4/5/77 [2]

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12:00 C

THE WHITE HOUSE

WASHINGTON

April 4, 1977

PRIVATE LUNCH WITH JIM WRIGHT, MAJORITY LEADER OF THE HOUSE OF REPRESENTATIVES

Tuesday, April 5, 1977
Noon (1 hour)
The Oval Office

From: Frank Moore FM.

I. PURPOSE

Private lunch with Jim Wright.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: Jim Wright (D, Texas), is the Majority Leader of the House of Representatives.

B. Participants: The President, Jim Wright.

C. Press Plan: White House photographer only.

III. TALKING POINTS

General discussion.

THE WHITE HOUSE
WASHINGTON

April 5, 1977

Barry -

This did not come thru me.
You should cooperate with our
staffing system in the future.

Rick

Re: Bill Moyers documentary on
Bronx Slums "The Fire Next Door"

12:00 C

THE WHITE HOUSE

WASHINGTON

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Re: Bill Moyers documentary on
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THE WHITE HOUSE
WASHINGTON

Note to BARRY — This did not come thru me. You should coordinate with Staff Secretary system in future

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HOYT
		HUTCHESON
	X	JAGODA
		KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

April 2, 1977

(1)

MEMORANDUM FOR THE PRESIDENT

FROM: BARRY JAGODA B.J.

You asked for a summary of the recent Bill Moyers documentary on Bronx slums,"The Fire Next Door":

> Middle-class exodus to the suburbs leaves an inner-city population with no perceived stake in their community and very little self-respect. Slum-lords get tax breaks, make no social contribution, and are deeply resented. Governmental services are inefficiently administered. Outsiders seem to ignore inner-city desperation.
>
> Moyers concludes that Great Society programs never reached these people. Government should provide money, jobs, and services in an effective way. President and cabinet-members should demonstrate concern.

This is another documentary about the inner-city (featuring brilliant film of burning buildings) which offers no practical solutions except for the national leadership to express concern and attention.

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for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

April 5, 1977

MEETING WITH NATIONAL FARMERS UNION
Tuesday, April 5, 1977
4:15 PM
The Cabinet Room

From: Stu Eizenstat

I. PURPOSE

The Farmers Union requested this time with the President for its Board of Directors while they are in Washington for an emergency meeting today and tomorrow.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN:

A. Background: This group of 20-plus state chairmen of the National Farmers Union is in town today and tomorrow for an "emergency meeting" of their NFU Board of Directors. They will probably want to discuss many of the same topics covered in your meeting last Friday with representatives of the Rocky Mountain Farmers Union. This will likely include:

- Concerns with the Administration farm bill proposal -- particularly with the level of loan rates, the discontinued use of acreage allotments, and the relationship of support rates to cost of production.

- The need for Federal assistance in coping with effects of the drought.

- The need to support sugar prices above current levels.

B. Participants: Attached at Tab A.

C. Press Plan: Photo Opportunity.

III. TALKING POINTS

* Loan rates established so as to avoid pricing ourselves out of international competition. Present loan rate for wheat ($2.25) is thought to be at or near upper limit. Loan rates for other grains set so that all will be competitive in use at loan levels.

--The drawbacks of establishing loan rates above world prices are: a) the inevitable accumulation of large governments stocks and b) the need to subsidize grain exports.

* Income support levels established at a level high enough to protect farmers from serious economic hearship during periods of temporarily depressed farm prices...yet not so high as to guarantee (most) farmers a profit nor so high as to cause farm land values to continue their rapid escalation. (The last point is worth stressing. Average farm real estate values have increased in each of the past 20 years and, since 1970, have more than doubled (see Tab B). Capital gains from this inflationary spiral have been very high. In the 1950's and 1960's, this inflationary trend was in large measure a result of farm program benefits being capitalized in farm land values. The steep rise in land prices over the past 4 years cannot be atrributed to farm programs. It can, therefore, be argued that this is the time to end the Federal Government's contribution to this inflationary cycle.

Land values 2x in 6 yrs

* Income support levels are not to be confused with desired or expected market price levels. We hope and expect that market prices will remain well above these levels most of the time. These levels should therefore be viewed as the lower bound, not the norm.

* Price supports and equity. One of the major drawbacks to using a common set of price supports across all farms in the nation is that it provides vastly different degrees of price and income protection (relative to cost of production for the individual farm). Supporting wheat at $2.60 per bushel in 1977 covers all costs for about 10 percent of all wheat farms (15 to 20 percent of total production) yet doesn't even cover direct cost for 35 percent of all farms (20 percent of production). (See Tab C.) Since it is not feasible to use a standard price support to protect all farmers uniformly, we must look to other more readily targetted forms of assistance that can be more effectively patterned to individual farmer needs and to overall national objectives.

* Drought assistance package--nearly $600 million in loans and $250 million in grants--has been proposed to alleviate the most critical needs. This package includes transferring authority for emergency livestock feed assistance back to the USDA.

* There are now over 475 counties in 16 states receiving various forms of emergency livestock assistance at a total cost this year in excess of $80 million.

* Agricultural credit survey underway by USDA, Treasury, and the Federal Reserve Bank.

* Secretary Bergland yesterday announced a two-month extension (Until May 31, 1977) for farmers to participate in the 1976 loan program for wheat and rice crops. He also announced raising 1977 crop loan rates for corn from $1.50 to $1.75 and for soybeans from $2.50 to $3.50.

1:30

THE WHITE HOUSE

WASHINGTON

April 4, 1977

MEMORANDUM FOR: The President

FROM: Jack Watson

SUBJECT: Governor Arthur Link (D-No. Dakota)
1:30-1:35 p.m., Tuesday, April 5, 1977

Governor Link wants to be able to go back home and say that he personally gave you his views on the Garrison Diversion Project. He left the attached note and copy of his recent testimony in my office Monday.

Cecil Andrus sent over the attached fact sheet, which is what he will be using in his discussions with Governor Link on Monday afternoon.

The Director of his Energy and Natural Resources Office, Dr. Charles (Chuck) Metzger, is here with him, as is his press aide, Katherine Satron. They would like to shake your hand.

As an item of interest, Governor and Mrs. Link went to the Middle East last year and were entertained by President Sadat. He is trying to get a message through to Sadat while he is in town.

Attachment

7:10 p.m.

THE PRESIDENT HAS SEEN.

C

THE WHITE HOUSE

WASHINGTON

April 5, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT
LYNN DAFT

SUBJECT: Meeting with National Farmers Union

Attached is a briefing paper we have prepared for your meeting this afternoon with the National Farmers Union. We have also attached a memorandum from Secretary Bergland outlining the positions taken by this group and what issues will likely be raised at this meeting, along with a copy of a press release by USDA on the Secretary's Five-Part Program to assist farmers. We were first informed of this meeting last evening.

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

April 5, 1977

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Tuesday, April 5, 1977
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DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

APR 4 1977

MEMORANDUM FOR: The President
The Vice President

SUBJECT: Agriculture Issues of the National Farmers Union and Appropriate Responses by the Administration

In testimony before Congress, the National Farmers Union supported the following:

1. Continuation of the present dairy program with loans at 90% of parity and mandatory quarterly adjustments.

2. Continuation of the wool program with price supports at 100% parity.

3. The establishment of targets and loan levels at the same level with price supports being utilized as the means of supporting farmers.

   The Farmers Union recommends 90% of parity price supports for: wheat, corn, cotton, soybeans, rice, dry edible beans, and sugar.

4. A reseal program with provisions for renewable loans, rotation of stocks to preserve quality, Government payment of storage and interest charges when the average price has not exceeded the support price.

5. Development of international agreements which set maximum and minimum prices for commodities.

It is likely the Farmers Union will raise these issues in the meeting:

1. Substantially higher price supports for all commodities.

2. More rapid handling of disaster loans.

3. Modifications to farm storage loans.

4. Establishment of grain reserves.

The most criticism will come concerning the Administration's income support and market support recommendations.

As a point of reference, parity (March 31, 1977) on the major crops are:

Wheat	$ 5.02
Rice	13.70/cwt.
Corn	3.45
Milk	12.90/cwt.
Soybeans	7.60
Grain Sorghum	5.77
Sugar beets	42.20/ton (Jan. 1977)

The parity issue is complicated. Parity measures the purchasing power of farm commodities in respect to articles purchased by farmers for farm production and family living, wages of hired farm labor, interest paid on farm debts, and taxes paid on farm real estate.

The Administration has advocated adopting a cost-of-production formula for the determination of income support prices, while setting market support -- loan -- prices to compete in the world marketplace.

