

5/29/79 [2]

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THE WHITE HOUSE
WASHINGTON

29 May 79

Frank Moore

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

Rick Hutcheson

Zbig Brzezinski
Phil Wise
Fran Voorde

ADMINISTRATIVELY
CONFIDENTIAL

227

THE WHITE HOUSE
WASHINGTON

Phil had

seen

MEMORANDUM

THE WHITE HOUSE
WASHINGTON
May 29, 1979

*Frank -
see me Wed.
J*

ADMINISTRATIVELY CONFIDENTIAL

Mr. President -

RE: Japan and Korea

Frank Moore advises me that you have asked Senator and Mrs. Glenn and Senator and Mrs. Matsunaga to accompany you on this trip.

We are planning to follow up with them soon to assure that they have appropriate separate schedules where desired and to assure that they are included in such events as the State Dinners.

Are you planning to invite any other members? For example, Senator Inouye?

_____ Glenns & Matsunagas only

_____ Add _____

fran *fran*

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THE WHITE HOUSE
WASHINGTON

5/26/79

Mr. President:

Stu informed me you
wanted to see Walter Levy
for ¹⁵~~30~~ minutes before the
day of the Schmidt meeting.
Shall I proceed to set
this up?

yes no

Phil

J

3:30 /
15 /

June 5

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THE WHITE HOUSE
WASHINGTON

29 May 79

Secretary Blumenthal
Charlie Schultze
Stu Eizenstat

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

Rick Hutcheson

The Vice President
Hamilton Jordan

2305

FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
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EYES ONLY

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<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	MCINTYRE
<input checked="" type="checkbox"/>	SCHULTZE

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<input type="checkbox"/>	H. CARTER
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<input type="checkbox"/>	FIRST LADY
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<input type="checkbox"/>	MITCHELL
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<input type="checkbox"/>	PRESS
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<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN
<input type="checkbox"/>	WISE

<input type="checkbox"/>	ADAMS
<input type="checkbox"/>	ANDRUS
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<input checked="" type="checkbox"/>	BLUMENTHAL
<input type="checkbox"/>	BROWN
<input type="checkbox"/>	CALIFANO
<input type="checkbox"/>	HARRIS
<input type="checkbox"/>	KREPS
<input type="checkbox"/>	MARSHALL
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VANCE

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		VICE PRESIDENT
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		KREPS
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		SCHLESINGER
		STRAUSS
		VANCE

THE WHITE HOUSE

WASHINGTON

29 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 personal information.

Rick Hutcheson

ADMINISTRATIVELY CONFIDENTIAL

EYES ONLY

2275

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

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FYI

REPORT TO THE PRESIDENT

May 25, 1979

On Wednesday Secretary Kreps briefed Congressional leaders on her trip to China. They were uniformly enthusiastic about the success of the negotiations. The Secretary is now preparing a written report to you on her trip.

Your participation at the inaugural meeting of the President's Export Council yesterday provided an important boost to our export effort. The Export Council passed a resolution supporting the multilateral trade agreements with the understanding that the implementing legislation and follow-up will be vigorous and effective.

A major breakthrough has occurred in support of Wisconsin Steel Company's application for EDA loan guarantees to modernize its plant and equipment and better compete with foreign steel producers. As required by EDA, Wisconsin Steel has secured \$30 million in contingency funds to supplement the requested \$90 million loan guarantee. Although some difficult issues remain, we hope that they will be resolved soon so that EDA can complete its technical review, expected to take several weeks. We will keep Jack Watson informed of our progress.



C.L. Haslam
Acting Secretary

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

MAY 25 1979

C
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MEMORANDUM FOR THE PRESIDENT

FROM JOSEPH A. CALIFANO, JR. *JAC*

SUBJECT: Weekly Report of HEW Activities

- Medicare/Medicaid Suspensions: Next week we will make public a list of approximately 50 physicians and practitioners who have been suspended from participation in the Medicare or Medicaid program following conviction for defrauding those programs. We will at the same time publish final regulations implementing HEW's authority to suspend practitioners from these programs automatically upon conviction.
- Mental Health: On Wednesday, I testified before the Senate Labor and Human Resources Subcommittee on Health and Scientific Research (Kennedy) on the Administration's proposed Mental Health Systems Act. During the hearings, Senator Javits announced that he would join Senators Kennedy, Pell and Williams as co-sponsors of the legislation. Kennedy will hold another day of hearings on the bill June 25. We will talk with Congressman Waxman next week to try to get hearings held on the bill in the House within the next several weeks.
- Welfare Reform: On May 23, the Administration's welfare reform proposal was announced at the White House by Secretary Marshall, Stu Eizenstat and myself. In the House, the cash assistance bill will be introduced by Al Ullman and Jim Corman. We hope that Senator Moynihan will introduce the bill in the Senate.

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THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

May 25, 1979

C

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM : Brock Adams

SUBJECT: Significant Issues for the Week of May 21

Brock Adams

Amtrak - The Administration achieved a legislative victory yesterday when Congress failed to disapprove our proposed restructuring of the Amtrak Rail Passenger system. The deadline for Hill action was May 24. The next steps will be to complete an Amtrak authorization for next year. The revamped system will save an estimated \$1.4 billion in Federal funds over the next five years, but because of the energy shortage there will be a necessity to build up an energy efficient system and this will undoubtedly be addressed by the Congress when it approves the Amtrak Authorization Bill.

Milwaukee Railroad Financial Problems - The full Senate and the Commerce Committee in the House have passed different joint resolutions that would require the Milwaukee Railroad to continue all operations for 45 to 60 days. Under the joint resolution, operating deficits during this period would be funded through a loan guaranteed by the Federal Government. The Milwaukee has been losing money at a rate of approximately \$10 million monthly. This Congressional action comes just as a special Court in Chicago is about to announce its decision whether to cut back a great portion of the 10,000 miles in the rail system. As I previously indicated, my Department has offered \$20 million in loans to help the Milwaukee move toward a viable railroad approved by the Court. I have expressed concern, publicly, that Congress' action before the Court decision could lead to a situation of Federal bail-outs rather than a private sector solution, which would involve a new viable private railroad being created through the Court reorganization procedures. This is a very volatile issue.

Truck Regulatory Reform - The Administration's legislative proposal to reform trucking regulations has been circulated widely and our consultation process is moving ahead. Deputy Secretary Butchman and your domestic policy aide, Mary Schuman, briefed key reporters on Wednesday. We have met with Tip O'Neill, Jim Howard, Ted Kennedy and will see Senators Cannon and Byrd. Consultations with interest groups are also underway at the White House.

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International Activities - Next week I will be travelling to Yugoslavia, Egypt, France and Germany to represent the Administration in international transportation activities. In Yugoslavia I will be attending the European Conference of Ministers of Transportation and delivering a paper on use of motor vehicles; in Cairo I have been asked to view and comment on the Coast Guard navigation work associated with the Suez Canal; in Paris I am to participate in the International Conference on Safety where we will display DOT's experimental safety cars; and in Hamburg I will attend the International Transport Exposition at the request of Transport Minister Gscheidle. Advanced American transport technology will be promoted with the European community.

Crash of American Airlines DC-10 Chicago/O'Hare Airport - I have just learned that a DC-10 fully loaded with fuel and passengers crashed on takeoff at O'Hare Airport. Our first reports are that an engine exploded and the plane is burning on the runway. I have talked to Federal Aviation Administrator Bond and he will be on the scene within two hours and will report to me. I have instructed him to coordinate FAA efforts and to act as a single spokesman on this matter.

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

May 25, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren
Gus Speth
Jane Yarn

D.S.

SUBJECT: Weekly Status Report

Solar Energy and Nuclear Waste Management Decision. We have been heavily involved in recent weeks with DPS and OMB in drafting two important decision memoranda for you: one on solar energy (based on the Solar Energy Domestic Policy Review) and the other on nuclear waste management (based on the Interagency Review Group on Nuclear Waste Management Report). Both should be available for your review shortly.

The interagency reviews underlying these decision memos began as CEQ proposals. We recommended the nuclear waste review in March 1977, and the solar review in December 1977. In both cases DOE and DPS were very responsive, with the result that the nuclear waste review was announced in your April 1977 energy message and the solar review in your Sun Day speech on May 3, 1978. These two interagency reviews have been major projects at CEQ during the past year.

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

May 25, 1979

THE ADMINISTRATOR

REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

This week we announced an agreement with U.S. Steel that will bring nine of the company's plants in southwestern Pennsylvania into compliance with air and water pollution regulations.

The agreement will:

- o Reduce the remaining airborne particulate levels in the Pittsburgh area by 50 percent--a reduction of 22,000 tons per year.
- o Reduce the remaining water pollutants from the plants by 90 percent.
- o Clear the way for the company to modernize its facilities. The company plans to construct its first new blast furnace since 1959 and to build several new coke batteries replacing old and heavily polluting facilities.

The U.S. Steel agreement is the largest cleanup agreement in industry history. It was the latest in a series of agreements with steel firms, following settlements with Republic, Wheeling-Pittsburgh and Crucible. We expect others in the near future.

These agreements demonstrate that these difficult issues can be worked out through negotiation rather than prolonged court battles. I think both sides have increasingly come to see the value of compromise instead of confrontation.

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

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VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420
May 24, 1979

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

Max [Signature]

VA Presidential Update

Vietnam Veterans Week - Based on VA's months-long preparation and our close coordination with scores of participating organizations, I predict Vietnam Veterans Week, which starts Sunday, will provide a momentous national tribute to the nearly 9 million Vietnam era veterans.

In addition to the 6,000 White House packets on the week we developed and distributed to media as well as national leaders and organizations, I wrote personal letters to top media executives, and extra VA material was distributed to all media. Media interest in the week - especially heavy in the last few weeks - has been most gratifying.

Some sidelights: 20 radio & TV talk shows have been set up in Philadelphia alone . . . The Lou Grant Show will repeat its excellent program on Vietnam veterans on the CBS net . . . 11 major league baseball teams will flash messages on their scoreboards & the Milwaukee Brewers will host Vietnam veterans from our Wood, Wis., hospital with one selected to throw out the first ball . . . TV coverage of the N. B. A. playoffs will recognize the week . . . The Goodyear blimp will display messages . . . & 65 mayors in West Virginia alone have issued proclamations.

My own schedule includes being honor guest on the American Legion float (dedicated to 700,000 Vietnam era Legionnaires) in the Indianapolis 500 Festival Parade; speaking at the 500 memorial services & participating in ceremonies at the opening of the race (May 25-27) . . . Appearances on ABC-TV's "Good Morning America" and CBS-TV's Morning News - Placing the traditional wreath and a special wreath for Vietnam veterans, then speaking as your representative at Arlington - & later participating in the No Greater Love ceremony at Arlington (all on May 28) . . . Appearing on the local Channel 5 "Panorama" show (May 29) . . . Attending the reception you are hosting for Vietnam veterans - & being the plenary speaker at a national conference of Vietnam veterans at Lisner Auditorium (May 30) . . . Plenary speaker at the National Black Veterans Organization conference in the Washington Coliseum (June 1) . . . & serving as keynote speaker at the national convention in Kansas City of the National Association of Concerned Veterans (June 3).



