THE WHITE HOUSE
WASHINGTON

April 16, 1977

Secretary Marshall
Stu Eizenstat
Jack Watson
Charlie Schultze

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

Rick Hutcheson
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| 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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| IMMEDIATE TURNAROUND |

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| STRAUSS |
| WELLS |
| VOORDE |
MEMORANDUM TO: THE PRESIDENT
FROM: Jack Watson
RE: Meeting with Ray Marshall at 2:15 p.m. Today

April 15, 1977

I am attaching Ray's memorandum on the principal issue he wishes to discuss with you today--House markup of the minimum wage bill.

As Stu indicates, there needs to be more consultation--with Charlie Schultze, Stu, and, I believe, with Treasury and OMB--before the details of a compromise are decided. While I believe you can indicate some flexibility to Ray at today's meeting, I concur with Stu that Ray should not commit the Administration to any change of position until further consultation has occurred.
MEMORANDUM FOR: THE PRESIDENT
FROM: RAY MARSHALL
Secretary of Labor
SUBJECT: Minimum Wage Bill

One item I wish to discuss with you at our meeting at 2:15 p.m. on April 15 is the minimum wage bill which is tentatively scheduled for markup in the House on April 19.

The Administration's proposal on the minimum wage bill was $2.50 an hour on July 1, 1977 and annual indexing thereafter at 50 percent of straight time average hourly earnings. The Dent bill proposed a minimum wage at 55 percent of gross average hourly earnings ($2.85) and annual indexing at 60 percent. The AFL-CIO is firmly committed to an immediate minimum wage of $3 an hour and indexing thereafter at 60 percent of gross average hourly earnings. (The straight-time average hourly earnings index excludes premium payments for overtime and is currently about 20 cents less than the gross average hourly earnings index. Thus, the application of the same percentage to each index will result in wage rates 10-12 cents apart.)

The AFL-CIO has not yet indicated any compromise position. It is our information, however, that the Dent bill may be in trouble and that Dent would like to compromise and then proceed with full Administration support. Specifically, he has indicated that he would advocate a more moderate bill and has tentatively suggested a minimum wage at 52 percent of straight time average hourly earnings ($2.65 on July 1) and indexing at 55 percent thereafter. He would also modify the bill's demand for the immediate repeal of the Act's "tip credit" (which permits employers to credit against their wage obligation tips received by the employees in an amount
up to 50 percent of the minimum wage) and provide instead for a gradual phase-out of this provision by reducing the permissible tip credit over a period of years.
MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT
SUBJECT: Meeting with Secretary Marshall at 2:15 Today

Secretary Marshall has sent the attached memo regarding the minimum wage as background for your meeting with him today. I would make the following points:

- As you know, we had proposed an increase in the minimum wage from the current level of $2.30 to $2.50 on July 1, and indexing at 50% of straight-time hourly earnings thereafter.

- In your discussion with George Meany on April 6, he indicated that the level and indexing of the minimum wage should be based on the level of the minimum in the years in which Congress acted, rather than the average for all years. Although it may be a mistake to place too much stress on this comment, the average level of the minimum wage, measured in the years immediately following the nine increases since 1950, has been 53.5% of the previous years straight-time average manufacturing in wage.

- Secretary Marshall's memo to you indicates that Chairman Dent is eager to compromise with the Administration, and is tentatively suggesting an increase in the minimum wage from its current level to $2.65 on July 1 and indexing at 55% of straight-time average hourly earnings thereafter.

These factors indicate possibility of reaching a compromise favorable to the Administration at an early time -- before battle lines are drawn in the Congress.
Recommendation

I would suggest that you ask Secretary Marshall to work with Charlie Schultze and me on recommendations for your consideration.

I would suggest that you ask the Secretary not to commit the Administration to flexibility until you have received and reviewed these recommendations.
THE WHITE HOUSE
WASHINGTON
April 16, 1977

Tim Kraft -

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

Rick Hutcheson

Re: Meeting with George Peppard
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F.Y.I.--Correspondents

Dinner is

Saturday, April 30th
SC
PRESIDENT JIMMY CARTER
WHITE HOUSE
WASHINGTON DC 20500

DEAR MR. PRESIDENT,

SHERRY AND I WILL BE IN WASHINGTON FRIDAY APRIL 29TH. WE WILL BE ATTENDING THE ANNUAL WHITE HOUSE CORRESPONDENCE DINNER AT THE INVITATION OF JIM WOOTEN.

IF YOUR SCHEDULE PERMITS WE WOULD BE MOST PLEASED TO SAY HELLO TO YOU AND ROSALYN. BEST REGARDS

GEORGE PEPPARD
14144 EST
MGHCOMP MGM

Electrostatic Copy Made
for Preservation Purposes
THE WHITE HOUSE
WASHINGTON

April 16, 1977

Z. Brzezinski
Frank Moore
Tim Kraft

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

Rick Hutcheson

Re: Ft. Monmouth
THE WHITE HOUSE
WASHINGTON

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The White House
Washington

April 15, '77

Mr. President:

Harold Brown called at
4:35; would like for you to
Call back when you can.