It might well be pointed out that establishing a price support at 90% of parity for wheat would be $4.51 per bushel. This is at least $1.00 per bushel over the most liberal cost-of-production figures, including a full return on land.

The result of using a total cost-of-production -- a return to land at 9% -- would guarantee rapid land-price escalation, encouragement to non-farm investors to buy land, and very probably signal an end to family farm agriculture.

In addition, it would bust the budget; it is apparent also that the United States would be pricing itself out of world grain markets, where a major portion of farmers' grain is sold today. The United States could also end up holding the bulk of the world's grain reserves.

The issue of more rapid handling of disaster loans is addressed in legislation pending before Congress. Provisions are now in effect to use county averages for determining average yields for loss purposes. This does cut the "red tape" issue raised by farmers.

The issue of expanding loan coverage for farm storage facilities is addressed in the release of the Secretary's today. Interest rates are reduced from 7½ to 7 percent, the maximum loan amount increased from $25,000 to $50,000, provisions added to include concrete and wiring costs for financing, and a 15% down payment is required instead of 30%.

The other major announcements to assist farmers included: establishment of the farmer-owned food grain reserve for the 1976 wheat and rice crops, a two-month extension to allow farmers to participate in the 1976 loan program for wheat and rice, increased price-support loan rates for the 1977 feed grains and soybeans crops, and the reduction of commodity loan interest rates from 7½ to 6 percent, a saving to the wheat producer of 3¢ per bushel per year. (See attached release).

Action was also taken by the Secretary today making Federal crop insurance available in 205 counties in seven states previously closed to new applications (see attached release).

Attachments

McDavid 202-447-4026

NEWS
U.S. DEPARTMENT OF AGRICULTURE

FIVE-PART PROGRAM TO HELP FARMERS ANNOUNCED BY SECRETARY BERGLAND:

WASHINGTON, April 4--Secretary of Agriculture Bob Bergland announced plans today to strengthen the marketing position of grain farmers and to increase the effectiveness of the commodity loan program.

"The five-part program we are announcing will give farmers the needed incentives and assistance to do a better job of marketing and obtain better prices for their crops," the secretary said.

Secretary Bergland announced:

1. Establishment of a farmer-owned food grain reserve for the 1976 wheat and rice crops;
2. A two-month extension--until May 31, 1977--for farmers to participate in the loan program for 1976 wheat and rice crops;
3. Increased price-support loan rates for the 1977 feed grains and soybeans crops;
4. Reduction of interest rates--effective April 1, 1977--on commodity loans from 7-1/2 to 6 percent, and on storage facility and drying equipment loans from 7-1/2 to 7 percent; and
5. Increased amounts and broadened coverage for farm storage and drying equipment loans, and reduced down payment provisions.

The secretary said, "Changes in the facility loan program will make storage more attractive to farmers and will encourage expansion of on-the-farm storage and drying capacity, which will help meet the objectives of the food grain reserve program."

The reserve program will accomplish three other objectives, according to Secretary Bergland. It will insulate excess wheat and rice stocks from the

marketplace, keep the stocks in the hands of farmers, and hold these stocks in readiness to meet U.S. consumer needs as well as export needs in the future.

Food Grain Reserve Details

The three-year extended loans will be available on the maturity date for the regular loans on the 1976 production of wheat and rice which is stored on-farm and in approved commercial warehouses.

The Commodity Credit Corporation will pay annual storage in advance to the farmers participating in the reseal program. Storage rates will be 20 cents per bushel--per year for wheat, and 65 cents per hundredweight--per year for rice. Farmers will be responsible for prepayment of storage to warehousemen for the extended period.

Farmers will be permitted to repay the loan, sell the commodity, and retain earned storage under the extended loan program when the national average market price reaches 140 percent of the current national loan rate for wheat or rice, or until expiration of the contract. Farmers will be notified when the 140 percent level is reached.

Storage credit will end when the 140 percent market price level is reached. The loan repayment total will be the loan principal, plus interest, plus unearned prepaid storage, either on-farm or in warehouse.

If the contract is broken by a farmer selling the commodity before the market prices reaches the 140 percent level, the repayment will also include all storage payments made, plus interest.

USDA will call in all loans when the market price reaches 175 percent of the current national loan rate. If a loan is not repaid within 30 days after the call, all storage payments made, plus interest, will be added to the loan indebtedness.

Emergency release for sale will be authorized if the commodity is endangered (fire, flood, damage to structure, etc.), or if continued warehouse storage space is no longer available.

All current wheat and rice support loans are eligible for this program, but a ceiling on the total quantity of wheat and rice under the extended reseal program will be imposed in the future.

Secretary Bergland said the reserve program gives farmers a stronger hand than they had under past reseal or extended loan programs. "At the same time," he said, "The reserve program provides for an orderly and equitable handling of excess wheat and rice stocks."

"This program also assures consumers and foreign buyers of supplementary stocks when prices reach certain levels, while retaining maximum flexibility for marketing decisions by farmers themselves. This reserve program removes the uncertainty about the flexibility of objectives so prevalent in past reseal or extended loan programs. We hope that this farmer-owned reserve with a maximum quantity restriction will encourage other countries around the world to share in maintaining world grain reserves. We have no intention of becoming the world's granary," Secretary Bergland stated.

Extension To Put 1976 Wheat and Rice Crops Under Loan

With today's announcement, wheat and rice farmers will be able to obtain loans on their 1976 production through May 31, 1977.

With the continuing softness in grain markets and the uncertainty of weather during the coming critical growing period for 1977 crops, the two-month extension will give farmers additional time to decide if they want to use the loan.

Feed Grain and Soybean Loan Rates

Loan rates for feed grains and soybeans grown in 1977 are being increased over those announced Oct. 13, 1976 (USDA press release 2937-76). The wheat loan rate remains at $2.25 per bushel.

The new and the previously announced loan rates for grains and soybeans are:

Commodity	New	Previously Announced
	(per bushel)	
Corn	$1.75	$1.50
Soybeans	3.50	2.50
Sorghum	1.70	1.43
Barley	1.50	1.22
Oats	1.00	.72
Rye	1.50	1.20

-more-

According to the Secretary, the change in the loan rates is being made to prevent a disastrous decline in farm prices and income if favorable weather occurs for crop production this summer. Although the wheat loan rate remains at $2.25 per bushel, wheat will have target price protection at $2.47 per bushel. The new feed grain loan rates will be above the 1977 target prices of $1.70 per bushel for corn, $1.62 for grain sorghum, and $1.39 for barley.

Addressing the issue of acreage allotments, Secretary Bergland said USDA is proposing alternatives in new farm legislation which would eliminate them. The Secretary added, "I urge farmers to carefully look at demand prospects and market alternatives in planning their operations this spring, rather than basing planting decisions to build a history for future allotments."

Interest Rates On Commodity Loans

Effective April 1, the yearly rate on outstanding 1974-76 crop commodity loans were reduced from 7-1/2 percent to 6 percent. Loans for all 1977 crop commodities will be subject to a 6 percent interest rate for the regular loan period.

The interest rate on outstanding storage facility and drying equipment loans which were subject to variable interest rates, also were reduced April 1 from 7-1/2 percent to 7 percent. Loans made on or after April 1 will bear interest at the 7 percent rate for the period they are outstanding.

This announcement changes the policy of adjusting interest rates every six months on outstanding loans, but it continues the policy of setting rates at a level sufficient to recover the Commodity Credit Corporation's cost of borrowing money from the U. S. Treasury.

Farm Facility Loan Provisions

In addition to the lower interest rates, this loan program increases the maximum amount to be loaned, broadens items which may be included for a loan, and decreases the down payment required.

The maximum loan amount is being increased from $25,000 to $50,000. New provisions for loans also include provisions to add concrete and wiring costs for structures and drying equipment, and only a 15 percent down payment instead of the previous 30 percent.

In determining the amount of the loan, storage needs will be based on two years' farm production, instead of one year's production, as was required before these changes.

These changes and the lowered interest rate of 7 percent will remain constant for the term of the loan.

- - - - -

A.