Administrator

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May 23, 1979

MEMORANDUM FOR THE PRESIDENT

THRU: Rick Hutcheson

SUBJECT: Weekly Report of GSA Activities

Reduction of Costs for the Federal Traveler - Discount Air Fares

There are presently a wide-range of discount air fares (10 percent to 50 percent) but they are subject to a complex diversity of restrictions. A study indicates that the Federal traveler seldom achieves an air fare discount.

After exploratory meetings with selected airlines, we are encouraged that we can achieve a special discount for official Government travel without restrictive rules and applications. We will advise all airlines of estimated Federal travel between high density city pairs and request appropriate tariff filings with the Civil Aeronautics Board (CAB) to establish special Government discount rates. With discounts that we believe are achievable, potential savings in Federal airline travel in FY 80 could approximate \$200 million.

Travel Between Washington, D.C., and New York City

As a result of negotiations with the National Railroad Passenger Corporation (AMTRAK), we have arranged a 20 percent discount for official Federal Government travel on Metroliner service between Washington, D.C., and New York City contingent on a substantial increase in use of the service. We plan implementation of the discount on July 1, 1979. Agencies will be notified of the lower fare and will be required to utilize that lower fare, cost, and other factors considered. Assuming that 50 percent of air trips are diverted to rail, we estimate a Federal travel dollar savings of at least \$650,000 per year on fare alone between Washington and New York City.

PAUL E. GOULDING
Acting Administrator

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

May 26, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze ^{CLS}

SUBJECT: Weekly Report

1. OECD meeting in Paris. From Wednesday through Friday I will be in Paris to chair a meeting of the OECD's Economic Policy Committee. Among other topics we will be exchanging views about the potential impact of OPEC price increases on our economies. Lyle Gramley will be Acting CEA Chairman in my absence.
2. OPEC price increases. CEA will be furnishing Ed Fried with preliminary assessments -- based on a number of different models of the U.S. and world economies -- of the likely inflation, unemployment, and balance of payments consequences of potential future OPEC price increases. We will also be working with Fried and other agencies to assess the world oil supply/demand situation in an effort to evaluate the ability of OPEC to make large price increases stick over the next 18 months.
3. National Health Insurance. We have been working with HEW, OMB, and DPS to get you a final decision memo by Tuesday.
4. Auto fuel efficiency standards. CEA and COWPS are having a final meeting with Joan Claybrook next week on the "front-loading" vs. "straight-lining" of the auto fuel efficiency standards. (We had asked for additional information and analyses -- e.g., will an accelerated weight reduction schedule for new cars put too much pressure on an already strained aluminum capacity?) DOT will shortly thereafter publish their decision. We will let you know immediately whether there are any remaining differences of view between DOT and the Executive Office Agencies.

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS

WASHINGTON

20506

May 24, 1979

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss

Subject: Weekly Summary

I am dictating this weekly summary on Thursday on my way to China, taking a group of people selected by the White House and me. We will return within a week and on the way back I will stop in for a day with the Japanese where I will conclude an NTT Agreement with the Prime Minister. I think it's virtually wrapped up and provides for "reciprocity" to be reached between the two nations. It is the first time the Japanese have ever accepted reciprocity.

Last night we completed our "Pre-conference" on the trade bill and its implementing legislation without really losing a major issue and this massive legislative package should go to the Floor of the House and Senate with almost unanimous support of the Ways and Means Committee and the Finance Committee and with the blessings of the Economic Subcommittee of Foreign Relations in the Senate and of the full Foreign Affairs Committee of the House. Today we nailed down the support of Doug Fraser and the entire Steel industry which leaves no substantial formal opposition, unless something unforeseen occurs.

Hopefully we will be out of the House by July 4th and to to the Floor of the Senate prior to July 15th which will enable me to be fully involved in the Middle East a few days thereafter. My 30 to 90 day time off has dwindled to a long weekend.

I have had very positive political discussions this week which I have reported to Hamilton.

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A six-month extension and then expiration of the specialty steel quota is the agreed recommendation by the various agencies including STR. It will soon be on your desk but I hope you will wait till my return on June 3d before acting so that I can tell you why I think it should be extended for just two additional months for a total of eight months. There is no sensible reason for not going eight months and several good reasons why we should.

While you were being Presidential today, Rosalyn and I worked the room at Duke Zeibert's. I think it helped her politically and me socially!



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

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May 25, 1979

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

CPI. Factoring in the general inflation rate, the ratio between beef prices at the farm level and at the wholesale level, are about the same as last year. However, the ratio between prices at the wholesale and retail level is 30 percent higher this year. We are working with COWPS to see what caused the greater spread and if it can be justified. The same pattern is showing up in pork.

DIESEL. USDA and DOE has a task force in the field to make sure farmers are receiving their diesel requirements. So far complaints of shortages seem to be based on what farmers would like to have in reserve rather than what they need for plantings. Public officials -- mostly Republican -- "know of hundreds of farmers" who have run out. They have a difficult time providing the names, however.

EXPORTS. U.S. agricultural exports for FY 1979 will reach \$32 billion. Imports of agricultural products will total \$16 billion. This \$16 billion boost to the balance of payments will be a \$2 billion net gain over last year's record.

BOB BERGLAND

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Department of Energy
Washington, D.C. 20585

May 25, 1979

MEMORANDUM FOR: THE PRESIDENT 

FROM: JIM SCHLESINGER

SUBJECT: Weekly Activity Report
May 19 - 25, 1979

1. Middle Distillate Entitlements. The Department this week issued the rule to provide entitlements to imports of middle distillate fuels. The purpose of this rule is to assist in replenishing diminished supplies of heating oil.
2. Diesel Fuel Strike Force. We have established a diesel fuel strike force consisting of representatives of the Departments of Energy, Agriculture and Transportation and the State Energy Offices. The purpose of this task force is to assist the agricultural sector and mass transit systems in receiving adequate supplies of diesel fuel and to provide factual information on the nature and extent of the diesel shortage.
3. Middle Distillate Rulemaking. The Department will issue shortly a regulation, expanding the current rule, to provide 100 percent of diesel fuel requirements to energy industries and urban mass transit, as well as agriculture, and expand the authority to require redirection of distillate product from suppliers with greater supplies to those more severely constrained.
4. State Set-aside for Gasoline. A regulation that will increase the motor gasoline State Set-aside volume from 3 to 5 percent was issued. This rule is intended to provide states with additional flexibility to deal with localized gasoline shortages.

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

May 25, 1979

Principal Activities of the Department of Justice
for the Week of May 20 through May 26, 1979

1. Meetings and Events

On Tuesday, the Attorney General attended the first meeting of the Select Committee on Immigration and Refugee Policy chaired by Reubin Askew. On Thursday, the Attorney General hosted a breakfast for the members of the House Select Committee on Intelligence. That afternoon the Attorney General addressed the FBI and expressed support for the FBI law enforcement charter legislation.

2. U.S. Attorneys Conference

Eighty-nine U.S. Attorneys participated in a four-day National Conference in Washington this week. The Conference was a positive, constructive session -- note-worthy for the marked improvement in the attitude and self-confidence of the U.S. Attorneys as compared to the last National Conference in November 1977. The U.S. Attorneys appear to be solidly supporting the four priority criminal programs of the Administration: White Collar Crime, Official Corruption, Organized Crime, and Major Drug Traffickers.

3. Judicial Selection

There are currently 158 federal judgeship vacancies (135 under the new law and 23 regular vacancies). The President has signed off on 94 candidates for these vacancies and they are in various stages of the selection and nomination process. This leaves 64 vacancies not yet presented to the President. The Attorney General expects to present 15 to 20 recommendations to the President next week. The Senate during this Congress has confirmed 22 judicial appointments (17 under the new law and 5 under regular vacancies).

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

May 25, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *RM*

SUBJECT: Major Departmental Activities
May 21 - 25

Ratification of United Airlines and Machinists settlement. Later this afternoon the Collective Bargaining Committee will meet to review this agreement and any actions that can be taken if the settlement exceeds the guidelines. Although we haven't seen the exact terms, it appears to be out of compliance.

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THE SECRETARY OF THE INTERIOR
WASHINGTON

May 25, 1979

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Week of May 21

The Department of the Interior has no problems to bring to you this week, so permit me to use my time on another matter.

The Energy problem is one of such enormous National importance that perhaps the only way to truly attack the problem is by endeavoring again to get a national consensus of possible solutions.

Apart from the obvious political nuances of the issue, perhaps some effort can begin again to reach a consensus between your office and the Congress and special interests groups in the private sector, especially those who are aware of the national interest and would rally behind some conservation proposals.

Apparently sentiment exists in Congress to work with the governors in an effort to achieve some important conservation plans of a voluntary nature. About the only consensus that emanated from the Congressional debacle was that obviously no sentiment exists in either House of Congress for weekend closings of gasoline stations. However, there are some interesting proposals that you might want to consider for which a consensus could be developed. In my opinion they are:

1. Minimum purchase plan - by dollar or gallon as recommended in our Cambridge Study
2. Car pooling
3. Strict enforcement of 55 m.p.h. speed limit

The overriding consideration is that if these plans are implemented they could conserve energy and not create a severe dislocation economically or employment wise, and that they would not impact in an unfair way on any one sector of the economy. Politically it would show the public we are still trying.

Should you have any interests in pursuing the possibility of a Congressional coalition and a private sector coalition for these proposals with the understanding that these groups would be working along with our Administration, I would be more than happy to do what ever little I could because I know you are deeply concerned, and that this is a serious national problem.

If this is being done or you feel I'm sticking my nose in Jim's business, just file this memo in the appropriate container.

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Lee

~~not submitted~~

~~received too late~~

R.L.

FOR STAFFING
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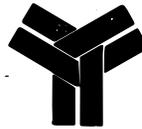
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	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
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	WEXLER
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	SCHNEIDERS
	VOORDE
	WARREN
	WISE

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

Community WASHINGTON, D.C. 20506
Services Administration



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 21 - 25, 1979)

Vietnam Veterans Week

The Community Services Administration (CSA) will award one of its eleven Veterans Education and Training Service (VETS) programs as the most outstanding in the nation in a Vietnam Veterans Week ceremony next Wednesday, May 30, 1979. Speakers at the ceremony will include Jule M. Sugarman, Deputy Director of the Office of Personnel Management. The VETS projects, which are administered by CSA and funded through the Department of Labor, include:

- The Veterans Resource Center of the University of Minnesota, which has been successful in pioneering the split job concept so that two veterans can share the same job;
- The Veterans Upgrade Center of New York City, which focuses on upgrading the less-than-honorable discharges of Vietnam-era veterans; and
- The Seattle Veterans Action Center, which has developed a special program to locate women veterans.