TK

[Handwritten notes:]

done
Ft. Monmouth — will look
at it personally
Surveillance warrants — memo
away

Electrostatic Copy Made
for Preservation Purposes
TO: PERSONAL

The Honorable Cyrus Vance
Secretary of State
Washington, D.C. 20520

DATE: 4/16/77

TO: THE WHITE HOUSE

SIGNATURE MUST BE SECURED

TIME REC'D: 9:35

RETURN RECEIPT ROOM 54-B E.O.B.
To Ly Vance

Please designate someone to prepare immediate replies to foreign heads of state. Submit the reply to you and then directly to me. Delays in the State Department are appalling. For sure you agree.

Timmy

Do I get the great letter to me without delay. Please check postal status of all such letters
To C. Vance

Please designate someone to prepare immediate replies to foreign heads of state, submit them directly to me, and then reply to you. Delays in the State Department are appalling. I'm sure you agree.

Jimmy

P.S. Please get the original letter to me without delay. Please check present status of all such things.
THE WHITE HOUSE
WASHINGTON

ACTION
FYI

MONDALE  ENROLLED BILL
COSTANZA  AGENCY REPORT
EIZENSTAT  CAB DECISION
JORDAN  EXECUTIVE ORDER
LIPSHUTZ  Comments due to
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POWELL  48 hours; due to
WATSON  Staff Secretary

FOR STAFFING
FOR INFORMATION

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HOYT  SIEGEL
HUTCHESON  SMITH
JAGODA  STRAUSS
KING  WELLS
VOORDE
Jack Watson

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

Rick Hutcheson

Re: Social Security Cards & Welfare Abuses
MEMORANDUM TO: THE PRESIDENT
FROM: Jack Watson April 13, 1977
Jane Frank

RE: Califano Memorandum on Social Security Cards and Welfare Abuses

The attached memorandum from Joe Califano responds to five questions raised in your note to him of March 15.

Concerning Social Security cards, Joe points out that eliminating forgery will be an expensive and highly sophisticated proposition. He has estimated elsewhere that it could cost as much as $500 million simply to reissue Social Security cards. You should also be aware that reissuance raises many civil liberties concerns—will the card become a national identifier?

A Cabinet cluster on undocumented workers, in which Jane Frank participates, is currently grappling with the issues involved in creating a secure worker identification system. Joe is an active participant in that effort. We suggest that we coordinate any decision on upgrading cards for welfare purposes with your decision on the policy recommendations of the cluster on undocumented workers.

Attachment

Electrostatic Copy Made for Preservation Purposes
MEMORANDUM FOR THE PRESIDENT
FROM JOE CALIFANO

Here is a status report on the five questions raised in your note of March 15.

Social Security Cards

With respect to the ease with which Social Security cards can presently be forged or altered, a first and necessary step is to upgrade the material used for the card. I have asked the Commissioner of Social Security to consider other paper stock and plastic material options and to recommend a new card format and forgery resistant material for backing on an urgent basis.

Unfortunately, such a change will not by itself eliminate the forgery problem. Without an expensive decision to provide sophisticated, electronic "checking devices" to government offices, banks and employers, however, a truly "tamper proof" card cannot be substituted for the present item.

For various reasons, it is, at present, exceedingly easy, especially for young people arriving at work age (15-18), to obtain a Social Security card. For young people in or out of school, present procedures do not even require formal presentation of a registered birth certificate, driver's license or other proof of identity. Moreover, as the result of a law that required individuals eligible for welfare to
The President

possess a Social Security card, the Social Security Administration depends upon state welfare departments to qualify millions of welfare eligibles for a Social Security number. These state agencies have widely varying evidentiary standards for determining personal identity.

In issuing cards, the focus of the Social Security Administration is not to check credentials carefully. From its point of view, the use of a Social Security card is to be eligible for insurance payments that are made on the basis of the work of the holder of the card and the taxes the holder has paid. There are changes that we can make to have the Social Security people require significantly increased levels of proof and do much more careful checking. But those changes are likely to be expensive in additional administrative people, in citizen irritation and in delay.

Multiple Welfare Benefits

As part of the welfare reform study, we should be able to reduce this kind of cheating through the Inspector General's office. A more systematic effort will be made and proposed in connection with the welfare reform proposals. A final report on this subject will be made as part of the welfare reform study.

Consultants and Conventions

To reduce the use of consultants and conventions by HEW we have begun:

. to survey comprehensively recent and past practice regarding the need, use and cost of consultants and conventions;

. to appraise critically the effectiveness and integrity of the Department's use of these arrangements;

. to define as rigorously as possible the basis on which such arrangements will be appropriate in the future.

The results of that analytical survey will be available to me on May 15, and I expect to be able to announce new procedures on or before May 31 that significantly reduce the
use of consultants and conventions and severely tighten the conditions under which outside consultants and conventions will be authorized in the future. I will be reporting the details of the changes that we make at that time.