National
Farmers Union

Mr. Tony T. Dechant, President
National Farmers Union
DOB: June 13, 1915
SS#: 515-07-8596

Mr. Cy Carpenter, President
Minnesota Farmers Union
DOB: December 21, 1922
SS#: 474-40-5587

Mr. Harold Dodd, President
Illinois Farmers Union
DOB: December 17, 1917
SS#: 710-14-8691

Mr. Robert Elkins, President
Oregon-Washington Farmers Union
DOB: 1896
SS#: 543-40-9349

Mr. Lowell Gose, President
Iowa Farmers Union
DOB: September 28, 1915
SS#: 485-44-2821

Mr. Roy Holman, President
Utah-Idaho Farmers Union
DOB: December 11, 1920
SS#: 569-34-6732

Mr. Robert G. Lewis, National Secretary
National Farmers Union
DOB: June 5, 1919
SS#: 399-16-2486

Mr. Mike Louiso, President
Ohio Farmers Union
DOB: May 15, 1931
SS#: 295-28-8272

Mr. Dale Lyon, President
Kansas Farmers Union
DOB: November 5, 1930
SS#: 513-24-8711

Mr. Stanley Moore, President
North Dakota Farmers Union
DOB: May 8, 1921
SS#: 504-14-5818

Mr. Jay Naman, President
Texas Farmers Union
DOB: March 28, 1925
SS#: 467-28-4945

Mr. Gilbert C. Rohde, President
Wisconsin Farmers Union
DOB: September 9, 1913
SS#: 395-36-6961

Mr. John Stencel, President
Rocky Mountain Farmers Union
DOB: March 21, 1942
SS#: 522-54-0596

Mr. Jim Stephens, President
Montana Farmers Union
DOB: November 5, 1921
SS#: 516-20-5890

Mr. George Stone, President
Oklahoma Farmers Union
DOB: April 17, 1919
SS#: 447-07-6863

Mr. Ben Radcliffe, President
South Dakota Farmers Union
DOB: December 21, 1915
SS#: 550-16-5283

Mr. Louis Wiebe, President
Nebraska Farmers Union
DOB: February 18, 1908
SS#: 506-16-2982

Mr. Ralph Wood, President
Michigan Farmers Union
DOB: September 15, 1920
SS#: 385-24-1841

Mr. Harold Wright, President
Indiana Farmers Union
DOB: November 8, 1927
SS#: 308-40-5227

Mr. Paul Hudson, Chairman Advisory Board
New Mexico Farmers Union
DOB: November 3, 1916
SS#: 525-70-3884

Mr. Milton D. Hakel
National Farmers Union
DOB: August 30, 1915
SS#: 469-18-4587

Mr. Albert Mellinger, Chairma
Pennsylvania Farmers Union
DOB: July 18, 1927
SS#: 178-24-1062

Milton D. Thomas
Vice President, Arkansas
Farmers Union
DOB: 1/28/22
SS#: 527-32-7001

Reuben Johnson
DOB: 10/7/22
SS#: 257-40-6590

B.

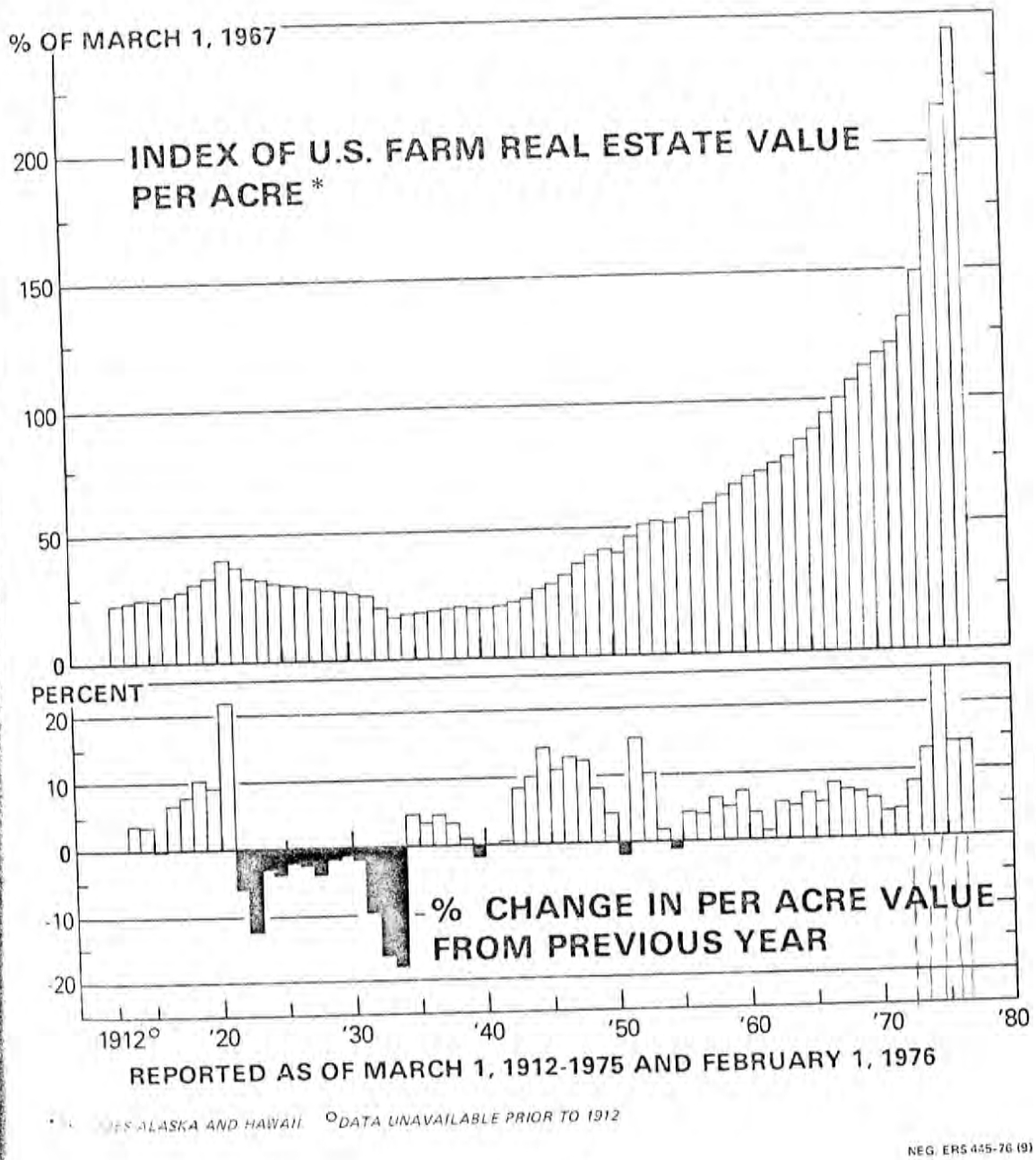
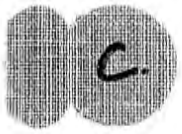
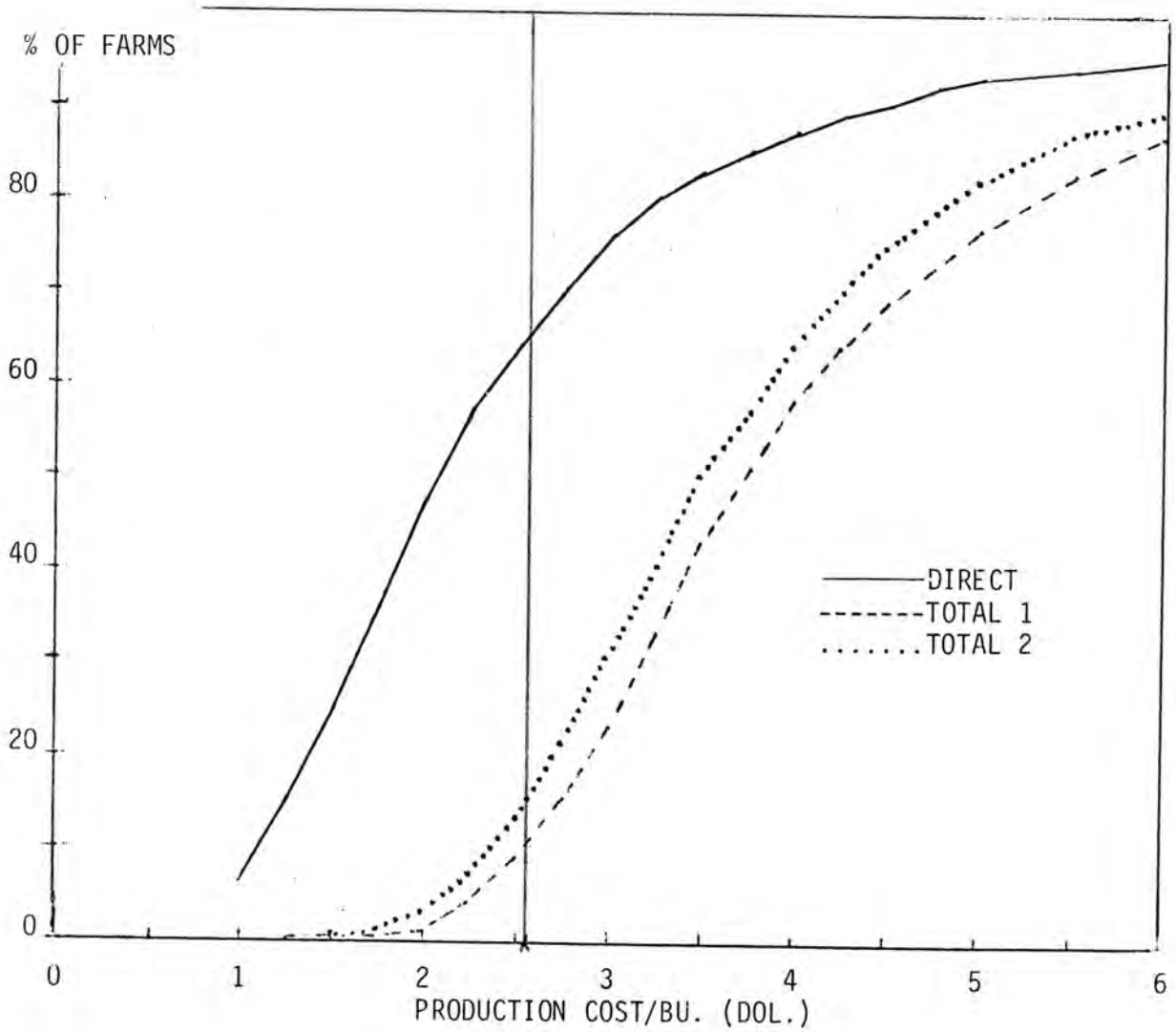

