Barbara) - Elliott, overall, can be considered helpful of the Administration and was recently the key vote in the final passage of the Department of Education bill out of the Government Operations Committee. His effort on the legislative vetoes has become successful through his constant prodding and the good posturing that it provides many Members.

He would like to be more identified with and be more helpful with the Administration in its policies. However, he would expect to offer more input into the determination of our political strategy prior to sending it to the Hill.

Committees: Government Operations and Public Works and Transportation

5. Wyche Fowler (single) - Wyche has supported the Administration in votes more often than any other Delegation Member. He is a very helpful Member of the Ways and Means Committee on most issues and will eventually be extremely helpful to us in getting out a reasonable hospital containment bill. Wyche has been supportive of other initiatives we have had so far this year.

Committee: Ways and Means

6. Newt Gingrich (Wife - Jacqueline) - Newt, the only Republican Member of the Georgia Delegation, has offered on occasion to be supportive of the Administration on key votes. When I have called him, he has been responsive to the call, and today voted with us on the budget resolution.

Committees: House Administration and Public Works and Transportation

7. Larry McDonald (single) - Larry McDonald has opposed everything we have tried to do. The only time he has voted with us is when it has been a mistake or he was philosophically supportive. To date he has not helped our Administration one bit in any identifiable way.

Committee: Armed Services

8. Billy Evans (Wife - April) - Billy is becoming more and more supportive as time passes. He feels a strong kinship to you and any kind of pat on the back or comment by you to him about "how it was during the legislature days in Georgia" would be helpful.

Committees: Public Works and Transportation and Small Business

9. Doug Barnard (Wife - Naomi) - Doug is still a little apprehensive because of his close relationship with Carl Sanders. He has, on occasion, voted with us on tough votes and does feel a kinship toward you because you are from Georgia. Doug responds well to encouragement and to anticipation of team play and any comments by you in that regard could be helpful. In the long run it is to Doug's political benefit to support us. I think he knows it, he is just trying to find a good way to do so.

Committees: Banking, Finance and Urban Affairs and Small Business

10. Ed Jenkins (Wife - Jo) - Ed is one of the quieter, more thoughtful Members of the Georgia Delegation. He has been supportive of the President on tough key issues from time to time and has indicated a growing willingness to be a greater part of our effort. He has been helpful to me in lining up votes on budget amendments and on the gas rationing vote last week. I think he is one of the quiet folks in the House who is looked to by many others on key issues. Ed is a capable Member of the Ways and Means Committee who has an ability to influence five to seven Members on issues.

Committee: Ways and Means

THE WHITE HOUSE
WASHINGTON
15 May 79

Bob Lipshutz

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

Jim McIntyre

*The original has been given
to Bob Linder for
handling.*

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

L 15 44

ACTION
FYI

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

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

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

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

THE WHITE HOUSE

WASHINGTON

May 10, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: BOB LIPSHUTZ *BL*

RE: Executive Order Entitled:
The President's Commission on
Executive Exchange

The attached proposed Order supersedes an earlier Executive Order which created The President's Commission on Personnel Interchange. The proposed Order renames the Commission and eliminates age discrimination from the program (i.e., in the past the program focused on younger executives). The principal purpose of the Commission is to develop an exchange program between executives in the public and private sectors.

The proposed Order was prepared at Chairman Campbell's office at OPM and has been approved by Justice and OMB. We recommend that you sign it.

Approve

Disapprove

J

THE WHITE HOUSE
WASHINGTON

5/15/79

rick --

copies have already been
given to brzezinski

thanks--susan clough

THE WHITE HOUSE
WASHINGTON

5-15-79

To Zbig -

You & Cy prepare for
me a brief agenda for
his consultations in
London & summarize the
proposed U.S. position
on Rhodesia.

J.

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

5-15-79

To Zbis

Send to Juanita
a congratulatory
message from me re
negotiations with PRC

J

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

5-15-79

To Rex Scouter

In the drains on the east side of the south lawn driveway there is a constant rush of water.

Let me know the source of this waste and what can be done to stop it.

Thanks -

Jimmy

bcc: Hugh Carter

THE WHITE HOUSE

WASHINGTON

May 14, 1979

9
1

MEMORANDUM FOR THE PRESIDENT

FROM Frank Moore *Bill*
Bill Cable

SUBJECT First Concurrent Resolution on the
Budget for FY 1980

At 7:15 p.m. the House passed the first resolution by a vote of 220-184. The resolution calls for a FY '80 deficit of approximately 20.8 billion. Chairman Giaimo did a fantastic job and feels that our close cooperation deserves a good share of the credit.

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

May 14, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*

SUBJECT:

Nuclear Waste Accident, Beatty, Nevada

At 5:15 p.m. this afternoon, Gene Eidenberg received a telephone call from Governor Bob List of Nevada who reported the following:

- A Department of Defense shipment of U-238 waste in 5 gallon containers was sent this weekend from El Segundo, California to the Beatty, Nevada waste disposal site, 60 miles north of Las Vegas;
- For reasons at this time unknown, a fire occurred at 7:45 a.m. this morning on one of the trucks carrying the nuclear material at the waste site. The truck and its contents burned to the ground;
- The remains of both the truck and the U-238 have been buried at the waste site.

An unknown amount of radioactive material probably was released into the atmosphere in the smoke from the fire. State and federal officials are en route to take atmospheric and radiological measurements.

Governor List will keep us advised of the situation and reports that the Nuclear Regulatory Commission and the Department of Energy have already been notified of the incident.

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for Preservation Purposes**