I have directed that the cost of each consulting report be printed on the cover along with the names of those who worked on the report.
THE WHITE HOUSE
WASHINGTON
April 14, 1977

The Vice President
Stu Eizenstat

The attach is forwarded to you for your information.

Rick Hutcheson

Re: Califano Memo on Social Security Cards and Welfare Abuses.
THE WHITE HOUSE
WASHINGTON

April 16, 1977

Bert Lance
Hamilton Jordan
Jack Watson
Bob Lipshutz
Hugh Carter
Jody Powell

The attached was returned in the President's outbox. The memorandum to Departments was signed by the President and forwarded to Bob Linder for distribution. This copy is for your information and appropriate action.

Rick Hutcheson

Re: Discontinuing the painting of Oil Portraits of Cabinet Secretaries
Mr. President:

Jordan, Watson, Lipshutz
and Hugh Carter concur
with Lance.

Rick
ACTION

MEMORANDUM FOR:  THE PRESIDENT
FROM: Bert Lance
SUBJECT: Discontinuing the painting of oil portraits of Cabinet Secretaries

I. BACKGROUND

The practice of agencies to commission oil portraits of Cabinet Secretaries at Government expense provides an excellent opportunity for dramatizing your campaign against wasteful spending. My staff has investigated this matter, which was brought to our attention by Senator Percy. Past administrations have commissioned oil portraits at Government expense as a method of maintaining an official, historical record of the line of succession of Cabinet Secretaries. This practice began in the early 1800's.

II. OPTIONS

1) To continue using oil portraits for this purpose.

2) To discontinue using oil portraits and, instead, adopt the alternative recommended below.

III. RECOMMENDATION

A more reasonable alternative to this expensive ($6,000 to $12,000 each) practice would be to record the line of succession of Cabinet Secretaries with color photographs. This alternative is consistent with your commitment to save the taxpayer's dollars; the color photographs would cost less than $600.

I recommend, therefore, that you instruct the Cabinet Secretaries to discontinue this practice and, in the future, to use color photographs to record the line of succession of Cabinet Secretaries. Should you agree, I have attached for your signature a memorandum from you to the Cabinet Secretaries.

Approve _____  Disapprove _____

Attachment

Electrostatic Copy Made  for Preservation Purposes
MEMORANDUM FOR

THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF LABOR
THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
THE SECRETARY OF TRANSPORTATION

The Office of Management and Budget has informed me of an outdated practice, that I believe should be discontinued.

As I understand it, past Cabinet Secretaries have commissioned oil portraits, at Government expense, as a method of maintaining an official, historical record of the line of succession of Cabinet Secretaries. Although the practice has existed for over a century, these portraits have become an unnecessary luxury costing anywhere from $6,000 to $12,000.

While this practice might have been justified in the past, color photographs to record the line of succession of Cabinet Secretaries appear more appropriate now. This alternative is consistent with my commitment to save the taxpayer's dollars.

I am sure you will agree that this is another excellent opportunity to convey to the American people our sincere desire to revise wasteful spending practices. Therefore, I ask that you discontinue this practice and in the future use color photographs to record the line of succession.
Date: April 13, 1977

FOR ACTION:

Midge Costanza
Stu Eizenstat
Bob Lipshutz
Jack Watson
Hugh Carter
Richard Harden

FOR INFORMATION:
The Vice President
Hamilton Jordan
Jody Powell

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 4/12/77 re Discontinuing the painting of oil portraits of Cabinet Secretaries.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: NOON
DAY: Friday
DATE: April 15, 1977

STAFF RESPONSE:

___ I concur.

Please note other comments below:

___ No 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)
THE WHITE HOUSE
WASHINGTON

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**FOR INFORMATION**

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THE WHITE HOUSE
WASHINGTON

4/12/77

TO: Rick Hutchinson

For Your Information: _________

For Appropriate Handling: ✓

______________________________

______________________________

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______________________________

Robert D. Linder
I. BACKGROUND

The practice of agencies to commission oil portraits of Cabinet Secretaries at Government expense provides an excellent opportunity for dramatizing your campaign against wasteful spending. My staff has investigated this matter, which was brought to our attention by Senator Percy. Past administrations have commissioned oil portraits at Government expense as a method of maintaining an official, historical record of the line of succession of Cabinet Secretaries. This practice began in the early 1800's.

II. OPTIONS

1) To continue using oil portraits for this purpose.

2) To discontinue using oil portraits and, instead, adopt the alternative recommended below.

III. RECOMMENDATION

A more reasonable alternative to this expensive ($6,000 to $12,000 each) practice would be to record the line of succession of Cabinet Secretaries with color photographs. This alternative is consistent with your commitment to save the taxpayer's dollars; the color photographs would cost less than $600.

I recommend, therefore, that you instruct the Cabinet Secretaries to discontinue this practice and, in the future, to use color photographs to record the line of succession of Cabinet Secretaries. Should you agree, I have attached for your signature a memorandum from you to the Cabinet Secretaries.