% OF MARCH 1, 1967
INDEX OF U.S. FARM REAL ESTATE VALUE PER ACRE *
200
150
100
50
0
PERCENT
20
10
0
-10
-20
% CHANGE IN PER ACRE VALUE FROM PREVIOUS YEAR
1912°
'20
'30
'40
'50
'60
'70
'80
REPORTED AS OF MARCH 1, 1912-1975 AND FEBRUARY 1, 1976
* ...ES ALASKA AND HAWAII. °DATA UNAVAILABLE PRIOR TO 1912
NEG. ERS 445-76 (9)

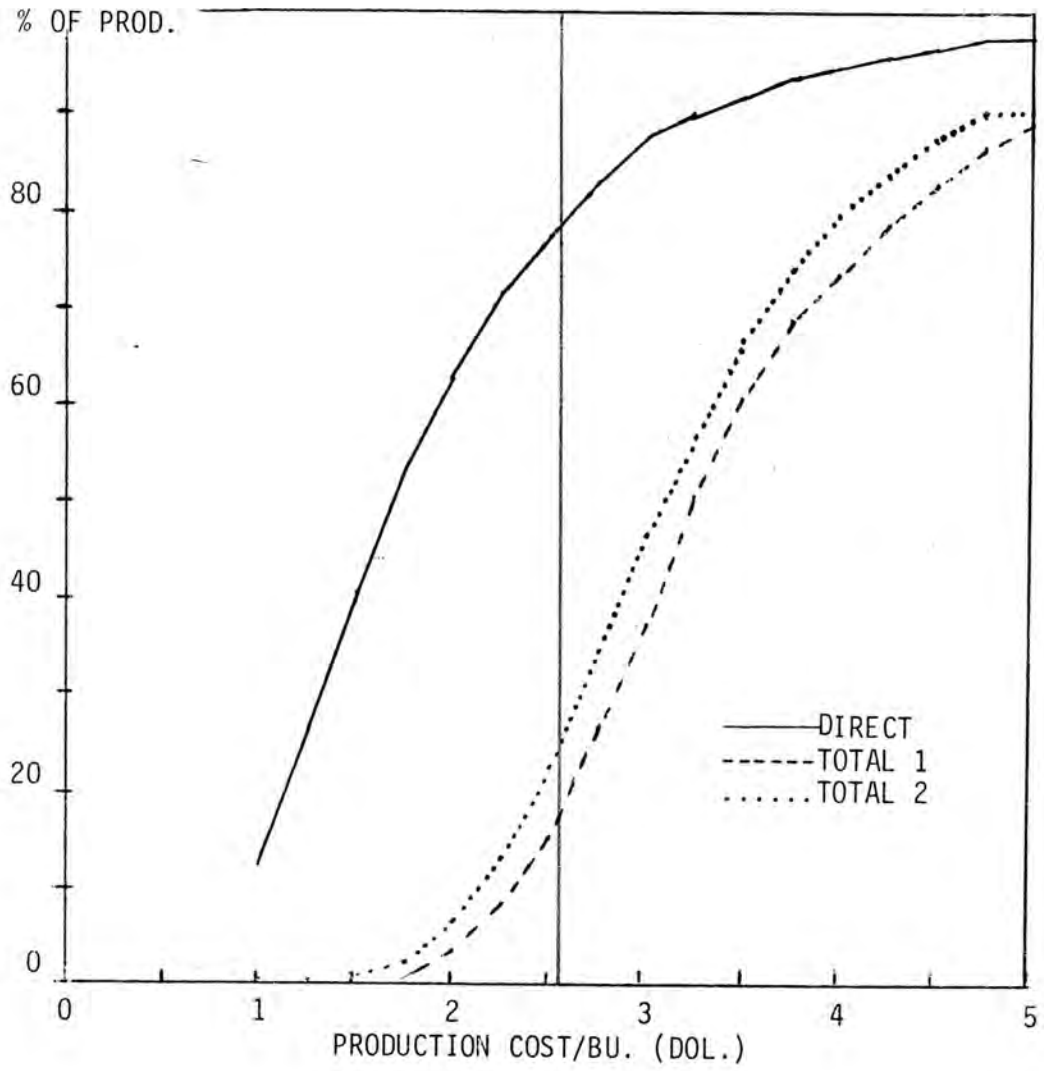
Figure 25


C.