New Approaches to Old Problems

CSA has prepared the attached summaries to describe some approaches being followed by this Agency and our 878 community action agencies as we strive to assist the nation's poor people become more self-sufficient.

Attachment

Community WASHINGTON, D.C. 20506
Services Administration



MEMORANDUM TO THE PRESIDENT

Attention: Rick Hutcheson
Staff Secretary

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

SUBJECT: Weekly Report of Significant Agency Activities
(May 21 - 25, 1979)

Vietnam Veterans Week

The Community Services Administration (CSA) will award one of its eleven Veterans Education and Training Service (VETS) programs as the most outstanding in the nation in a Vietnam Veterans Week ceremony next Wednesday, May 30, 1979. Speakers at the ceremony will include Jule M. Sugarman, Deputy Director of the Office of Personnel Management. The VETS projects, which are administered by CSA and funded through the Department of Labor, include:

- The Veterans Resource Center of the University of Minnesota, which has been successful in pioneering the split job concept so that two veterans can share the same job;
- The Veterans Upgrade Center of New York City, which focuses on upgrading the less-than-honorable discharges of Vietnam-era veterans; and
- The Seattle Veterans Action Center, which has developed a special program to locate women veterans.

New Approaches to Old Problems

CSA has prepared the attached summaries to describe some approaches being followed by this Agency and our 878 community action agencies as we strive to assist the nation's poor people become more self-sufficient.

Attachment



Story Ideas

International Year of the Child 1979

April, 1979

Contact:

John Macomber or Pat Wood
(202) 254-5150

Of the nation's almost 25 million poor, more than 10 million are children under the age of 18. Here are a few examples of how the COMMUNITY SERVICES ADMINISTRATION or its 878 community action agencies nationwide are demonstrating new approaches to old problems.

NEGLECTED CHILDREN are traditionally shunted from foster home to foster home or locked in institutions even when they have committed no crime. The problem is big: in the United States today there are approximately three million neglected, abused, abandoned, orphaned or delinquent children.

The Community Services Administration is funding the Menninger Foundation to work with selected community action agencies in setting up group homes in residential neighborhoods for neglected, dependent children. Instead of being locked up, a child in a group home lives as part of a "created" family complete with house parents and eight or nine other children who also come from disturbed backgrounds. This family unit offers love, attention and discipline. This experiment is going on in Schenectady, New York; El Centro, California; Denver, Colorado; and Kearney, Nebraska. To get the story, ask:

Kent Hayes or Alex Lazarrino
Co-directors of the CHARLEE (Children Have All Rights --
Legal, Educational and Emotional) Network
The Menninger Foundation/Topeka, Kansas
(913) 234-9566

DEPRIVED CHILDREN often need special help in order to do well in school, but services are frequently fragmented or inaccessible. The Community Services Administration is working with HEW's Office of Education and several other federal agencies to fund **CITIES IN SCHOOLS**. This interagency project pulls together a wide variety of educational, cultural and social services for selected youngsters organized in small groups with other full-time staff members in addition to a regular teacher. The concept is being demonstrated in the public schools of five urban communities:

New York City (Carolyn Smith, 212/662-5505)
Indianapolis (Betsy Baltz, 317/266-4483)
Atlanta (Neil Shorthouse, 404/622-1056)
Washington, D. C. (Maurice Weir (202/466-5585)
Oakland, CA. (Mike Dunmore, 415/836-8276)

HUNGRY CHILDREN -- almost eight million daily -- go to school without breakfast, according to the Children's Foundation, a national non-profit advocacy center supported by grants from churches, foundations and the Community Services Administration. Proceedings, including resolutions, from the March conference of the National School Breakfast Coalition will be published in April. For more information, call:

Margaret Lorber
The Children's Foundation/Washington, D. C.
(202) 296-4450



Story Ideas

May 13-19

THE HANDICAPPED

May, 1979

Contact: John Macomber or
Pat Wood, (202) 254-5150

Approximately 7.5 million poor people -- about one third of the nation's poverty population -- have handicapping conditions. The Community Services Administration (CSA), its 878 community action agencies, 40 community development corporations and other programs nationwide are committed to protecting the civil rights of the handicapped and to making services more accessible to them. CSA in Washington has added a wheelchair ramp in the garage, a TTY (teletypewriter) terminal for the deaf, an Optacon reading machine for the blind, and sign language classes for staff.

Story ideas for "National Architectural Barrier Awareness Week," proclaimed by the President, and "National Handicapped Awareness Week," sponsored by the Easter Seal Society, observed concurrently May 13-19, include:

Opening Doors Don't write or film a story on making facilities accessible to the handicapped without reviewing Opening Doors, a 32-page handbook prepared by the National Center for a Barrier Free Environment in Washington, D.C. under contract with the Community Services Administration. It is simple and to the point: it explains federal law, defines terms, suggests funding sources and tax incentives, illustrates accessible systems and provides information sources. This timely handbook is available for \$3.00; a reporter may get a free copy by calling:

Kathy Murphy, (202) 544-7333

Access California In California, unemployed poor people are removing barriers which bar handicapped people from public buildings. ACCESS CALIFORNIA, funded by CSA and sponsored by the California State Office of Economic Opportunity, is experimenting to produce a model program which could be used all over the nation. Get the details from:

Kathy Condon, (916) 322-1898

Carry A Long Stick Talk to Dwain Pruitt by phone and you'd never suspect that he is a quadriplegic: confined to a wheelchair and must use a long stick -- held between his teeth -- to turn pages, dial the phone, write, and type. Idaho's Handicapped Worker of the Year in 1978, he is the energy coordinator for CSA's South Central Community Action Agency in Twin Falls. He uses a battery-powered wheelchair; his 1974 Dodge van has an electric lift which can hoist his wheelchair to seat level beside the driver. Dwain knows about architectural barriers. If you want to get his story -- and it's dramatic -- call:

Dwain Pruitt, (208) 733-9351

Independent Living CSA provided a small grant to Atlantis Community, Inc. in Denver, Colorado to assist this group in enabling physically and mentally handicapped persons to leave nursing homes or other institutions to live on their own. To pursue independent living, many barriers have to be overcome. For more information, call co-directors:

Glenn Kopp or Wade Blank, (303) 893-8040

More Disability-related discrimination has a greater impact on the lives of handicapped women than sex-related discrimination, CSA Attorney Jill Robinson told a Senate committee looking into the status of women. Her testimony is available on request. She and other handicapped CSA staff members are willing to discuss both CSA programs and their own personal opinions on barriers to the handicapped. At Washington area code 202, call Jill Robinson at 653-7520, Planner Rudy Frank at 632-6630 or Writer Jim Doherty at 254-5440.

Community Services Administration
1200 19th Street, N.W.
Washington, D.C. 20506
Graciela (Grace) Olivarez, Director
Maria Elena Torano, Director of Public Affairs



Story Ideas

Low-cost, Small-scale Energy Sources

April, 1979

Contact: John Macomber
or Pat Wood, (202) 254-5150

Some 35.5 million Americans — the poor and the near poor — struggle daily with basic energy needs. The Community Services Administration, its 878 community action agencies, 40 community development corporations, and other grantees — including the National Center for Appropriate Technology in Butte, Montana -- are experimenting with a wide variety of low-cost technologies for the poor. Here are a few story ideas:

Windmill This summer, New York City's strong winds will be turning the 40-foot blades of a commercial windmill atop a 64-foot column in the Bronx overlooking the East River and Manhattan. The wind turbine will provide a new source of energy for an already existing composting operation which produces rich humus for gardens in hundreds of vacant lots in the South Bronx. It will also produce revenue from the surplus electricity. Its creators, the CSA-funded Bronx Frontier Development Corporation, also plan a program to teach other community groups how to make similar windmills for their own energy needs. Contact Ted Finch, (212) 542-4640.

Solar Wall High school aged youths, mostly Blacks and Puerto Ricans, built a passive solar energy wall to heat the gym of a community building which they refused to give up in a deteriorating New York City neighborhood. Called CUANDO, the group sought help from a CSA grantee, the Energy Task Force, a non-profit corporation of energy architects, educators and engineers. The wall cost \$4,000 -- a grant from the National Center for Appropriate Technology, another CSA-funded program. Call Ted Finch, above.

Solar Green House-Methane Digester A triple-unit solar greenhouse, heated by a methane digester when the sun isn't out, is producing vegetables for the community's elderly as well as commercial sales in Cheyenne, Wyoming. Built by the community action agency of Laramie County with youth and adult volunteers, the greenhouse operation is demonstrating the use of a relatively inexpensive technology to produce both food and jobs for low-income persons. Using cow droppings as a basic fuel, the digester produces 200 cubic feet or 60-70,000 BTUs of bio-gas per day from 200 pounds of organic waste. For more information call Gary Garber, (307) 634-1909.

Solar Water Heater Using CSA funds channeled through the National Center for Appropriate Technology, the Southeast Community Action Council, Inc. of Moultrie, Georgia experimented from scratch with a wide variety of materials to construct three working solar water heater models within the price range of low-income families. The idea was to develop models that an average do-it-yourselfer could build and pay for with the savings from reduced utility bills. The models in Moultrie collect sunlight and turn it into heat which keeps water at 130 degrees year-round. With no water heating bills, the saved money would pay back a bank loan of up to \$400 in five years, including interest. After that, the solar energy to heat the water is totally free. Contact: Chandler Monk, (912) 985-3610.

Solar Stove The Arizona Community Action Association is conducting a comprehensive energy consumer education program which includes teaching poor people how to construct a low-cost (about \$8.00) solar cooker made with cardboard, glass, aluminum foil and wadded-up newspaper. Food can be cooked in a few hours right in the yard. Call Pat Wing, (602) 279-5355.

ACT '79 Dozens of CSA-funded programs are being demonstrated in Act '79, a self-reliant, model community on the Washington, D. C. mall, April 27 - May 1, 1979. For information, Contact Scott Sklar, (202) 347-9193 on CSA projects.



Story Ideas

Hunger and Malnutrition

May, 1979
June Carter Perry
(202) 254-5150

Last month on Capitol Hill, one of the findings reported by physicians who participated in a Hunger Review sponsored by the Field Foundation in 1977 was that food aid programs may represent one of the most effective anti-poverty efforts of the last 15 years. Nevertheless, hunger and malnutrition still exist in this country and many poor people remain unreached by programs which have proved their effectiveness in reducing hunger.

The Community Services Administration and its network of 878 community action agencies, 40 community development corporations and other community based programs, including more than 500 Community Food and Nutrition projects, provide assistance in self-help programs such as community and family gardens, canning, and food co-ops as well as consumer education and crisis relief.