Approve _____________  Disapprove ___________

Attachment
MEMORANDUM FOR

THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE ATTORNEY GENERAL
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF AGRICULTURE
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Date: April 13, 1977

MEMORANDUM

FOR action:

Midge Costanza
Stu Eizenstat
Bob Lipshutz
Jack Watson
Hugh Carter
Richard Harden

FOR INFORMATION:
The Vice President
Hamilton Jordan
Jody Powell

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 4/12/77 re Discontinuing the painting of oil portraits of Cabinet Secretaries.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: NOON
DAY: Friday
DATE: April 15, 1977

ACTION REQUESTED:

X Your comments
Other:

STAFF RESPONSE: I concur.

Please note other comments below:

No 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 13, 1977

FOR ACTION:
Midge Costanza
Stu Eizenstat
Bob Lipshutz
Jack Watson
Hugh Carter
Richard Harden

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance memo 4/12/77 re Discontinuing the painting of oil portraits of Cabinet Secretaries.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:
TIME: NOON
DAY: Friday
DATE: April 15, 1977

ACTION REQUESTED:
X Your comments
Other:

STAFF RESPONSE:
X I concur.

Please note other comments below:

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3. Regularly scheduled senior staff meetings which you attend when issues such as health, environment, natural resources, water resources and dams, disasters and education are under consideration.

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1. The Working Group on the comprehensive test ban. The technological aspects (verification, weapons development, legitimacy of PNE’s) have a history of interagency conflicts and your Science Adviser is an appropriate agent for resolving these if possible, or laying out the issues for you if not. This is an area which I have personally followed for over 15 years.

2. Anti-Satellite Working Group. My office (OSTP) has been evaluating potential military aspects of advanced space technology on assignment from the NSC. I have been using a panel of outside university and industrial experts to provide a technically sophisticated, independent point of view.

I would like to maintain liaison with those developing US positions in these two areas.
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FROM: ROBERT J. LIPSHUTZ

SUBJECT: Frank Press -- His Memorandum of April 7, 1977

I urge that you not agree to all of the proposals submitted in this memorandum, based upon my own judgment and also my review of these matters with Dr. Brzezinski. Prior to Dr. Press' sending you this memorandum, he had discussed these matters with Dr. Brzezinski and they have exchanged memoranda; you obviously might wish to review this situation with Dr. Brzezinski before reaching a final decision.

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There seems to be no concern about accepting his proposal relating to the "Anti-Satellite Working Group."
Date: April 7, 1977

FOR ACTION:
Bob Lipshutz
Zbigniew Brzezinski
James Schlesinger

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Frank Press memo 4/7 re Staff meetings.

ACTION REQUESTED:

☐ Your comments
☐ Other:

STAFF RESPONSE:

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☐ No comment.

Please note other comments below:

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THE WHITE HOUSE  
WASHINGTON  

April 16, 1977  

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

Rick Hutcheson  

Re: Editors Briefings
THE WHITE HOUSE
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Carter hopes to instill people with energy saving awareness

by GEORGE J. MEASER, Publisher

Energy, the drought in the western part of the country, construction of dams and election reform came under close scrutiny last Friday in Washington as President Jimmy Carter talked to 23 newspaper and TV representatives during a second “on-the-record” news briefing in the White House.

“For the short term” said Carter, “we hope to initiate an immediate consciousness in the American people for a need of energy conservation.”

William E. Branen of the Burlington (Wisc.) Standard Press and I were the first weekly newspaper publishers selected to participate in the briefing. The day was spent in briefings and questions and answers in the Old Executive Office Building. Lunch was a ham sandwich.

Intergovernmental relations and drought relief were covered by Jack Watson, assistant to the President and Cabinet Secretary, along with Tom Dunne, who is the administrator for the Federal Disaster Assistance Administration. The Energy Reorganization was covered by Dr. James Schlesinger, assistant to the President for Energy. Election Reform was discussed by the Chief of Staff of Vice President Mondale.

The President said he is the best investments is to keep the gas and oil in the ground and to avoid wasting what is produced.

When asked about the启动仪式 complicated IRS forms for individuals this year, the President stated that the 1977 form will be much simpler.

“If I don’t do that then I will have broken my word and I don’t intend to do that,” said Carter.

The Minimum Wage recommendation of $2.50 per hour, plus indexing of the wage scale in the future, recently proposed by the Administration, was also questioned. Asked about his philosophy and if union leaders were consulted in advance about the rate, the President responded:

“No, the unions were not consulted, only my staff. The minimum wage level slowly dropped over a period of years compared to the cost of living. A substantial increase of minimum wage to bring the low wage earner study of the dams to be built around the nation. Mr. Carter seems firm in his objective review of the national water projects as well as his energy conservation programs.

Dr. Schlesinger, in his earlier discussion, said the basic issue with regard to energy is not the novelty of ideas . . . the basic issue is whether the U.S. is serious and will be serious about the energy problem.”

By the year 2010, with a 5 per cent growth rate, all known oil reserves will be depleted. Even with a slow down of usage, the year 2015 would see the last of the oil.