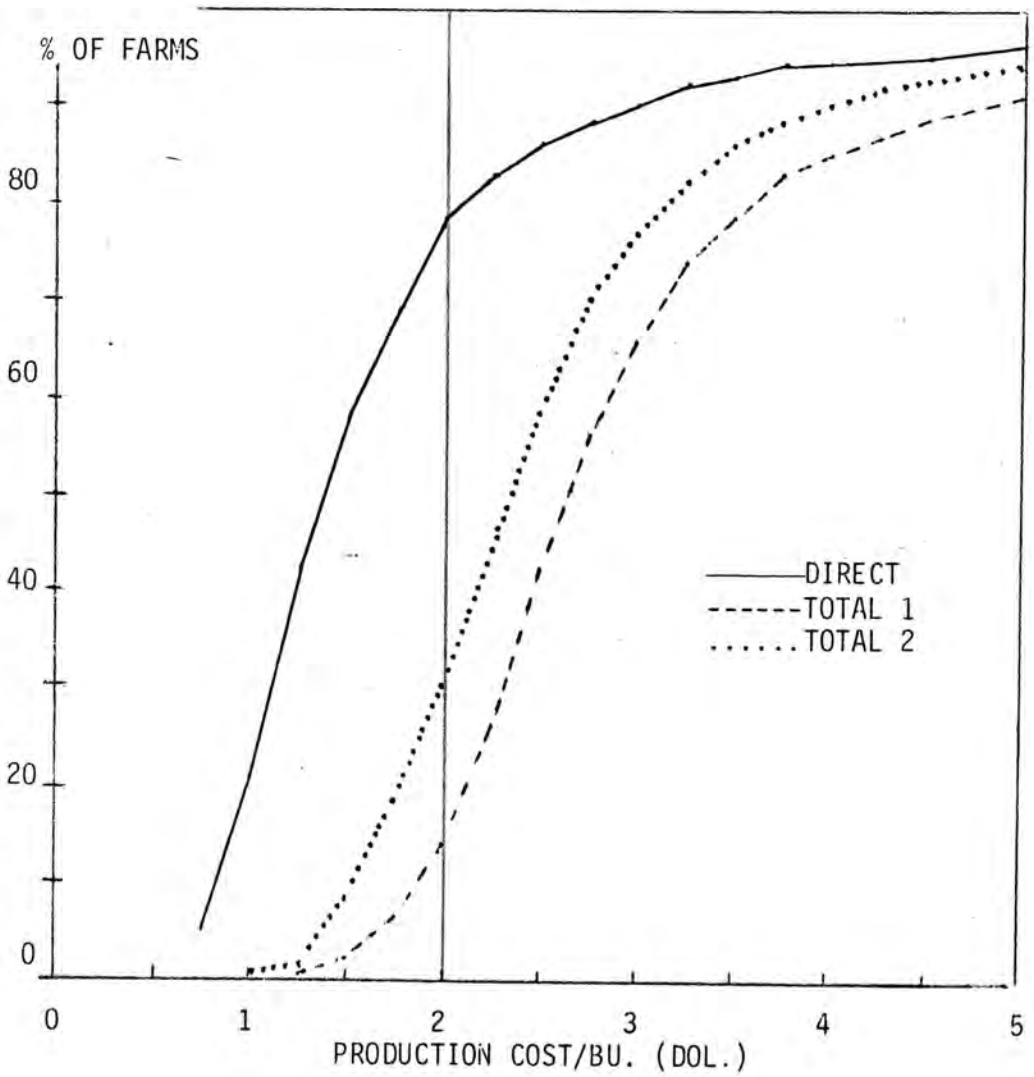
CUMULATION OF ALL WHEAT
NUMBER OF FARMS BY COST LEVELS,
UNITED STATES, 1977



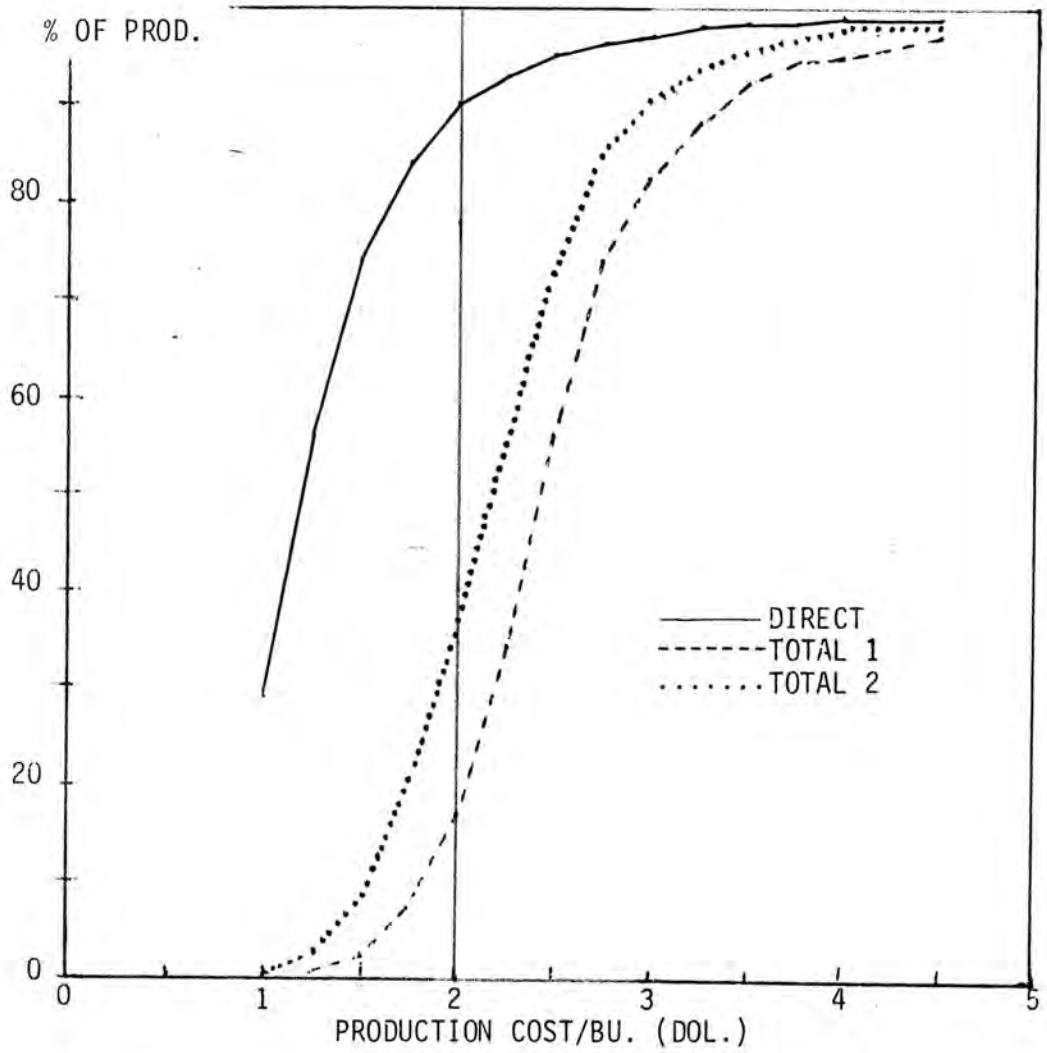
CUMULATION OF ALL WHEAT
PRODUCTION BY COST LEVELS,
UNITED STATES, 1977



CUMULATION OF CORN
NUMBER OF FARMS BY COST LEVELS,
UNITED STATES, 1977



CUMULATION OF CORN
PRODUCTION BY COST LEVELS,
UNITED STATES, 1977



THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

April 5, 1977

ok
J

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ RL

We have now received from "The National Study Commission on Records and Documents of Federal Officials" the completed report and recommendation dated March 31, 1977.

Mr. Herbert Brownell has been serving as Chairman of this Commission.

The report is extremely lengthy, and there are both a majority opinion and recommendation and a minority opinion and recommendation.

In addition to the report being delivered to you, a copy has also been delivered to the Senate and House.

Unless you direct otherwise, I will have this matter studied by our staff and also by the Department of Justice, so that a recommendation can be made to you.

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
X		LIPSHUTZ
		MOORE
		POWELL
		WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
	X	CARP
		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HOYT
		HUTCHESON
		JAGODA
		KING

		KRAFT
		LANCE
		LINDER
		MITCHELL
		POSTON
		PRESS
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		STRAUSS
		WELLS
		VOORDE

THE WHITE HOUSE
WASHINGTON

April 5, 1977

Stu Eizenstat

The attached was returned in the President's outbox and is forwarded to you for incorporating the verbal changes given to you by the President.

Rick Hutcheson

cc: Esther Peterson

Re: Message on Agency for Consumer Advocacy and Other Consumer Participation Measures

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
	X	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

cc Esther Peterson

		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
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		FIRST LADY
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		JAGODA
		KING

		KRAFT
		LANCE
		LINDER
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		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		STRAUSS
		WELLS
		VOORDE

THE WHITE HOUSE
WASHINGTON

Mr. President:

The attached message has been reviewed by Jim Fallows, and approved by representatives of Watson, Lipshutz and OMB.

Rick

Stu - ok
Hit inflation hard & early in message
J

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

April 4, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT
SI LAZARUS
ESTHER PETERSON

SUBJECT: Message on the Agency for Consumer Advocacy and Other Consumer Participation Measures

Attached is a message to Congress on the ACA and other measures to enhance consumer participation in government. You have already decided to support each of the measures covered in the message, as noted in Stu Eizenstat's memo on consumer legislative issues of March 25. The draft has been revised and approved by Jim Fallows.

If the message is ready in time, we plan to issue it on Wednesday, April 6. Otherwise, we will issue it on April 18, the first day after Congress returns from its spring recess. Esther will conduct the press briefing.

For your information, the principal sponsors are: Senators Ribicoff, Javits, and Percy, and Representatives Brooks, Rosenthal, and Frank Horton (the ranking minority member of the House Government Operations Committee).

The principal sponsors of the citizen reimbursement legislation, also endorsed in the message, and scheduled to be marked up and voted on by the Senate Judiciary Committee soon after the recess, are Senators Kennedy and Mathias.

While Esther will of course concentrate on her primary mission of expediting enactment of the ACA legislation, she has also agreed to take the lead in putting together a broad package of consumer proposals, including both substantive and participation-related items. She will work with Stu's staff, Jane Frank, Carol Foreman, Mike Pertschuk, the Justice Department and others in assembling this package.

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TO THE CONGRESS OF THE UNITED STATES

The task of helping consumers understand and shape the powers of their government has become more difficult, and more important, through the years. As the Federal government has grown, individual citizens have found it harder to learn how and where and when to go to influence the many government decisions which make a difference in their lives. As the technology of our society has become more complex, Congress and the President have delegated more responsibility to regulatory technicians, whose activities affect consumers profoundly but are difficult for average citizens to study, influence, and understand.

For several years there has been a movement in Congress and among the people to create a strong voice in government to speak up for the consumer. Today I am recommending measures which will expand and accelerate that movement.

The first of these measures is the creation of an Agency for Consumer Advocacy, which will bring to fruition eight years of bipartisan effort in the Congress.