CSA's limited food and nutrition funds are generally used on outreach, program coordination and coalition building rather than service delivery. An important goal is increasing access of the poor to other already existing federal, state and local food and nutrition programs. CSA funds several Washington-based anti-hunger groups including the Children's Foundation, Food Research and Action Center and the Community Nutrition Institute. CSA also funds the National Child Nutrition Project in New Brunswick, N. J. and the Children's Rights Group in San Francisco. Here are some story ideas in the continuing fight against hunger in this country:

Hunger Tour On May 30, community residents will take policy-makers on a tour of poverty communities in and around Montgomery, Alabama to show hunger conditions firsthand and to demonstrate the impact of several federal nutrition and poverty programs. The tour group will leave the steps of the state capitol at 9 a.m. and will return to Tuskegee Institute at 5 p.m. For details, contact:

Bill Edwards, Alabama Coalition Against Hunger, (205) 821-8336
Geoff Becker, Community Nutrition Institute, (202) 833-1730

Anti-Hunger Conference William W. Allison, deputy director of the Community Services Administration, will be the opening speaker of an Anti-Hunger Conference sponsored by the Tuskegee Institute. Allison will speak at 10:30 a.m. on Thursday, May 31, in Moton Hall. Other speakers include Mrs. Andrew Young, chairperson, International Year of the Child. The conference will end at 3 p.m. on June 1. Contact Edwards or Becker, above.

2,000,000 lbs. of Food Each year, St. Mary's Food Bank in Phoenix, Arizona, handles more than 2 million lbs. of salvaged food which is distributed to the poor through more than 250 service agencies. The Food Bank, in operation for 12 years, has also helped set up dozens of other food banks nationwide through its CSA-funded project, Second Harvest. For details, call:

John Van Hengel, Phoenix, (602) 254-7643

Rabbits, Ducks and Chickens Eligible families are raising rabbits, ducks and chickens in a CSA-funded Community Food and Nutrition Special Project sponsored by the Migrants and Seasonal Farmerworkers Association in Raleigh, N. C. For details, call:

Marion Tucker, Raleigh, N. C., (919) 851-7611

Community Services Administration
1200 19th Street, N.W.
Washington, D.C. 20506
Graciela (Grace) Olivarez, Director
Maria Elena Torano, Director of Public Affairs

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

May 26, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren *Warren*

SUBJECT: California Gasoline Scarcity

Since the announcement of your program to deal with gasoline shortages in California and Nevada, conditions in those states have improved somewhat: lines at gas stations are shorter, motorists are more civil, and political rhetoric is less shrill. However, these improvements will disappear with the slightest disturbance. Oil company estimates of gasoline available to motorists in June are generally favorable although there is still some uncertainty and there are portents of shortages of other fuels, i.e. diesel and jet.

In my opinion, the symptoms which surfaced in California and Nevada were the result of more than panic buying. Motorists were understandably responding to the fact that gasoline supplies available were almost 20% below April-May 1978 consumption. DOE correctly reported available supply to be 93% of last year's, yet after deducting priority requirements (military and agriculture, etc.) the supply remaining was capable of accommodating only 81% of last year's needs. Consequently it appears that motorists have ceased panic buying and have also substantially reduced their consumption of gasoline. Worthy of note are reports, admittedly fragmentary, which indicate a dramatic, severalfold increase in passengers using AMTRAK and public transit systems.

California's experience with the odd-even plan is instructive; by itself, it is an inadequate tool. To work, it must be coupled with allocations from the state's set aside to stations in priority areas to insure that an adequate number of stations remain open on weekends.

There are two refinements which I have asked DOE officials to consider: first, the formulation of an early warning system which would give notice to the public and state and local officials of anticipated regional supply shortages; second, a minimum purchase requirement to counter motorist tendency to top-off tanks.

A number of officials have asked me to recommend you request Brock Adams to review the AMTRAK lines he has ordered closed in order to determine if there are some which should be reconsidered given the rapid increase in

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the number of passengers. Also, it has been suggested that Brock increase his efforts to develop a transportation policy (1) to insure more efficient utilization of our present transportation stocks and (2) to shift to less energy intensive transportation modes.

To date, I have met and conferred with:

- a. Most members of the California and Nevada Congressional delegations and all members of the joint delegation energy task force chaired by Congressman Mineta of California;
- b. Governor Brown of California and Governor List of Nevada;
- c. Los Angeles Mayor Tom Bradley;
- d. Los Angeles Supervisor James Hayes who is responsible for energy matters for the county of Los Angeles;
- e. Speaker McCarthy and key members of the Legislature in California;
- f. California and Nevada administrators of state energy, transportation and agriculture programs;
- g. Regional federal administrators;
- h. Representatives of major integrated oil firms supplying states in PADD V.

I have established liaison with each of the foregoing and have received their assurances of cooperation and assistance.

In addition, I have described my assignment and approach in several press conferences: one with Speaker McCarthy for the California press in Washington, D.C.; one with Mayor Tom Bradley in Los Angeles; and another in the State Capitol in Sacramento. Press coverage has been positive and helpful.

Date: May 26, 1979

MEMORANDUM

FOR ACTION:

FOR INFORMATION:

Vice President
Stu Eizenstat - *nu*
Jack Watson
Frank Moore
Anne Wexler
Jerry Rafshoon

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Charles Warren memo re CA Gasoline Scarcity

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:
TIME:
DAY:
DATE:

ACTION REQUESTED:

Your comments

Other:

NOTE: Please call by Mon. noon if
you wish to comment.

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

MEMORANDUM

4:00 departure
(4:30)

THE WHITE HOUSE

WASHINGTON

Reception with Members of the White House Staff
Tuesday, May 29, 1979

4:30 p.m.
(20 minutes)
Room 308 OEOB

(by: Phil Wise & Fran Voorde)

I. PURPOSE: to meet and visit informally with
members of White House staff

II. BACKGROUND, PARTICIPANTS, PRESS:

A. Background: This is the third in a series
of informal receptions which
are being scheduled after
each Press Conference.

Each of the staff members will
be able to meet and talk briefly
with the President.

B. Participants: Staff from the following offices:

- MRS. CARTER'S STAFF
- MILITARY OFFICE
- WHITE HOUSE VISITOR'S OFFICE
- NELSON CRUIKSHANK and STAFF
- ESTHER PETERSON and STAFF
- JODY POWELL'S STAFF (*Note: one half
of the Press Office are invited. The
remaining staff, who will be working
at the Press Conference, will be
invited to the next reception.)

C. Press: White House Photographer only

III. FORMAT:

The President will enter the room and
a receiving line will form immediately
inside the doorway. At the conclusion of
the receiving line, the President will
speak briefly.

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for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

May 29, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: LOUIS MARTIN

SUBJECT: U.S. BLACKS AND RHODESIA-ZIMBABWE

Once we strip away most of the propaganda and irrelevant rhetoric that shroud the Rhodesia-Zimbabwe controversy, there are some facts that seem to warrant concern.

1. While the rank and file of U.S. Blacks may not be well-informed about political developments in Rhodesia, they can be expected to support the Black organizations and the Black leadership that are opposing the lifting of sanctions. The National Bar Association, the Black Mayors and the Congressional Black Caucus are among the organizations that have written you on the subject.

2. Nigeria, which has been the second largest supplier of oil to the United States, is one of the strongest African foes of Ian Smith and the new Rhodesian government. Ambassador Olujimi Jolaoso of Nigeria was quoted in the press on May 29 as follows: "What is now very important, in my view, is whether the U.S. government wishes to lift sanctions against Rhodesia on the basis of the greatest fraud that any so-called government has ever committed--of which the international community has been aware--and which the civilized world has condemned..." "We will, of necessity, then review our bilateral relations, both political and economic, with the United States and other countries that do this to us."

3. The Organization of African Unity has spoken for the majority of Black African nations when it stated in an official release on May 25th the following: "Those who claim to be champions of democracy cannot regard as fair election where voters were not registered and where people were forced to vote at the expense of their jobs and under conditions in which more than 80% of the country was under martial law...."

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Presidential Memorandum

Page two

4. Whatever position the U.S. takes on the Rhodesian question it will have a direct impact upon all the non-white peoples of the world, including Asians as well as Africans, the people of the Carribean as well as those in large areas of Latin America and, of course, Blacks in the United States.

5. Despite loud campaign talk, it is interesting that the Tory government of the United Kingdom is urging the United States to take the lead in accepting the so-called new realities of Rhodesia. Nigeria has promised to break up the British Commonwealth if the Tories carry out their pledge.

2293

THE WHITE HOUSE

WASHINGTON

Date: May 29, 1979

MEMORANDUM

FOR ACTION:

FOR INFORMATION:

The Vice President
Hamilton Jordan
Tim Kraft
Jody Powell

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Martin memo re U.S. Blacks and Rhodesia-Zimbabwe

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:
TIME:
DAY:
DATE:

ACTION REQUESTED:

Other: Your comments

STAFF RESPONSE:

I concur. No comment.
Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

THE WHITE HOUSE
WASHINGTON

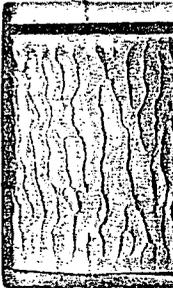
29 May 79

Jerry Rafshoon

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

Rick Hutcheson

Tim Kraft



FOR ACTION
FYI

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

	VICE PRESIDENT
	JORDAN
	EIZENSTAT
✓	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
✓	RAF SHOON
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARONSON
	BUTLER
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	HARDEN
	HERNANDEZ
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	WARREN
	WEDDINGTON
	WISE
	VOORDE
	ADMIN. CONFIDEN.
	CONFIDENTIAL
	SECRET
	EYES ONLY

THE WHITE HOUSE

WASHINGTON

May 29, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JERRY RAFSHOON 

SUBJECT: Fundraising letter

The DNC has to send out a fundraising letter very soon. Your signature is the most effective pull.

We have revised their letter -- rewritten it to push our themes, especially the ones you used on Friday.

Aside from the financial aspects, I think it is a good political opportunity to send the message to 1,000,000 people.

Would you approve this letter?

*No - I prefer that Fritz or John
sign it - I don't have time to re draft -
"to crash our economy down to
depression" ??*



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JERRY
Dac LGTB

G. Stewart
5/26/79
Draft #2

JIMMY CARTER

Washington, D.C.

Dear Fellow Citizen,

As President I have learned that it could be easier to threaten a war than to win a peace.

It would be easier to crash our economy down to depression than to contain inflation.

It is obviously far easier to raise false hopes for cheap fuel than to lead us towards finding new energy.

Here is something else I have learned: If you want to come safely through the complex minefield of a truly serious issue -- beware of people selling cut-rate maps.

Leadership can become a code word for a quick cure, a snake-oil remedy, the easy way out. But the trouble with letting the polls dictate our course is simple -- we will never get where we have to go.

In a way every one of us lives in Harry Truman's kitchen -- and there is no way of avoiding the heat if we are going to meet our responsibilities of leadership as a people.

The Founders of our Nation wondered whether a government of free people could rise above sectional interests. In many times of foreign crisis we have proven that we can lead the world. The question is whether we have the will to lead ourselves.

It is incredible and ironic how easily we forget that today as a nation we are strong, we are prosperous, and we are at peace.