“The disproportion (coal to oil) of the resources that we have and the existing pattern of use, is the major problem the U.S. faces,” said Schlesinger.

The soft-spoken energy head said the plan is not to change suburban living habits by abandoning the individual mobility in the

The energy plan is not to change suburban living habits.

The basic issue is whether

Jimmy Carter seems to be a man at peace with himself

....A mid-west editor

Carter hopes to instill people with energy saving awareness

A mid-west editor
the U.S. is serious about the energy problem.'

In his soft spoken manner, Dr. Schlesinger talks on the energy problem.

Going to do "all I can" to transfer industrial gas users to coal.

"We hope to initiate changes in the law that will force conservation," he said. "I am not in favor of a crash program to extract from our own resources additional rates of production of gas and oil. One of up to where they should be would be quite a shock to the economic system and would create a great deal of political confusion and animosity."

During the 45-minute interview and informal conversation, the questions came back again and again to the drought and the reform of automobiles.

"Rather, he said, it will be constraints on the size of engines and a hard line on insulation of homes and offices.

"We are not going to have a sudden, radical change in the standards of American life but it is going to require a major change in perceptions and in the way we do business," he said. "No more tall glass and steel buildings that consume power and oil.

"Public utilities are required to hook up homes. It will be the responsibility of either the homeowner or the public utility to make sure of proper insulation, particu... all legislative program and White House policy decisions, Watson stated that "a lot of time we have to spend talking when we would like to be thinking. We need to spread as much as possible the responsibility for thinking to all levels of government."

I was impressed by the sincerity of the staff people we met and their dedication to the job of government, particularly to the job of communicating with the American public. Although I was not in agreement with many of Carter's proposals, his obvious knowledge and complete control gave a sense of "getting the job done."
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

THE PRESIDENT HAS SEEN.

April 13, 1977

To Jody from Walt

Now that the President has met three times with editors from outside Washington, he may be interested in the positive coverage these sessions are getting. The editors are, uniformly, impressed with the President and with those of his staff who brief -- and they say so in what they write.

When he finishes briefing the editors this Friday, the President will have met with 112 editors and news directors from more than 100 cities and towns in 36 states.

Mr. President:

These things are really paying off. If you don't need convincing, don't bother reading this.

[Handwritten note]

You were right.
Carter Economists Confidently Look To Improving Year

By James O. Powell
Editorial Director

President Carter's leading economists and administrators are looking to 1977 with complete confidence in the national economy and in their own ability, with a Democratic Congress, to steer it onward and upward to better levels of performance.

This sense of confidence is one of the strongest impressions to be gained in a long day of briefing, of questions and answers, in the executive offices and the White House. The first of such briefing sessions for regional editors was held last week under auspices of the White House press office. Selected editors and news directors were invited from 52 cities representing something of a cross-section of the country, from Seattle to Atlanta.

The aura of confidence enveloping Carter's decision-makers is not necessarily unique but it is peculiar, in a sense, to a Democratic administration that has just come to power via the election box. These men around Jimmy Carter are winners and, as national Democrats, they are activists. While Republicans tend to leave things alone, if you put a Fresh Democratic President in office he and his lieutenants proceed on the assumption that the country will be better off soon and, if it isn't, why, they will just confront any economic problem that arises and muddle it to the ground.

In the day's briefings—interrupted only by a frugal Carter-style lunch, consisting of a ham and cheese sandwich—the editors heard Bert Lance, head of the Office of Management and Budget, one of the most influential men in Carter's government; W. Bowman Cutler, executive director for the budget; Lyle Gramley, member-designate of the Council of Economic Advisers; Dave Rubenstein and Bertram Garp, deputy assistants to the President for domestic affairs; Harrison Wellesford, associate director for government reorganization; and Midge Constance, assistant to the President for public liaison. The finale was a half-hour meeting with Jimmy Carter, a news conference in which the President answered questions covering a broad sweep of national and international affairs.

As ever, it was the economic expectations and the forecasts that grabbed attention in the briefings.

To begin with, the administration has reached the calculated conclusion that the January weather, ravaging as it was, will have only minor impact on the economic performance for the year. The business resurgence will just be delayed a little while.

In projecting economic growth, the administration is looking for a growth rate rising from last year's 3.8 per cent to an annual 5.5 per cent, on average. A rate above 5 per cent is the kind that will reduce sharply the high rate of unemployment, it is believed.

Anticipating some early relief in unemployment, the administration expects the jobless percentage in the work force to be down to 6.7% by the year's end, compared to 7.5 currently.

Finally, in looking to a good year, Carter's economic managers do not expect immediate price pressures even with the anticipat ed $68 billion deficit in the federal budget. (Democrats regard deficits with concern but accept other major factors in the force of inflation.) Industrial capacity is regarded by the administration as ample, and an expected increase in private credit is not considered much of a threat, inflation-wise.

In the summarizing up, the administration's outlook is bright. It is unclouded by the expectation of either an economic slowdown or sharper inflation.