This Agency will be a small, effective group; its purpose will be to plead the consumer's case within the government. It will not require major additions to the government's size or operations; in significant part, it can be established by drawing together resources now scattered throughout the government. It will not be another regulatory agency. Its purpose is to improve the way rules, regulations, and decisions

are made and carried out, rather than issuing new rules itself. It will help the Congress and help me search out programs which are inefficient or have outlived their purpose, and will help us correct inequities in programs and procedures which are supposed to protect consumers. By establishing the Agency, the Congress can give new meaning to the phrase "in the interest of consumers" found throughout the United States Code and the Code of Federal Regulations.

The basic format of the Agency for Consumer Advocacy has been refined and perfected in eight years of debate by Congress. I support that framework. In particular, I believe that the following principles should be in a bill creating the Agency:

First, most government consumer functions should be consolidated in the Agency. The Office of Management and Budget has begun a comprehensive review to help me identify those units that should be transferred to the Agency. This review will also determine how remaining functions in the individual agencies can be strengthened. Of course, I still expect that all federal agencies will be responsive to the consumer's concerns.

Second, the Administrator of the Agency, like the heads of other executive agencies, should be appointed by the President and serve at his pleasure. The Agency should be subject to the normal executive budget and legislative clearance procedures. Accountability within the executive branch is necessary to ensure that the Agency will be as vigorous and effective as the people expect. It will not undermine the

independence of the Agency's representational role.

Third, the Agency should be empowered to intervene or otherwise participate in proceedings before federal agencies, when necessary to assure adequate representation of consumer interests, and in judicial proceedings involving Agency action. The Agency, at its discretion, should be represented by its own lawyers. I will instruct the Administrator to establish responsible priorities for consumer advocacy.

Fourth, the Agency should have its own information-gathering authority, including, under appropriate safeguards, access to information held by other government agencies and private concerns. However, small businesses should be exempt from the Agency's direct information-gathering authority. Additional safeguards should be included to assure that needless burdens are not imposed on businesses or other government agencies.

The Agency for Consumer Advocacy is mainly designed for participation in very large administrative proceedings; it is only one of a number of steps which will better protect the consumer. Members of my Administration, in the months ahead, will comment to the Congress on a variety of these steps. There are three of them I would like to mention now; they are measures which the Congress has been considering, and which I believe would complement the ACA.

The first is legislation to help consumer groups represent themselves in agency and judicial proceedings. I support Congressional efforts to assist citizen groups to participate in the proceedings of federal agencies, where their participation

may lead to a more balanced decision. I also recommend that Congress enact legislation that would give the federal courts more discretion to reimburse litigation costs for plaintiffs who win cases of public importance involving the government.

Second, I support legislation which will give citizens broader standing to initiate suits against the government, in appropriate cases. The government now routinely invokes the "standing" defense when it is challenged in court. I have asked the Department of Justice to develop new standards which will circumscribe the use of this defense. The Department of Justice will work with my Special Assistant for Consumer Affairs, Esther Peterson, and with the Congress toward legislation which will accomplish this goal.

Third, I support the effort to enable consumers to sue as a class to enforce their rights. Recent court decisions have greatly restricted their ability to do so. I want to expand the opportunities for responsible class actions, starting with violations of consumers' rights. The Department of Justice and Mrs. Perterson will work with the Congress to develop suitable legislation.

These measures -- and the others which members of my Administration will discuss in the months ahead -- will enhance the consumer's influence within the government without creating another unwieldy bureaucracy. I believe they will increase confidence in government by demonstrating that government is considering the people's needs in a sensitive and responsive way.

consumer message

THE WHITE HOUSE
WASHINGTON

RICK:

This message has been agreed to by Jane Frank, Margaret McKenna, Harrison Wellford, Esther Peterson, and Jim Fallows.

Stu

4 Apr 77

GERALD R. FORD

April 5, 1977

Dear Mr. President:

I enjoyed very much our extensive discussion during my recent visit to Washington. You have both serious and hopeful challenges to meet, and I will be happy to assist you in any way I can.

Betty joins me in thanking you for your many courtesies which made our visit so pleasant, particularly in making available the Presidential Box at the Kennedy Center. We hope we may repay your thoughtfulness.

Please extend our best wishes to your gracious wife and your fine family, and thank you again for making our return to Washington a most rewarding and enjoyable experience.

Sincerely,

Jerry Ford

The President
The White House
Washington, D.C. 20500

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for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

April 5, 1977

MEETING WITH THE MASSACHUSETTS CONGRESSIONAL DELEGATION ABOUT FORT DEVENS

Tuesday, April 5, 1977
5:30 p.m. (30 minutes)
The Cabinet Room

From: Frank Moore FM.

I. PURPOSE

To meet with the Massachusetts Congressional Delegation to discuss Fort Devens.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: The Army is presently studying Fort Devens, among others, for possible closure.

B. Participants: The President, Senators Edward Brooke, and Edward Kennedy, Congressmen Edward Boland, James Burke, Silvio Conte, Robert Drinan, Joseph Early, Michael Harrington, Margaret Heckler, Edward Markey, Joe Moakley, Thomas O'Neill, Gerry Studds, and Paul Tsongas. From the Department of Defense: Clifford Alexander, Charles Duncan, Perry J. Fliakas, Major General Jim Lee, Jack Stempler. From the staff: Frank Moore, Valerie Pinson, Dan Tate.

C. Press Plan: White House photographer only.

III. TALKING POINTS

Memo from the Department of Defense is attached.

TALKING PAPER

5 April 1977

In April 1976, Fort Devens was included in a list of candidate base realignments which would be subjected to a detailed Army study.

The Army has reviewed several realignment options to include a reduction to semi-active status. That reduction would involve the transfer or elimination of some 5,000 military and civilian jobs.

Army studies now indicate that the time needed for the annual savings to amortize the one-time cost of this realignment exceed the ten-year threshold established by the Department of Defense. Specifically, the Army estimates that the one-time cost associated with the reduction is about $156 million, while annual savings would be about $6 million.

Thus, the Army, with the concurrence of the Office of the Secretary of Defense, is terminating the existing realignment study.

However, it is important to understand that the Army, over the next several months, will be assessing its functional activities on a world-wide basis as part of a Defense-wide initiative to establish a leaner, more economical base structure.

Included in that overall study will be the Intelligence community and Morse Code Training functions presently at Devens.

3:00

PRESIDENT'S
REORGANIZATION
PROJECT

WASHINGTON, D.C. 20503

April 4, 1977

Meeting with Bert Lance, et al
Tuesday, April 5, 1977
3:00 p.m. (30 min.)
Cabinet Room

From: Bert Lance
Jim McIntyre
Harrison Wellford

I. PURPOSE

To discuss the schedule and press packet prepared for Wednesday's Reorganization Bill signing ceremony, the progress of the reorganization project since the March 10 meeting and several decisions that need to be made.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: The signing ceremony for the Reorganization Bill has been scheduled for Wednesday, April 6, at 9:30 a.m. A schedule and press packet have been prepared for that ceremony which you should review. In order that you be prepared to answer questions or make comments about the study efforts to date, we also intend to report on the project progress since our last meeting.

B. Participants: Bert Lance
Jim McIntyre
Harrison Wellford
Dave Woodham
Dick Pettigrew
Hamilton Jordan
Stu Eizenstadt
Frank Moore
Jack Watson
Richard Harden
Dick Moe

C. Press Plan: White House photographer

III. TALKING POINTS

1. We will present and discuss a schedule and packet of press materials for the Reorganization Bill signing ceremony.

2. We will discuss the proposed membership of the Reorganization Executive Committee and the Reorganization Advisory Committee and get your input on these groups.

3. We will then summarize the progress in the following areas of the sutdy:

   -- staffing
   -- development of project standards
   -- identification of present Executive Branch units
   -- projects currently underway

4. Dick Pettigrew will discuss the role of the Reorganization Advisory Committee and the public awareness effort.

5. Finally, we will discuss a memorandum on the "Coordination of Government Reorganization Efforts" as well as a memorandum from you to all agency heads which establishes the recommended coordination mechanism.

THE WHITE HOUSE
SIGNATURE MUST BE SECURED

DATE 4/5/77

TO:
The Honorable W. Michael Blumenthal
Secretary of the Treasury
Washington, D.C. 20220

NUMBER

TIME REC'D 7:50

RECEIVED BY Jim DeLuca

DELIVERED BY J. Baylon

RETURN RECEIPT ROOM ~~54 IN O.E.O.B.~~ ~~ROC~~ RICK HUTCHESON

THE WHITE HOUSE
WASHINGTON

April 5, 1977

Secretary Blumenthal -

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

Rick Hutcheson

cc: Stu Eizenstat
Jack Watson
Charlie Schultze

Re: EPG Action on Economic Impact Analyses

THE WHITE HOUSE
WASHINGTON

cc Blumenthal

ACTION	FYI	
		MONDALE
		COSTANZA
	X	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
X		WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
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	JAGODA
	KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
X	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

THE WHITE HOUSE
WASHINGTON

Mr. President:

Comments from Eizenstat
and Watson are attached.