No American has shed blood in battle for the first time in seven administrations. We have shown the patience and courage it takes to win peace in the Middle East. We finally have a Panama Canal Treaty that will prevent war. We have cut the unemployment rate by 25%, created 7 million new jobs, cut the budget deficit in half, won civil service reform, regulatory reform, begun to revive our cities, to lead the public in facing up to the toughest problems of all -- energy, inflation, and arms limitation.

Think with me for a moment about these problems. Of course their complexity tries our patience. Of course they test our sense of security. Is it any wonder that leadership is so difficult when so many are still too unsure and unready to be led? That is why the times we live in call for plain talk, political courage, and the will to work together.

We can argue, we can debate, we can evade, we can duck, but one fact remains clear: So long as we spend our time hunting for scapegoats, or weeping or wringing our hands and just hoping for some kind of miraculous deliverance -- our problems will only get worse, the decisions more difficult, the choices narrower, and the people more cynical.

I hope this will not happen. With your help I know it will not happen.

The American people know now that we simply use too much oil. We produce too little here at home. We have developed alternatives too slowly.

Now our dependence on foreign oil is beyond the danger point. We didn't act after the 1974 crisis. [Two years ago we didn't pass any plan to deal with an international oil shortage.] I did not make the tough decision to begin gradual decontrol because I expected it to be pleasant or popular. I made it because it is right.

Even so I will not allow this painful but necessary step to become an excuse for a massive ripoff of the American people by the oil interests. I will fight for a windfall profits tax on the unearned, excess profits of the oil companies so that we can have an Energy Security Fund to ease the financial burden, improve mass transit, and finance an all-out effort by American science. We can finally lead this country towards energy self-sufficiency.

In the same way we can lead ourselves to victory over inflation as we realize that it is we who are robbing ourselves. And we, together, who can stop it.

And we can lead the world a step closer to permanent peace as we pass on SALT. I have one life to live on this earth. I have one political career. And I will never face an issue -- unless our country goes to war, God knows I hope it will never happen -- so important as getting SALT ratified by the Senate.

But I need you to help me with it, not in a quiet way saying, "I think that is a great idea, I hope it passes,"

but in there fighting for it.

I am not asking you to fight in a political spectator sport or to win a poll game. I have enough of that to keep me busy. These are the fights I have to make and we have to join if we are to make good on our responsibilities as leaders in a free society. And with your help I do not intend to lose them.

I am not asking you to support verbatim every recommendation I make. The question today is not whether government has solutions which we support 100% -- but whether it offers any solutions at all.

I am asking you to work with me to find new ways to energize America, to ease inflation, to continue towards SALT III ~~and so~~ -- and to give a little of yourself to do it.

This country was not founded by men and women who said, "Me first, last and always." And it will not be preserved by those who say, "I must have 100% of what I want, and I must have it now."

If impatience prevails, if unreality prevails, if frustration prevails, if selfishness prevails -- then the special interests we have always fought together will prevail. Those weaknesses are what the special interests are counting on. I am counting on you.

To win these fights I need allies. The Democratic Party is such an ally and it must have your financial support to carry on its work. It deserves that support. Your contribution of \$20, \$25, \$50 or whatever you can afford to spend will help the Democratic Party ~~help us~~ pull together the leadership this nation needs.

Please help me by offering your generous support to the Democratic Party today.

Sincerely,

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

29 May 79

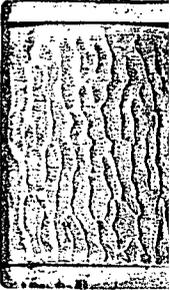
Frank Moore

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

Rick Hutcheson

Hamilton Jordan

2356



FOR ACTION
FYI

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

	VICE PRESIDENT
/	JORDAN
	EIZENSTAT
	KRAFT
	LIPSHUTZ
/	MOORE
	POWELL
	RAFSHOON
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARONSON
	BUTLER
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FIRST LADY
	HARDEN
	HERNANDEZ
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	WARREN
	WEDDINGTON
	WISE
	VOORDE
	ADMIN. CONFIDEN.
	CONFIDENTIAL
	SECRET
	EYES ONLY

THE WHITE HOUSE
WASHINGTON

Frank "all for us - will
report back"
done
J

CONGRESSIONAL TELEPHONE CALL

TO: President Ford

DATE: As Soon As Possible

RECOMMENDED BY: Frank Moore *F.M./BR*

PURPOSE: To ask him to call Congressmen John Rhodes and Bob Michel to urge their help on passage of the Panama Canal Implementing Legislation.

BACKGROUND: If we are going to pass the Panama Implementing Legislation in the House and prevent damaging Hansen amendments, we will need significant support from the Republican side. Ambassador Ellsworth Bunker has discussed this issue with Minority Leader John Rhodes and his deputy, Bob Michel, and both seemed receptive to his arguments. Nevertheless, this is an exceedingly difficult issue for Republicans and the leadership will need some prodding.

TOPICS OF
DISCUSSION:

- The legislation to implement the Panama Canal treaties is in trouble in the House. We will need a significant amount of Republican support to pass it.
- The legislation is needed to implement the treaties and to provide the legal basis for the creation of the Canal Commission. It would authorize the payment of personnel costs, provide for transfer of schools and hospitals to the DOD system and resolve the legal status of the American and Panamanian employees. Defeating the legislation would not change the fact that the treaties will go into place on October 1.

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- If the implementing legislation fails, or if it is loaded down with provisions which violate the letter and spirit of the treaties, we will have a very serious situation which could affect the operation of the canal. Our relations with other Latin American countries would be severely damaged as would our reputation as a country which honors its international commitments.

- The practical effect of bad legislation could be a closed canal. This would create serious economic problems in that 500,000 barrels of Alaska oil transit the canal each day as do several other important commodities.

- We badly need Republican support to pass this legislation and to defeat amendments which would cause us to violate the treaties. I would very much appreciate your calling John Rhodes and Bob Michel to ask their support. For your information, Ed Derwinski is our strongest supporter among the Republicans and he has discussed this issue with Rhodes and Michel.

↑
THE WHITE HOUSE
WASHINGTON
29 May 79

Zbig Brzezinski

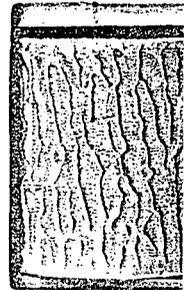
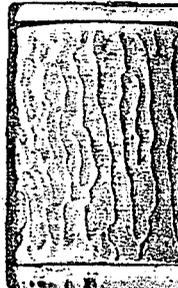
The attached was returned in
the President's outbox today
and is forwarded to you for
appropriate handling.

Rick Hutcheson

Frank Moore

•**NSC--THIS IS BEING HELD BY
BOB LINDER PER YOUR REQUEST
AND WILL BE RELEASED UPON YOUR
APPROVAL.

2355



FOR ACTION
FYI

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

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

/ MOORE

POWELL

RAF SHOON

WATSON

WEXLER

/ BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARONSON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FIRST LADY

HARDEN

HERNANDEZ

HUTCHESON

KAHN

LINDER

MARTIN

MILLER

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

WARREN

WEDDINGTON

WISE

VOORDE

ADMIN. CONFIDEN.

CONFIDENTIAL

SECRET

EYES ONLY

*Hold per
your
note*

THE WHITE HOUSE

WASHINGTON

LIMITED OFFICIAL USE

May 29, 1979

ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI 

SUBJECT: Transmittal to the Senate of the Treaty with Panama on Penal Sentences

We signed a treaty with Panama on January 11, 1979, which provides for the citizens of either nation who may have been convicted in courts of the other country to serve their sentences in their home country. We agreed to negotiate such a treaty in Article IX of the Panama Canal Treaty of 1977. The U.S. has signed similar agreements with Mexico, Canada, and Bolivia.

Cy recommends (Tab B), and I concur, that you send the new treaty to the Senate now for ratification.

RECOMMENDATION

That you sign the message to the Senate, requesting ratification of the Executive Penal Sentences Treaty with Panama.

Approve Disapprove

LIMITED OFFICIAL USE

TO THE SENATE OF THE UNITED STATES:

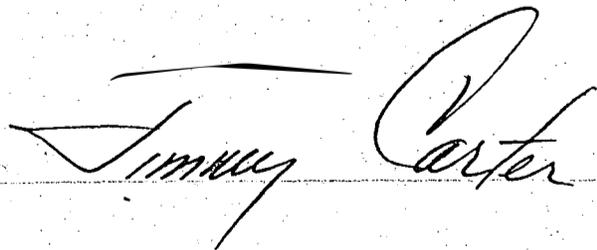
With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty between the United States of America and the Republic of Panama on the Execution of Penal Sentences which was signed at Panama on January 11, 1979.

I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty would permit citizens of either nation who had been convicted in the courts of the other country to serve their sentences in their home country; in each case, the consent of the offender would be required.

This Treaty represents the fulfillment of a commitment undertaken by both nations in the Panama Canal Treaty of 1977. It would complement the wide range of protections and benefits afforded United States Government personnel under the Panama Canal Treaty and related agreements during the life of that Treaty, and would establish a mechanism for other nationals of both countries to serve their sentences in their home countries. Its ratification would provide our personnel stationed in the Republic of Panama further assurance that their interests will be fully protected upon the entry into force of the Panama Canal Treaty.

I recommend that the Senate give prompt and favorable consideration to this Treaty.

A handwritten signature in cursive script, reading "Jimmy Carter", written over a horizontal line.

THE WHITE HOUSE,



DEPARTMENT OF STATE
WASHINGTON

May 15, 1979

The President:

I have the honor to submit a Treaty between the United States of America and the Republic of Panama on the Execution of Penal Sentences which was signed at Panama on January 11, 1979. I recommend that the Treaty be submitted to the Senate for its advice and consent to ratification.

The Treaty is essentially similar to those now in force with the United Mexican States, Canada, and the Republic of Bolivia. It would permit citizens of either nation who had been convicted in the courts of the other country to serve their sentences in their home country; in each case the consent of the offender would be required.

The Treaty would fulfill the commitment of the two nations under paragraph 1 of Article IX of the Panama Canal Treaty of 1977 to "conclude an agreement whereby nationals of either State, who are sentenced by the courts of the other State . . . may elect to serve their sentences in their State of nationality." In accordance with the assurances provided the Senate that it was the Administration's intent that any such agreement with the Republic of Panama would be submitted for

The President,

The White House.

its advice and consent, the agreement has been concluded in the form of a treaty.

Like the similar treaties in force with the above-mentioned nations, this Treaty would relieve the special hardships which fall upon prisoners incarcerated far from home and make their rehabilitation more feasible. It would also further various efforts to establish closer international cooperation in law enforcement activities.