* * *

The outlook on inflation has been questioned rather more widely than have the predictions for a business upturn but the administration, nonetheless, has been discomfiting even the thought of wage-price controls. This is clearly an exercise in cold psychology, both for the benefit of the tempestuous George Meany and for the benefit of the notoriously moody business community. It also suggests, however, the present dominance of Bert Lance, the Georgian, in the counsels of the President. Carter's economic troika is Lance, Charles Schultz, chairman of the Economic Advisers, and Secretary of the Treasury Blumenthal.

Listening to Lance talk about wage-price controls, one is reminded that he is the more conservative member of Carter's economic threesome. Indeed, he claims against price-wage controls are extravagant. Not only does Lance disavow any thought of resort to mandatory controls of any kind, he claims that they never have worked. In this con-
text he sounds exactly like the banker that, of course, he is.

In actuality, a persuasive case can be made that wage-price controls worked not only in wartime but in peacetime, pretty well, too—most recently in the first term of Richard Nixon, who got the economy out of trouble in 1971 with a combination of business stimulants and wage-price controls.

For the present, however, it is plainly Vance's reflective view of wage-price restraints that is dominant in the White House. It is safe to predict that Vance's view will remain dominant just as long as the wage-price spiral allows.

Although Bert Lance has some pretty conservative instincts, he is one of the advocates of the Carter package which has $31 billion of tax cuts and expenditures for the next two years. Indeed, if anyone has missed the point, John Maynard Keynes is back in fashion in Washington and the great Milton Friedman is out in the cold.

The change of economic helmsmen, as it were, was implicit in remarks made by Cutter, the budget man, in defense of the tax rebate. Cutter noted that Friedman, the monetarist and lion of the Republican right, had pooh-poohed the administration's developing tax rebate; then Cutter went on to say that the rebate of 1975 had had the intended effect, which was stirring the economy out of the doldrums.

Later, Gramley, a brilliant economist for the Federal Reserve (one who doesn't agree with Arthur Burns, the chairman) was asked from the audience of editors if this administration might share the famous observation of Richard Nixon in 1971 right after he (Nixon) had pushed Milton Friedman overboard. Nixon remarked then, "We are all Keynesians now"—even as he proceeded to initiate stimulative tax cutting and wage-price restraints, key weapons in the Keynes arsenal.

Gramley's response was in the affirmative, confirming that Keynes' well known principles are welcome enough in this administration.

As it was in the case of Richard Nixon, President Carter as a practicing politician does not dare gamble on Friedman's laissez faire theories.

Indeed, Friedman's Nobel Prize, along with 30 cents, will get him a cup of coffee any day in Jimmy Carter's Washington.
President Jimmy Carter  
The White House  
Washington, D.C.

Dear Mr. President:

I was one of the group of 22 editors and news directors who had the privilege of meeting with you and attending the full day of briefings March 4 with members of your Administration. It was a most enjoyable and instructive day, giving me an insight and appreciation for your objectives and direction that I could not have obtained second-hand.

I am pleased that you are committed to 20 of these sessions a year and feel they will be most valuable as part of your effort to keep in touch with the people - as well as keeping the press and the country more in tune with your Administration and where it is going. It should help forge a better relationship between government and the people, an essential step for our mutual progress.

I appreciated not only the opportunity to question and hear from you and your assistants, but the capability and commitment of all I came in contact with. The briefings were extremely well run, and as a first time operation, the scheduling, punctuality and willingness to be of assistance was most impressive.

I had the opportunity to be in the Nixon White House some years ago and was struck - but not surprised - by the new atmosphere you have created. The warmth, the openness, the sense of mission and commitment to the people are most inspiring. (Enclosed are my reactions written up for our two daily newspapers, Today's Post and Today's Spirit in suburban Philadelphia.)

Thank you very much for instituting this program of briefings, which I feel will pay dividends for your Administration, for the press, and ultimately for the people and the country. I came away from this day with considerably more insight, understanding and confidence, as well as a keen appreciation and admiration for the leadership you are providing for our nation.

Sincerely,

Bruce Henderson/Editorial Page Editor
March 30, 1977

Honorable Jimmy Carter  
President of the United States  
White House  
Washington, D. C.

Dear President Carter:

Several weeks ago THE GALVESTON DAILY NEWS was fortunate enough to be included in the first group of newspapers to receive special briefings by Press Secretary Jody Powell and his capable staff.

THE GALVESTON DAILY NEWS was represented by my managing editor, Brad Messer.

The purpose of this letter is to express my appreciation for inviting us to the briefing, but more importantly, to express my sincere gratitude and appreciation to you for the dynamic and imaginative leadership you are providing the nation at this time.

Frankly, I did not editorially support you in the recent election, but have been most favorably impressed with the manner in which you are leading our nation and do look forward to supporting you in the future.

Your press staff is doing an outstanding job of communicating with the American people.
Again, my sincere thanks and appreciation and my pledge of support to you and your entire administration.