Rick

THE PRESIDENT HAS SEEN.

THE SECRETARY OF THE TREASURY
WASHINGTON 20220

ACTION

MAR 28 1977

To Mike F

1977 MAR 29 PM 1 23

MEMORANDUM FOR THE PRESIDENT

SUBJECT: EPG Action on Economic Impact Analyses

The Economic Policy Group has unanimously agreed upon the following general guidelines for assessing the economic impact of Federal regulations:

-- That Executive Branch agencies should continue to prepare analyses of the economic impact of their major regulatory proposals, and to consider these analyses seriously in the regulatory process;

-- That the EPG, working through a deputies group, should have ultimate responsibility for reviewing the adequacy of these analyses;

-- That this review authority should not include the power (which would require new legislation) to hold up or alter the subject regulations;

-- But, instead, that the EPG deputies should discuss among themselves very major regulatory initiatives and bring particularly controversial cases to the attention of the full EPG and, in extreme cases, to your attention.

This program would replace the Ford Economic Impact Statement program, under which agency economic analyses were publicly assessed by the Council on Wage and Price Stability and the Office of Management and Budget. That program accomplished little reform. We think candid, confidential criticism by peer agencies, through the EPG, will be more effective than public criticism.

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The EPG deputies would review only a limited number of major regulatory analyses each year and would seek to avoid creating undue paperwork or delays.

OK
Approve Guidelines

Mike- How about proposed legislation having major impact?
J

Disapprove Guidelines

Comments

Mike

W. Michael Blumenthal
Chairman, Economic Policy Group

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for Preservation Purposes

EIZENSTAT

222

THE WHITE HOUSE

WASHINGTON

April 4, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT
BOB GINSBURG

SUBJECT: EPG Memorandum on Economic Impact Analyses

We generally concur with the guidelines proposed by the EPG for economic impact analyses (EIAs) by Executive Branch agencies and would add the following comments:

1. Although the EPG memorandum refers only to Federal regulations, EIAs should continue to be required (as they are under the present program) for proposed legislation as well.

2. We agree with the EPG memorandum that peer agency (and, we would add, Presidential) criticism may be the most effective mechanism for ensuring cost-effective regulation and legislation by the agencies. But we would not rule out consideration of a complementary mechanism for public criticism of proposed regulations and legislation, either through OMB and the Council on Wage and Price Stability (as at present) or perhaps the EPG itself. Public criticism would not serve as a substitute for EPG peer agency review but could provide added incentive for the agencies to really think through the economic impact of their proposals.

3. You should know that there is some Congressional sentiment for requiring EIAs as a matter of law. This would have the advantage of covering independent regulatory agencies as well as the Executive Branch but would have the disadvantages of added delay and paperwork by requiring analysis of all proposed regulations and by providing new grounds for judicial review of rule-making proceedings.

WATSON

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: THE PRESIDENT

FROM: Jack Watson March 31, 1977

RE: EPG Memorandum on Economic Impact Analyses

Reading this memorandum I was concerned that the approach might weaken rather than strengthen our anti-inflation review. Charlie Schultze assures me I am wrong, and some of his additional points should be noted:

1. Under the EPG proposal, EIA's (Environmental Impact Analyses) will be prepared much earlier in the process of formulating a regulation and consequently should have more impact on the final shape of that regulation;

2. As the memo states, EPG has no legal authority on its own to delay or prevent issuance of a regulation. However, if there is significant disagreement within EPG on a major proposed regulation, EPG may recommend either to an agency or department head or to you that the regulation be revised and, if necessary, delayed. Thus, there really are teeth in this proposal.

THE WHITE HOUSE

WASHINGTON

Date: April 1, 1977

MEMORANDUM

FOR ACTION:
The Vice President
Stu Eizenstat
Hamilton Jordan
Bob Lipshutz nc
Jody Powell

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Jack Watson memo 3/31 re EPG Memorandum on Economic Impact Analyses.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 11:00 A.M.

DAY: Monday

DATE: April 4, 1977

ACTION REQUESTED:

__x__ **Your comments**

Other:

STAFF RESPONSE:

____ **I concur.** ____ **No comment.**

Please note other comments below:

Hold for [illegible]

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

Attached memo re EPG Memo on Economic Impact Analyses.

ACTION	FYI	
X		MONDALE
		COSTANZA
X		EIZENSTAT
X		JORDAN
X		LIPSHUTZ
		MOORE
X		POWELL
		WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

X	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
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	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

WASHINGTON

Date: April 1, 1977

MEMORANDUM

FOR ACTION:
The Vice President
Stu Eizenstat
Hamilton Jordan
Bob Lipshutz ✓
Jody Powell

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Jack Watson memo 3/31 re EPG Memorandum on Economic Impact Analyses.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 11:00 A.M.

DAY: Monday

DATE: April 4, 1977

ACTION REQUESTED:

_X_ Your comments

Other:

STAFF RESPONSE:

____ I concur.

_✓_ No comment.

Please note other comments below:

MWK

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

April 5, 1977

Secretary Blumenthal
Stu Eizenstat
Jody Powell
Jack Watson

The attached memorandum concerning Minority Bank Deposit Program has been signed by the President and given to Bob Linder for coordinating release with the Press Office.

Rick Hutcheson

cc: Bob Linder

THE WHITE HOUSE
WASHINGTON

April 5, 1977

Jody Powell -

Stu suggests publicity on this.

Rick

cc: Bob Linder

Include copy of memo & cover note

THE WHITE HOUSE
WASHINGTON

cc Blumenthal

note to Jody - Stu suggest publicity on this

ACTION	FYI	
		MONDALE
		COSTANZA
	X	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
	X	POWELL
	X	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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	FOR INFORMATION
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		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		STRAUSS
		WELLS
		VOORDE

THE WHITE HOUSE
WASHINGTON

Mr. President:

Lipshutz and Eizenstat concur.

Eizenstat suggests quarterly reports on this program be circulated among Cabinet Officers so that each may see how their Department compares with other Departments in participation. Some publicity on the President's decision would be helpful.

Bunny Mitchell suggests that OMB reporting circulars should require agencies to provide for the collection of minority bank deposits data from grantees in their "cash on hand" reports.

The suggested Presidential memorandum has been revised by Jim Fallows.

---Rick

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: THE PRESIDENT

FROM: Jack Watson
Jane Frank

March 30, 1977

RE: Minority Bank Deposit Program

In the attached memorandum, Mike Blumenthal recommends that you personally endorse a seven-year-old ongoing Government-private effort to increase the level of deposits in minority banks. He has drafted a memorandum from you to the heads of Executive departments and agencies urging their cooperation, and suggests you send it after raising the issue at a regular Cabinet meeting.

Comments from Joe Califano, Juanita Kreps, Charlie Schultze and Bert Lance on the proposal are generally favorable:

> Kreps points out that Commerce "has been active in encouraging the placement of time and demand deposits in minority banks since the inception of the program in 1970 and I shall continue this policy."
>
> Schultze suggests that Mike's draft memorandum "should state explicitly that the Treasury objective of $100 million in deposits is for the end of 1977. No date is now included in the proposed memorandum."

Attachment

THE SECRETARY OF THE TREASURY
WASHINGTON 20220
MAR 23 1977

ACTION

MEMORANDUM TO THE PRESIDENT

SUBJECT: Minority Bank Deposit Program

The minority bank deposit program, which is in its seventh year, is a combined Government-private effort to increase the level of deposits in minority banks. It was developed as a result of Executive Orders 11458 and 11625 and is part of an over-all Federal Government effort to expand opportunities for minority-owned businesses. The Treasury Department determines which banks qualify for minority status and encourages Federal agencies to use minority banks to the maximum feasible extent. The Department of Commerce encourages business firms to use minority banks.

The Government sector program has grown from a total of $3.7 million of Government-controlled funds on deposit in 31 minority banks in 1970 to $86.6 million of these funds on deposit in 81 minority banks. The deposits hit a peak of $89.2 million in mid-1976. Ironically, this recent decline may be attributable to Treasury's increased emphasis on tighter cash management in the Federal Government and is part of a general decrease in agency-controlled bank deposits.

The Treasury has established an objective to increase Government deposits in minority banks to $100 million by the end of 1977.