Prior treaties on the execution of penal sentences entered into by the United States of America, however, have been designed in part to respond to an existing situation involving the incarceration of substantial numbers of each country's nationals in the institutions of the other. Neither the United States of America nor the Republic of Panama has at present or in the past incarcerated significant numbers of nationals of the other nation, and this situation is not expected to change radically in the foreseeable future. The primary purpose of concluding this Treaty is to complement the benefits and protections afforded by the Panama Canal Treaty and related Agreements to the United States Government personnel serving in the Republic of Panama, although individuals incarcerated at present will also benefit.

The close relationship between this Treaty and the Panama Canal Treaty of 1977 is reflected in certain of the terms of the Treaty. The Treaty distinguishes between two categories of offenders. "Category 1" offenders include persons subject to a special regime

under the Panama Canal Treaty and related agreements, namely (a) members of the United States Forces, (b) members of the civilian component of the United States Forces, (c) United States citizen employees of the Panama Canal Commission, and (d) dependents of the foregoing United States Government personnel. "Category 2" offenders include other nationals of the United States of America and the Republic of Panama. Although the basic terms of the Treaty are applicable to both categories of offenders, two significant distinctions are made in recognition of the fundamental differences in the status of the aforementioned United States Government personnel and other individuals.

First, the application of the Treaty as regards Category 1 offenders is linked directly to the duration of the Panama Canal Treaty. It will therefore remain in force for Category 1 offenders until December 31, 1999. For Category 2 offenders, the Treaty will remain in force for an initial period of five years, and is automatically renewable, unless either Party formally notifies the other of its desire to terminate the Treaty, for successive five year periods. This procedure is the same as that contained in the prior treaties on the execution of penal sentences mentioned above.

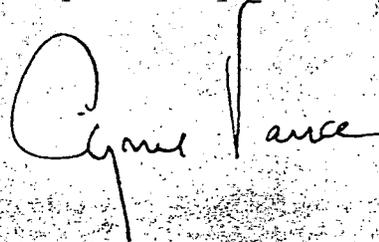
Second, with respect to a Category 1 offender, the election of the individual to transfer would be determinative; neither Government would be in a position to disapprove his transfer to a penal institution in his home country. Category 2 offenders would be subject to the requirement set forth in previous treaties of this nature that the consent of the two Governments to the

transfer, as well as that of the individual offender, is necessary.

An additional consideration related to the entry into force of the Panama Canal Treaty is reflected in Article X of the present Treaty. That provision would provide authority to transfer to Panamanian penal institutions, with the consent of the individual and the two Governments, individuals at present incarcerated by the United States in the Canal Zone who are not nationals of either the United States of America or the Republic of Panama. Prior treaties have not made provision for the transfer of third-country nationals. Such a provision was considered mutually desirable in this case since, in accordance with the Panama Canal Treaty, the United States will cease to maintain existing penal facilities in the Republic of Panama within 30 months from the entry into force of that Treaty. Third country nationals who are in United States custody in the Republic of Panama could, under this Treaty, be given the option of serving the remainder of their sentences in that country rather than being transferred to penal facilities in the United States of America.

In all other respects, the basic terms of the Treaty are modeled on those of the previous treaties on the execution of penal sentences to which the United States of America is party, which are being successfully implemented. The prompt ratification of the present Treaty would contribute significantly to our overall efforts in this area, and particularly to the cooperative relationship which has been established with the Republic of Panama.

Respectfully submitted.



9:00 AM

THE WHITE HOUSE

WASHINGTON

May 29, 1979

Briefing on SALT for Community Leaders

Wednesday, May 29, 1979

9:00 a.m. - 9:15 a.m.

The State Dining Room

FROM: Anne Wexler *Anne*
Hamilton Jordan

I. PURPOSE

To educate a group of prominent opinion-makers on SALT in the overall context of U.S.-Soviet relations and global implications.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background

1. This will be the fourth group of national leaders to be briefed exclusively on SALT since the announcement of the summit.

2. After breakfast in the State Dining Room, you will open the briefing with your remarks. Zbigniew Brzezinski will follow, with Anne Wexler giving closing remarks. In addition, senior officials from the White House, State Department, Defense Department and National Security Council will be present throughout the breakfast and briefing. (See attached agenda)

B. Participants

(See attached list)

C. Press Plan

White House photo and press pool will be present for the first five minutes of your remarks. The rest of the briefing is closed to press. Jerry Rafshoon will be video taping yours and Zbig's remarks for later use in the academic community and others.

III. TALKING POINTS

(See attached)

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THE WHITE HOUSE

WASHINGTON

WHITE HOUSE SALT BRIEFING

MAY 30, 1979

STATE DINING ROOM

9:00a.m. - 9:15a.m.

I.	8:15 a.m.	Breakfast served	State Dining Room
II.	9:00 a.m.	Remarks	The President (15 minutes)
III.	9:15 a.m.	Briefing	Zbigniew Brzezinski (20-25 minutes)
IV.	9:35 a.m.	Questions & Answers	(25 minutes)
V.	10:00 a.m.	Closing Remarks	Anne Wexler (5 minutes)

THE WHITE HOUSE

WASHINGTON

EXPECTED ATTENDEES

SALT BRIEFING

Wednesday, May 30, 1979

9:00 am - 9:15 am

STATE DINING ROOM

Mr. Richard Allen
President
D.R. Allen & Sons

Mr. Roy Anderson
Chairman of the Board
Lockheed

Mr. Tom Bailey
National Commander
Catholic War Veterans of the U.S.A., Inc.

Mr. Tartt Bell
American Friends Service Committee

Ms. Marjorie Benton

Mr. William Colby
Former CIA Director

General J. Lawton Collins

Mr. J. Rochard Conder
Chairman of the Board of Commissioners
Richmond County

Mr. James DaVant
Chairman
Paine-Webber, Inc.

Mr. Coy Eklund
President
Equitable Life Assurance

Mr. Ahmet Ertegun
Atlantic Recording Group

Dr. Jerome Frank
Phipps Clinic-John Hopkins Hospital

The Honorable J. Joseph Garrahy
Governor of Rhode Island

Mr. Allan Grant
American Farm Bureau

Mr. Sanford Gottlieb
New Directions

Mr. James Graham
Commissioner
Department of Agriculture

Mr. Maurice Granville
Chairman and Chief Executive Officer
Texaco

Mr. Robert Hatfield
Chairman of the Board
Continental Group

Mr. Al Gureckas

Senator Jerome Hart
Michigan State Senate

The Honorable Richard G. Hatcher
Mayor of the City of Gary, Indiana

Ms. Rachel Horowitz
American Federation of Teachers

Mrs. Sally Howard

Dr. John Hubbard

Mr. Wallace Hyde
President
Hyde Insurance

Mr. Lawrence Hyland
Chairman of the Executive Committee
Hughes Aircraft

Mr. John Johnson
Publisher
Johnson Publications

Dr. James Killian
MIT

Mr. Fred J. Kroll
President
Brotherhood of Railway, Airline
and Steamship Clerks

Mr. Heath Larry
President
National Association of Manufacturers

Rear Admiral William Lemos

Colonel Cass Lenard, Ret.

Mr. Joseph Lesawyer
American-Ukranian Community

Mr. Bruce Maclaury
Brookings Institute
President

Ms. Jeanne Malchon
Commissioner

Mr. Robert Malott
Chairman of the Board and
Chief Executive Officer
FMC Corporation

Mr. Harry Mancher
President
Combined Jewish Philanthropies of New York

Mr. Vincent G. Marotta
Chairman
North American Systems, Inc.

President Joseph Maseli
Italian American Federation of Louisiana

Mr. Aloysius Mazewski
President
Polish American Congress

The Honorable Ned R. McWherter
Speaker of the House
Tennessee General Assembly

Mr. E. Howard Molisani
President
Italian Labor Committee

Dr. Joseph Nye
Harvard University

Mr. Roy Orr
Commissioner
Dallas County

Mr. John W. Oswald
President
Pennsylvania State University

Mr. George Pahnó, Esq.

Dr. James A. Perkins
International Council for
Educational Development

Mr. Marvin Peterson
Chairman
National Association of Veterans
Program Administrators

Professor Charles Price
University of Pennsylvania

Mr. Forrest Rettgers
Vice President
National Association of Manufacturers

Mr. William Rogers
Former Secretary of State

Mr. David Roderick
Chairman of the Board
U.S. Steel

Mr. Terry Sanford
President
Duke University

Ms. Sarah Slavin Schramm
Women's Caucus

Mr. Phillip Skabeikas

Mr. James Sprayberry

Ms. Lita Taracido
President
Puerto Rican Legal Defense Fund

Mr. Bülcsü Veress

Mr. John Vigilante
Italian-American Community

Ms. Diana Woodbury

Mr. William H. Wynn
President
Retail Clerks International Union

Mr. Henry Wyszynski

TALKING POINTS

SALT briefing for national leaders
Wednesday, May 30, 1979
9:00 a.m.
The State Dining Room

We believe you should talk along the lines of your remarks to the retailers. Here are some suggested points to cover, which we've worked up with Rick Hertzberg of Jerry Rafshoon's office:

1. The SALT II treaty was hammered out by the sustained work of three Administrations: President Nixon's, President Ford's, and yours. It builds on the work of every American President since the end of World War II.
2. SALT must be examined realistically. It is not a panacea. It will not end the arms race. It is a supplement -- not a substitute -- for a strong national defense. But it is a major step in the long, historic process of bringing nuclear weapons under rational control.
3. SALT II is based on self-interest, ours and the Soviet Union's. Although the competition between us will continue as far into the future as anyone can see, we share a mutual interest in survival and in steering our competition away from its most dangerous element, an uncontrolled strategic nuclear arms race.
4. SALT II is not based on trust. The treaty will be adequately verifiable by our own national technical means of verification. In addition, it is in the interest of the Soviet Union to abide by this treaty. Despite predictions to the contrary, the Soviets have observed the terms of the SALT I treaty.

5. Whether or not the treaty is ratified, we must be able to make accurate assessments of Soviet capabilities. But SALT II will make this task much easier -- not only because the treaty forbids concealment measures and interference with means of verification, but also because the treaty gives us basic standards with which we can compare the information we derive independently from our satellites and other methods.

6. The details of ICBMs and SLBMs, throwweight and yield and all the rest are important. It was largely because of these details that the treaty took seven years to negotiate. But these details should not blind us to the real significance of the treaty as a contribution to stability, security and peace.

7. The treaty must be judged on its merits, but we must consider the consequences of rejection:

--radical departure from the process of arms control that began with the atmospheric test ban and SALT I and will continue with SALT III and a comprehensive test ban;

--heightened possibility of confrontation in each local crisis;

--triggering an expensive, dangerous race for a nuclear superiority that each side has the means and will to prevent the other from attaining, with a loss of security for both;

--calling into question our ability to manage a stable East-West relationship, thus undermining our leadership of the Western alliance;

--implications for nuclear proliferation;

--gravely compromising our Nation's position as a leader in the search for peace.