Sincerely,

Les Daughery
Editor & Publisher

LD/sm
Now we know who he is

By Jim Squires

WASHINGTON—Deep in the heart of every Southerner who voted for Jimmy Carter lived the fear that he would go up north and embarrass his homeland.

No one really worried about the little things like his wearing a golf shirt to Cabinet meetings, licking his fingers at a state dinner, or having a brother who lives in Falsst Blue Ribbons. No, sir, the real concern was a big one—that he would be a liberal.

For his first few hours in office, it was touch and go. His first act was the pardoning of draft dodgers. But after 60 days, all is well. It appears Jimmy Carter has decided to become a statesman instead.

THE WORST possible indignation the South could have suffered would have been for the man who beat George Wallace and Gerald Ford in Dixie to go to Washington and turn out to be a George McGovern in overalls. Such fears were justified.

All through his political career in Georgia, Carter has—in the words of some friends—"talked funny." Not funny hal hal, but funny liberal. Carter's fiscal policies were conservative. He didn't smoke dope, hang around with labor unions or tolerate anybody more radical than Hamilton Jordan and the president of Coca-Cola.

But his talk was often wild, such as kind words for Martin Luther King Jr. or the Civil Rights Act. When Carter started running for President, he got worse—sometimes even praising Leonard Woodcock and Ralph.

The worst possible indignation the South could have suffered would have been for the man who beat Wallace and Ford in Dixie to go to Washington and turn out to be a George McGovern in overalls.
Now we know who Carter is

Continued from first Perspective page

Carter has dominated the world headlines by tossing into the air every foreign policy ball in the White House closet. These included a verbal battle over human rights with the Soviet Union, a new peace initiative in the Middle East, an economic summit in London, trade disputes with Japan, new relations with Vietnam and the extension of a friendly hand to Cuba.

For a neophyte in international diplomacy, he has quickly established himself in the area where statesmen are most likely to flounder. Not only is foreign policy more fun, it's a safer place to play from the standpoint of domestic fallout.

Anybody who thinks Carter does not know what he's saying and doing just isn't watching closely. He may be gambling and he might lose. But every move so far

Anybody who thinks Carter does not know what he's saying and doing just isn't watching closely.

has been elaborately planned. Most have "statesmanship" written all over them in Carter's new "candidate" diplomatic handwriting.

First of all, who can oppose or even effectively criticize the free world's No. 1 spokesman for speaking out in favor of human rights and portraying the Soviet Union as the world's No. 1 villain?

On the Middle East, Carter has said nothing publicly that every world leader hasn't acknowledged privately for years—that the Israelis will have to give up something if they are ever to achieve peace and security in the Middle East.

"The President's statements have been carefully designed to educate everybody to the true facts the leaders have always known," confided one Carter aide last week. "How can you lose?"

The same kind of thinking can be found behind almost every Carter move abroad. His initiatives are those of the good guy. Statesmen open up relations, not break them off. They promote arms reductions, not arms races.

MEANWHILE, CARTER has been padding the home turf for a soft landing in preparation for any number of domestic failures which loom in his future. Like any smart President, he ended the honeymoon with Congress quickly, first by ignoring it and then by tampering with its prized public works water projects.

Every statesman needs a go-to blame for things he cannot possibly do. In anticipation that he will not be able to keep his campaign promises to beat inflation and unemployment at the same time, Carter has effectively set Congress up as the fall guy.

In the end, Carter's success will depend on the ability to build his own image. Statesmen are known less by what they did than by the public perception of what they did.

So far Carter has proved a master. Having begun many undertakings and finished none, Carter is already enjoying a giant surge in popularity.

From the minute he came to town, Carter and his cadre of young strategists have been largely ignoring the Washington press corps, which has the reputation as the nation's most effective image maker—or breaker.

It's much easier, they reason, to just go over the head of the Washington press corps to the folks back home.

ONE OF THE most effective tools of getting around
Pennsylvania. It was an absurd precaution, putting together by the federal government a 24-hour embargo, assuring the “guests” of “exclusives” for the folks back home. While the sessions do provide a rare and valuable opportunity for the “provincial press,” it also provides the administration with a guaranteed outlet for the White House view on the front pages and television screens out in voting land where it counts the most.

Now matter how sharp or experienced a reporter might be, a summons to the White House and a meeting with the President is an impressive event...

At last week’s session, Watson’s lecture on how the federal government works was continually interrupted by a stream of television cameramen who entered to take first Watson’s picture and then that of their boss seated attentively at his feet. The same routine marked the 45-minute session with Schlesinger.

It was a slick production, far superior to anything put together by the Ford or Nixon administrations. Watson, for example, was among, calling the out-of-town by their first names and offering carefully programmed responses that sometimes bordered the absurd.

During a hard sell of administration coal policy, Watson was questioned by a reporter who identified himself as being from Pennsylvania.

“Pennsylvania,” said Watson mechanically, “third largest coal producer in the nation.” Carter himself made clear the goal of this program during his session with the visitors.