While we are taking a number of initiatives within Treasury to reach this goal, it would provide a strong lift to the program and encourage more active agency participation if you would add your personal endorsement of this effort. This could be done at a regular Cabinet meeting, followed up by the attached memorandum addressed to departments and agencies.

Mike

W. Michael Blumenthal

Attachments

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF DEPARTMENTS AND AGENCIES

The Government's minority bank deposit program has entered its seventh year of promoting the development of minority-owned business enterprises by increasing Federal and private sector deposits in minority banks. When the program began in 1970, there was $3.7 million of Government-controlled funds on deposit in 31 minority banks. These have grown to $86.6 million deposited in 81 minority banks. The Treasury Department has set a goal of $100 million for these deposits by the end of 1977.

The outstanding results of this program came from a cooperative effort between the minority-owned banks and the Federal Government. Minority banks have helped themselves by aggressive marketing and providing efficient, competitive services, and the participating Federal departments and agencies have reinforced these efforts.

The emphasis placed on good cash management policies throughout the Government has recently resulted in an unavoidable decline in Government-controlled funds in minority banks from a peak of $89.2 million in mid-1976. Within the constraints of good cash management, I urge you to make every possible effort to locate deposits under your control or administered through your agency which can be channeled into minority banks.

It is important that the minority banks continue to participate in the progress of our Nation's banking industry. Your cooperation is vital. The costs of this program have been low and the dividends high.

I will keep abreast of your progress through the quarterly reports that you submit to the Treasury Department.

Jimmy Carter

THE WHITE HOUSE

WASHINGTON

Date: April 1, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Stu Eizenstat — concur + comments
Bob Lipshutz — concur
Bunny Mitchell — no comment
Jim Fallows

FOR INFORMATION: Bob Linder

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Jack Watson/Jane Frank memo 3/30 re Minority Bank Deposit Program.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 11:00 A.M.

DAY: Monday

DATE: April 4, 1977

ACTION REQUESTED:

__X__ **Your comments**

Other:

STAFF RESPONSE:

____ **I concur.** ____ **No comment.**

Please note other comments below:

Need for Stu comment

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)

Date: April 1, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Stu Eizenstat
Bob Lipshutz
Bunny Mitchell
Jim Fallows

FOR INFORMATION: Bob Linder

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Jack Watson/Jane Frank memo 3/30 re Minority Bank Deposit Program.

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TIME: 11:00 A.M.

DAY: Monday

DATE: April 4, 1977

ACTION REQUESTED:

__X__ Your comments

Other:

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)

Date: April 1, 1977

MEMORANDUM

FOR ACTION:
The Vice President
Stu Eizenstat
Bob Lipshutz
Bunny Mitchell
Jim Fallows

FOR INFORMATION: Bob Linder

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Jack Watson/Jane Frank memo 3/30 re Minority Bank Deposit Program.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:
TIME: 11:00 A.M.
DAY: Monday
DATE: April 4, 1977

ACTION REQUESTED:
X Your comments
Other:

See comments JaF

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)

Date: April 1, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Stu Eizenstat
Bob Lipshutz
Bunny Mitchell
Jim Fallows

FOR INFORMATION: Bob Linder

Kathryn

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Jack Watson/Jane Frank memo 3/30 re Minority Bank Deposit Program.

[redacted]

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 11:00 A.M.

DAY: Monday

DATE: April 4, 1977

ACTION REQUESTED:

X Your comments

Other:

STAFF RESPONSE:

____ I concur. ____ No comment.

Please note other comments below:

1. $100M in deposits should be set as Treasury's goal for calendar year 1977.

2. OMB reporting circulars should require agencies to provide for the collection of minority bank deposit data from grantees in their "cash on hand" reports.

Bh.

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)

Date: April 1, 1977

MEMORANDUM

FOR ACTION:
The Vice President
Stu Eizenstat
Bob Lipshutz
Bunny Mitchell
Jim Fallows

FOR INFORMATION: Bob Linder

XC: Orin Kramer
Bert Carp

APR 1977 [redacted] 1 FRI 3 00

22i

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Jack Watson/Jane Frank memo 3/30 re Minority Bank Deposit Program.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:
TIME: 11:00 A.M.
DAY: Monday
DATE: April 4, 1977

ACTION REQUESTED:
_X_ Your comments
Other:

STAFF RESPONSE:
_✓_ I concur. ____ No comment.
Please note other comments below:

I concur and suggest quarterly reports on the program be circulated among Cabinet Departments so that each Cabinet Secretary can see how they compare with other Departments in participation. Some publicity of your decision would be useful.

SS

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 FOR THE HEADS OF DEPARTMENTS AND AGENCIES

The Government's minority bank deposit program has entered its seventh year of promoting the development of minority-owned business enterprises by increasing Federal and private sector deposits in minority banks. When the program began in 1970, there was $3.7 million of Government-controlled funds on deposit in 31 minority banks. These have grown to $86.6 million deposited in 81 minority banks. The Treasury Department has set a current goal of $100 million for these deposits.

The outstanding results of this program came from a cooperative effort between the minority-owned banks and the Federal Government. While minority banks have engaged in aggressive marketing and provided needed services that are efficient and competitive in every respect, the participating Federal departments and agencies have reinforced these efforts.

Although this program has been successful over the past six years, the emphasis placed on good cash management policies throughout the Government has recently resulted in an unavoidable decline in Government-controlled funds in minority banks from a peak of $89.2 million in mid-1976. However, within the constraints of good cash management, I urge you to make every possible effort to locate deposits under your control or administered through your agency which can be channeled into minority banks.

It is important that the minority banks continue to participate in the progress of our nation's banking industry. Your cooperation is vital. The costs of this program have been low and the dividends high.

I will keep abreast of your progress through the quarterly reports that you submit to the Treasury Department.

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

March 18, 1977

Bob Lipshutz
Hamilton Jordan
Bunny Mitchell

The attached was returned in the President's outbox and is forwarded to you for your information and appropriate action,

Rick Hutcheson

Re: Associate Judges, Superior Court of the District of Columbia

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
	X	JORDAN
	X	LIPSHUTZ
		MOORE
		POWELL
		WATSON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ENROLLED BILL
	AGENCY BILL
	Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

	CAB DECISION
	EXECUTIVE ORDER
	Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI	
		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HOYT
		HUTCHESON
		JAGODA
		KING
		KRAFT
		LANCE
		LINDER
	X	MITCHELL
		POSTON
		PRESS
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 17, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz, Hamilton Jordan and Bunny Mitchell

RE: Associate Judges, Superior Court of the District of Columbia (PAS, Level V, 15 Year Term)

With reference to the above matter, we again discussed the matter with Mike Egan, whom Griffin Bell designated to represent him.

As a result of reviewing this matter, we submit and recommend your approval of the following:

We suggest that the name of Robert Shuker, a very highly respected, conservative white attorney be substituted for Paul Webber. At the same time, based upon the fifth vacancy which is to be filled as a result of the resignation of Milton Korman, we recommend that Paul Webber be nominated for that vacancy. Webber is one of the three persons nominated by the Judicial Nomination Commission for this fifth vacancy also.

Thus, the nominations would be as follows:

Gladys Kessler -- white
Robert M. Scott -- white
Annice Wagner -- black
Robert Shuker -- white
Paul Webber -- black

The only concern about this group of nominees has been expressed by Bunny Mitchell, because it would decrease the number of black attorneys on the Superior Court bench, who number about one-third of the 44 total.

_____ Approve _____ Disapprove

F.C.

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THE PRESIDENT HAS SEEN.

PRIVATE

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

March 18, 1977

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: CHARLIE SCHULTZE CLS

SUBJECT: Economic Growth in the First Quarter

The Commerce Department has just made a preliminary estimate of GNP in the first quarter. Total real GNP, they estimate, is rising at an annual rate of about 4-1/4 percent, compared with 2-1/2 percent in the fourth quarter of 1976.

The growth this quarter reflects two things:

1. Inventory building, which was close to zero in 4Q 1976 rose modestly in 1Q 1977.

2. Growth of final sales (all sales other than for inventory building) fell from an annual rate of 5-1/2 percent in 4Q 1976 to a 3-1/2 percent annual rate in 1Q 1977. (Final sales is the measure that Arthur Burns referred to in his conversation with you.) Cold weather accounts for part of this slowdown but not all of it.

The average rate of price increase this quarter, according to the Commerce Department estimates, appears to be between 5-1/2 and 6 percent.

These preliminary estimates are never published. They are based on very fragmentary data and are thus subject to substantial error. The first published GNP numbers for the first quarter will be published in April.

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