8. Importance of the coming debate; solicitation of support.

THE WHITE HOUSE
WASHINGTON

29 May 79

Frank Moore

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

Rick Hutcheson

2287

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	NO DEADLINE
	LAST DAY FOR ACTION -

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	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

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

May 24, 1979

TO: Frank Moore
FROM: Jim Copeland
Lisa Bourdeaux
SUBJECT: Republican Support of the President
95th Congress

*To: The President
F-41.
Frank - This is
silly - No one wants
to do without the
Demo leadership -
J*

The following is provided in response to your request for an analysis of Republican support in the House for the last Congress.

Key Votes

Three votes at the end of the Congress are generally considered to have been among our most significant legislative victories - sustaining the water projects veto and the nuclear carrier veto; and passage of the National Energy Act.

We needed the Republicans for victory on the energy conference reports but would have prevented overrides of your vetos without garnering any Republican votes.

A review of those votes:

Adoption of the five energy conference reports - Of the 231 votes cast in favor of the reports, 185 were cast by Democrats.

DOD veto override - 206 Members voted with the Administration; 23 were Republicans. (133 were needed to sustain the veto).

Public Works veto override - 2/3 of the votes cast in our favor were cast by Democrats (126 out of 188 - 137 were needed to sustain the veto).

$\frac{26}{62}$

Support Scores

A review of the average support scores we compiled for the 95th Congress reveals that Democrats supported the President with a frequency more than twice that of their Republican counterparts.

Average levels of support:

	<u>1st Session</u>	<u>2nd Session</u>	<u>95th Congress</u>
<u>Democrats</u>	71.7%	63.3%	69.1%
<u>Republicans</u>	28.0%	28.9%	28.7%

Leadership and Committee Chairs

A look at the levels of support for the Democratic leadership and the Chairs of Standing Committees indicates that most are considerably above their party average for the 95th Congress (Note John Brademas and Dick Bolling):

Jim Wright	82.0%
John Brademas	93.5%
Shirley Chisholm	86.4%
Tom Foley (Agriculture)	76.2%
Jamie Whitten (Appropriations)	25.4%
Mel Price (Armed Services)	74.1%
Henry Reuss (Banking)	90.3%
Bob Giaimo (Budget)	83.3%
Ron Dellums (D.C.)	81.4%
Carl Perkins (Ed. & Labor)	77.4%
Clem Zablocki (Foreign Affairs)	72.3%
Jack Brooks (Gov. Ops.)	52.5%
Frank Thompson (House Administration)	91.1%
Mo Udall (Interior)	88.1%
Harley Staggers (Commerce)	71.2%
Peter Rodino (Judiciary)	95.9%
John Murphy (Merchant Marine)	76.5%
Jim Hanley (P.O. & Civ. Svc.)	77.4%
Bizz Johnson (Public Works)	76.3%
Dick Bolling (Rules)	94.3%
Don Fuqua (Science & Tech.)	43.4%
Neal Smith (Small Business)	79.7%
Charles Bennett (Ethics)	36.9%
Ray Roberts (Veterans Affairs)	25.4%
Al Ullman (Ways & Means)	82.5%

On the other hand, a look at the Republican leadership and the ranking minority Members of the Committees reveals that many of them are even below their party average of 28.7%:

John Rhodes	21.1%
Robert Michel	32.2%
John Anderson	<u>56.9%</u>
Bill Wampler (Agriculture)	13.6%
Sil Conte (Appropriations)	73.4%
Bob Wilson (Armed Services)	24.6%
Bill Stanton (Banking)	41.5%
Delbert Latta (Budget)	19.4%
Stew McKinney (D.C.)	61.2%
John Ashbrook (Ed. & Labor)	12.1%
Bill Broomfield (Foreign Affairs)	33.9%
Frank Horton (Gov. Ops.)	<u>54.1%</u>
Wm. Dickinson (House Administration)	21.8%
Don Clausen (Interior)	19.3%
Sam Devine (Commerce)	14.5%
Robert McClory (Judiciary)	25.0%
Pete McCloskey (Merchant Marine)	<u>76.7%</u>
Ed Derwinski (P.O. & Civ. Svc.)	23.8%
Bill Harsha (Public Works)	27.1%
James Quillen (Rules)	17.1%
John Wydler (Science & Tech.)	31.0%
Joe McDade (Small Business)	53.3%
Floyd Spence (Ethics)	11.3%
John Hammerschmidt (Veterans Affairs)	18.6%
Barber Conable (Ways & Means)	42.4%

Summary:

Members of the House Democratic Leadership and the Standing Committee Chairs supported the President with a frequency above the average for their party.

In an environment where we must go after votes one by one, we need the assistance of the Democratic Leadership. Our agenda for this Congress is filled with difficult issues - MTN, Department of Education, Hospital Cost Containment, Trucking Deregulation, Panama, Regulatory Reform, Windfall Profits ... It is difficult to see us prevailing on anyone of these without the support of the Democratic Leadership.

THE WHITE HOUSE
WASHINGTON

29 May 79

FOR THE RECORD:

STU EIZENSTAT RECEIVED A COPY
OF THE ATTACHED THREE MEMOS.

THE WHITE HOUSE
WASHINGTON

May 29, 1979

MR. PRESIDENT:

There is no way I can schedule the requested meetings in this memo and not have you arrive in Vienna for a SALT summit exhausted. There was no consultation with me on time they would need or any long range planning.

Also, Jody and Jerry should comment on proposed announcement.

PHIL

THE WHITE HOUSE

WASHINGTON

May 29, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT 

SUBJECT: NATIONAL HEALTH PLAN

Attached is the decision memorandum which you requested regarding the National Health Plan.

Of the four major issues, two have been resolved:

- HEW has agreed not to impose mandatory fee schedules on private health insurance.
- HEW has agreed to compromise with OMB/CEA on a Medicaid spend-down somewhere between 1:1 and 2:1, with the exact level set after examination of existing practices in the states so as to minimize the "worse-offness" problem.

HEW continues to argue for its mandatory reinsurance plan, with other agencies (and DPS) unwilling to go beyond a voluntary, unsubsidized program as an alternate to existing private sector programs.

The major remaining issue is "Healthcare" -- the federalization of Medicaid. OMB and CEA continue to support versions of a state-administered approach. HEW continues to argue strongly for federal administration. All parties have agreed, however, to across-the-board state cost-sharing for those in the low-income plan, to preserve state incentives to control costs.

I continue to believe strongly that proposing creation of Healthcare as a federally administered program is essential as a symbol of your commitment to a universal, comprehensive national health plan. To propose a state-run system would be viewed as the end of any chance for comprehensive national health insurance by many of its advocates.



Healthcare is additionally important to our efforts to secure liberal supporters because we have decided not to take on a hopeless fight for mandatory fee schedules in private insurance plans. Moreover, HEW, the agency which must administer this new program, strongly believes that efficient administration of 50 different state programs is not possible (as demonstrated by the current Medicaid program). I believe their views should be given considerable deference.

In the attached memorandum, I have recommended Healthcare. As a fallback, I would also support federalization with a state opt-out, if you want states to have the option of running the program. To do less than the opt-out, however, would be taken as a major retreat from our commitment to an eventual overall plan. Moreover, I am persuaded on the merits that the advantages of a fairly uniform federal system outweigh the advantages of state administration.

As you know, Senator Long is willing to support federalization of Medicaid. Democratic moderates with whom I have spoken (including Jim Jones and Norm Mineta) seem to think federalization with a state opt-out is a good solution.

We are presently scheduled to release the Plan around June 5. More time would be useful, particularly for constituent briefings. We will be working with Senator Long to see whether more time can be secured. However, I would request at this time permission to schedule individual meetings for you with the following:

- _____ Senator Long (30 minutes)
 - _____ Representative Rangel (15 minutes)
 - _____ Representative Ullman (15 minutes)
 - Fritz* _____ AFL and UAW (30 minutes)
- ok - Combine*

I also think you should seriously consider a speech on this topic, given the fact it will be one of your biggest domestic initiatives and the most important health initiative by a President in many years.

as I described this morning to Jody - or else let Fritz do it

Yes, look for speaking engagement.

No, but ^A do short statement in press room. *Am 408*

No announcement by you at all.

**Electrostatic Copy Made
for Preservation Purposes**



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

MAY 29 1979

Stein
C

PERSONAL AND CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: JOE CALIFANO *Califano*

It is essential for you to understand the importance of Health Care to any national health plan, both substantively and politically.

Substantively, Medicaid is the most difficult program we run. It is nonsense to claim, as OMB and CEA do, that "many states have efficient claims processing systems." Medicaid is hard to run not just because it is a means-tested program. SSI and AFDC are means-tested programs too, but the Federal Government runs SSI at a 4.5 percent a year rate (down from 6.5 percent when you became President). The states run AFDC at an error rate between 8.7 percent and 8.1 percent, down very little since January, 1977, despite strenuous efforts by us since you became President.

Medicaid is hard to run because it is fifty-three different health programs paying different proportions for different medical benefits. We do not know with certainty what Medicaid error rates are, but they run at least as high as 49 percent (in the District of Columbia) and probably average 20 percent or more nationwide. Moreover, millions of poor people are denied medical benefits.

Federalization is not nationalization, as OMB claims. The program we propose has enormous elements of freedom for the private sector whether it is hospitals, physicians, or insurance companies.

Health Care will take care of the old, the categorically eligible, the poor, the spend-downs and employees of many small businesses--by whatever door they enter. But the bulk of the population--some 70 percent--will be in mandated private programs.

My best judgment is that without a single Health Care program, your proposal will be seriously flawed substantively; there will be a tremendous waste of funds.

DETERMINED TO BE AN ADMINISTRATIVE
MARKING BY *Califano* DATE *6/20/90*

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The President
Page 2

Politically, this program without Health Care will draw significant and devastating fire from the labor movement and the alliance of churches, senior citizens and progressive groups that have supported a national health plan for thirty years. You will be accused of having reneged on your commitment and of abandoning a central tenet of the Democratic Party dogma. The breach, in my judgment, goes far beyond Senator Kennedy and George Meany.

There are obviously programmatic and political compromise options which can be made to appear as reasonable middle ground. In this case, I believe each option down the line will progressively cost billions more in waste and error.

Of course, I favor the proposal we have spent the last couple of years developing and I have the bias of a manager. As a manager, I know your OMB and CEA staff people are wrong about Medicaid. But I have tried to write this memo as coldly and candidly as possible because I want to be sure that you appreciate the significance of this component of your decision, not just politically, but substantively.

THE WHITE HOUSE

WASHINGTON

May 29, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
JOE ONEK

SUBJECT: NATIONAL HEALTH PLAN

At the May 24 meeting you requested that your advisors hone down the remaining issues and that I provide you with a decision memorandum. This memorandum sets forth the issues which require your decision. It summarizes the arguments which were presented in greater length in the memoranda you have previously received.

I. ISSUES WHICH DO NOT REQUIRE DECISION

A. Total Costs

Your advisors have agreed in principle on the following issues:

*Find absolute
minimum*

- As you recommended, your advisors will seek the most limited spend-down which is administratively feasible and which prevents "worse-offness."
- They will also seek a filing unit which, as in the Food Stamp program, excludes from coverage the dependents of non-eligible families, but not other family relatives who would be eligible if they lived elsewhere.

After these items have been worked out finally, your advisors will prepare new cost figures for you.

B. Financing of Medicaid/Healthcare

With respect to financing of Medicaid/Healthcare, your advisors agree that it is important for states to have a financial stake at the margin for all types of beneficiaries, but that the federal government should pick up the initial additional costs created by expanding the eligible population.

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*I prefer
minimum
federal
cost*

Your advisors disagree on whether it is necessary and politically or administratively feasible to require that the federal match be the same for both old and new eligibles. They are attempting to work out that disagreement, and will return to you if necessary.

C. Fee Schedules

Your advisors are agreed on the following elements of physician reimbursement reform:

o Public Plan

- Fee schedule established by averaging Medicare fees and bringing fees for the poor up to the average.
- Mandatory assignment for doctors serving eligible aged, poor and disabled, so no more than the fee schedule can be charged.

o Private Plans

- The public plan fee schedule would be published as an "advisory" schedule for physicians.
- The names of physicians who wished to adhere to the public fee schedule would be disseminated in order to give patients a choice.
- When Phase I is announced, we will state clearly that our goals are to achieve full physician participation in the public program and a reduction in the rate of increase of overall expenditures for physician services, and that we expect the cooperation of the insurance industry and physicians in achieving these goals.
- A Presidential commission will be established to examine both competitive and regulatory strategies for achieving these goals.

- The Administration will also state that if, during the period the commission is studying the problem, progress is not made in achieving the goals of physician participation in public programs and reduction in the rate of increase of physician expenditures, the Administration will introduce appropriate legislation.

This approach allows you to propose a significant advance on the public plan side (which, if enacted, would be a considerable political achievement) and to put doctors on firm notice on the private side.

D. Prevention

HEW is still developing a prevention component to the Phase I plan. In addition to improvements in prevention coverage in public programs (e.g., CHAP), they are considering requiring that private insurance include certain prevention benefits for young children. The HEW proposal will be presented for your review in the next week.

II. ISSUES FOR DECISION

In resolving the issues described below, it is important to keep in mind the political situation on the Hill. The political advantages of including provisions which will please Congressional liberals must be balanced against the risks of alienating key moderates who will be instrumental in getting this proposal enacted. Provisions which move toward a federally controlled health system will be attacked sharply by providers and the insurance industry, but should dampen the criticisms of liberals and organized labor.

It is also significant that the Senate Finance Committee is likely to take almost immediate action on our proposal. Therefore, if there is a political advantage to including a particular provision, even though its chances of passing are slight, that advantage may disappear very quickly -- at least in the Finance Committee. On the other hand, enactment of a bill will require us to submit a proposal which attracts liberal and moderate Democratic support in the House, even if the Senate enacts a more limited proposal.

A. Administration of Medicaid/Healthcare

HEW would merge Medicaid and Medicare into a new federal program for the poor and the elderly -- Healthcare. Intake would be handled directly by the federal government; claims processing would be contracted to private firms on a competitive basis. OMB and CEA would retain the present administrative structure of Medicaid, under which the states perform both intake and claims processing services. They agree that the name of the new system could be changed to denote that its uniform eligibility, benefits and reimbursement standards are a departure from the old Medicaid program.

The specific issue for your decision is whether the federal government should conduct intake and eligibility determinations for the newly-eligible poor (more than 12 million with incomes under 55% of poverty not presently eligible for AFDC or SSI) and whether the federal government should administer claims processing and reimbursement for the existing Medicaid population, the newly-eligible low-income population and the Medicare population, using private industry on a competitive bid basis.

HEW argues:

- Federalization is, and is perceived as, a crucial step toward a comprehensive, universal system. The present state-run Medicaid system is not, and is not perceived as, an appropriate foundation for a comprehensive system.
- The goal of uniform eligibility, benefits and reimbursement can only be accomplished when the federal government has the authority, through Healthcare, to enforce national standards.
- Intake into the health care system through state welfare offices is incompatible with our goal of eliminating two-class care and breaking the link between welfare and health care.

- Medicaid is today an inefficient system which would be overwhelmed by the influx of over 12 million new eligibles. Intake through state welfare offices would continue to result in high error rates, as in the present Food Stamp and Medicaid programs. There will also be no reduction in duplication because the health program for those under 55% of poverty is fundamentally different from the Food Stamp program with respect to the basic eligibility determination: the accounting period is different; the income test is different; the assets test is different; and the spend-down is different.
- Claims processing will be far more efficient if done by the federal government through competitive contracts with private firms. Merger would permit more efficient handling of the 4 million people who are both Medicare and Medicaid eligible and would permit better utilization review and fraud detection programs.
- It is impossible under the present system to assure state compliance with federal standards, because the federal government has no effective sanctions for non-compliance.
- Cost containment depends on states having a financial responsibility for the low-income population, which the HEW proposal provides; it does not depend on an administrative role for the states.
- If the ultimate goal is to merge Medicaid and Medicare under federal authority, it does not make sense to require states to hire new personnel and expand their management systems in Phase I.

CEA and OMB argue:

- States will have more leverage to contain costs if they have an administrative as well as a financial role in the health care system.
- Creation of Healthcare would be perceived as the first step toward a complete federal takeover of the health system.

- States are already performing similar intake services for the Food Stamp program, and duplicative intake systems are unnecessary. This Administration's consistent policy has been to move to one-stop applications. Since all Medicaid eligibles will also be eligible for food stamps (although not vice versa), why not a single application process?
- It does not follow that because Medicaid is run badly by the states it will be run well if assumed by the federal government. Many of the administrative problems in the present Medicaid system are due to the fact that, unlike Medicare, it is a means-tested program. These problems will remain even if the federal government administers the program. In fact, merging Medicare and Medicaid may contaminate the Medicare program.
- Many states now have efficient claims processing systems; sixteen states now contract out claims processing on a competitive bidding system. By contrast, the federal government has only recently begun competitive bidding on a demonstration basis.
- States will, in effect, compete with each other to be more efficient and may develop more innovative ways to administer the health care system.
- States can contract with HEW for administrative services or piggyback on the Medicare contract if they wish.

At the meeting, two compromise options were raised. One, which I mentioned, would involve federal administration of Medicaid with a state opt-out. The opt-out would be based on state performance in accordance with federal standards. This compromise retains most of the political advantages that accrue to federalizing Medicaid, but does less to discourage state innovation, since innovative states can opt out if they perform beyond federal minimum standards. There is a possibility, however, if this route is chosen, that the Congress will soften the performance requirement, thus making it difficult in practice to get the program back from states that do not perform well.

The second compromise would be a state-run system, with the federal government having the power to take over administration if a particular state was inefficient. (The states could also contract with the federal government for administrative services.) This compromise retains whatever political advantages accrue to a state-run system, but promotes efficiency because the federal government can run the system in those states which are inefficient. It is possible, however, that Congress would not require even inefficient states to give up control once they had developed a new program -- and hired new personnel -- to handle the newly eligible low-income population.

Options

- (1) Federalize Medicaid administration (Healthcare) (HEW, DPS recommend). _____
- (2) Federalize Medicaid administration, but give states the option to administer the program (DPS fallback recommendation). _____
- (3) Retain state-administered Medicaid programs with federal authority to take over an inefficient state's program (CEA recommends). _____
- (4) Retain state-administered Medicaid program (OMB recommends). _____

✓ With strict Criteria

Under the last three options there is a further issue:

- (1) Should states continue to administer both (a) intake (eligibility determination) and (b) claims processing and provider reimbursement either directly or through contract with the private sector, as under the current Medicaid program, or
- (2) Should the federal government assume the claims processing and provider reimbursement function nationally, contracting with the private sector on a competitive bid basis, with the states performing only the intake function?

HEW argues:

- Claims processing and provider reimbursement should be done by contract with private industry through competitive bidding -- not by government bureaucracy. These contracts should not be limited to the geographic area of a single state and can best be negotiated on a regional basis between the federal government, which has or can acquire greater expertise, and the private sector. Moreover, national claims processing will eliminate the problems caused by 4 million individuals who receive both Medicare and Medicaid but who cannot be systematically tracked with a dual Medicare/Medicaid system.

OMB and CEA argue:

- There is no evidence that the federal government will do a better job than many states (while 16 states now contract on a competitive basis with the private sector, the federal government is only now beginning to do so on a demonstration basis); and we will learn more from the experience of varied state approaches than from a decision to opt for centralization at this time.

Options

Under Options 2-4 above:

- (1) States could continue to administer both intake and claims processing (OMB, CEA recommend). _____
- (2) The federal government would administer claims processing, through competitive bid contracts, regardless of whether states perform the intake function (HEW, DPS recommend). ✓ J

B. Reinsurance Fund

HEW has proposed a reinsurance fund that will pool the risk of high expenses (any cost over \$25,000 per beneficiary). The fund would provide the mechanism by which HEW would set and enforce standards on private insurance plans seeking qualifications to meet the employer mandate.

HEW argues that the reinsurance fund

- Would encourage self-insurance, a very effective cost containment mechanism, among businesses;
- Would support development of HMOs;
- Would help to equalize premium costs between high and low risk firms;
- Would help offset the additional profits realized by insurance companies as a result of the employer mandate; or
- Is a useful bargaining chip in negotiations with Senator Long.

CEA, DPS, Treasury, and OMB believe that there is no programmatic or economic justification for the mandatory reinsurance fund. They argue that:

- Alternative methods of assuring insurance industry compliance with NHP-Phase I standards now exist.
- There will be little equalization of premiums under the Fund because the expenses it covers are so high (\$25,000).
- There is little evidence of need for a public reinsurance program.
- The net increase in private insurance premiums, and in insurance industry profits, will not be very great.
- The reinsurance fund will increase the cost of NHP-Phase I by \$2.7 billion. (HEW would count this "off-budget." OMB would count it "on-budget.")
- The reinsurance fund will unnecessarily alienate the insurance industry.

At last week's meeting, a middle option was discussed -- creation of a voluntary, unsubsidized reinsurance fund, administered by the federal government. This would allow HMOs and firms to self-insure but would not have some of the liabilities of the mandatory reinsurance proposal. OMB and Treasury argue that no evidence of need for this facility has been produced.

Options

- Approve mandatory reinsurance fund
(HEW recommends). _____
- Approve voluntary unsubsidized
reinsurance fund (CEA, DPS recommend). _____ ✓
- Disapprove any reinsurance fund
at this time (Treasury, OMB recommend). _____

III. TIMING OF BENEFITS

At the May 24 meeting, it was pointed out that Senators Long and Byrd wanted to provide benefits as early as 1980. There are some politically attractive benefits which can be provided with no impact on the budget deficit and only minimal impact on inflation. For example, employers who provide health insurance could be required to continue coverage for laid-off employees for ninety days. Therefore, a compromise with Senators Long and Byrd may be possible.