Asked how the nation might avoid another disastrous encounter with bad weather and inadequate fuel supplies, Carter said he did not know. But the success of his energy policy, he told the visitors, will depend on its acceptance in Congress.

His policies will only prevail, he said, “if the people back in your communities think they’re good.”

Long after the press session was over, Carter remained in the Roosevelt room to mingle with the visitors, many of whom were showering him with compliments and thanks for the opportunity to visit.

Meanwhile, a nervous Zbigniew Brzezinski, Carter’s chief national security adviser, paced nervously in a hallway outside waving a sheet of paper at the surrounded President. Brzezinski just had to wait. Carter had his priorities in the right order.

Statesmen are known less by what they did than by the public perception of what they did.
Canada Gas Pipe Pact Near—Carter

From Page A-1

suggested limiting the use of natural gas to homes and the production of raw materials.

Carter said this nation must do a better job of using its coal reserves.

But he also said he would adhere to his campaign commitment to deregulate natural gas.

"I would like to combine deregulation with a prohibition against excessive profits," he said.

The administration is supposed to determine by September 30 how natural gas will be transported out of Alaska. The President said he expects to have a decision by that time, although he can, if he desires, obtain a 60-day extension of the deadline.

He was emphatic on two other issues—his decision to curtail 19 water resource projects at home, and his hope of reducing arms sales abroad.

Asked about the deletion of funds from his budget of money for the 19 water projects, Carter said it is his personal judgment that "none of those projects is worthy... and they ought not be completed."

He said he ruled out the projects on the basis of their economic and environmental impact, and that they might be hazardous because of earthquakes.

The President said his deletion of the projects from his budget, which has stirred a storm of political controversy, was "not a decision lightly made. Somebody's got to bite the bullet and say this must be done."

Carter said he is taking a hard look at the sale of American arms to foreign countries. Wherever Secretary of State Cyrus Vance went on his recent trip through the Middle East, Carter said, "there was a unanimous statement by every 'head of state, ' we're spending too much on arms."

The President said he had asked leaders of the Soviet Union, Great Britain, France and West Germany to join the United States in limiting the sales of arms to other countries, and that he had had favorable responses from all of them.

While agreement has not been reached, Carter said, he thinks the United States can get the other nations to join in cutting back arms sales.

If this is done, he added, money now spent on arms could be used to much greater advantage in other countries to aid the people who live there.

Carter's meeting with the newspaper and radio-television executives was the first in a series of such conferences. It is his intention to invite other such individuals from around the nation into the White House every other week for a briefing by government officials and on-the-record press conferences of the President himself.

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By ROBERT E. THOMPSON

P-I Editor and Publisher

WASHINGTON—President Carter indicated yesterday that the United States and Canada are near agreement on plans for shipment of Alaskan natural gas—and possibly Alaskan oil—across Canada into the Lower 48 states.

The President said he will go before Congress about April 20 to lay out a comprehensive energy program, and that he intends by September 30 to determine the route to be followed by a natural gas pipeline from the Alaskan North Slope.

Talking in the White House with a group of 22 newspaper editors and publishers, and radio and television news directors from around the nation, Carter said he and Canadian Prime Minister Pierre Trudeau had had extensive discussions about the shipment of Alaskan oil and gas across Canada.

The President also reported that his chief energy adviser, James Schlesinger, and Canadian Energy Minister Alastair Gillespie had met yesterday to "probe further agreement with Canada," on the transshipment of oil and gas. (See story, Page A-2).

"We now have an improving relationship with Canada," said the President, who met in Washington two weeks ago with Trudeau.

One of the possible routes for shipment of Alaskan oil—if it is not moved by tanker into Puget Sound or Los Angeles harbor—is a pipeline from Kitimat, B.C.

Likewise, two trans-Canadian routes for transportation of Alaskan natural gas are under consideration in addition to the possibility of transporting the gas in liquefied form by ship into Washington or California.

While the President said he will consider all possible options, he strongly indicated that Canada will play a major role in moving natural gas, and possibly oil, out of Alaska.

Carter also said the United States must adopt mandatory energy conservation measures because the depletion of oil and natural gas reserves is inevitable. These procedures, he said, will be implemented by the proposed new Department of Energy, which Schlesinger is slated to head.

The President questioned the need for expanded production of oil and natural gas in the United States. He
President Insists 19 Water Projects Shouldn't Be Built

BY JAMES O. POWERS
Of the Gazette Staff

WASHINGTON — President Carter reaffirmed in the strongest terms Friday his opposition to 19 controversial water projects that he has removed from the list recommended by Congress.

The 19, which include the Cache River channelization in Arkansas, would cost an estimated $5.1 billion during the course of their development.

In his statement, Mr. Carter said that none of those projects is sound or wise. It is important to note that several of these projects should not be built because they were never designed or planned.

Crazy Calls It

Washington Post ·

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Crazy Calls It

Washington Post ·
Carter Reaffirms
Strong Opposition
To Water Projects

Conservation. He said he was not 
sure about the desirability of in-
creasing greatly the production of oil 
at the expense of resources available 
to future generations.

He did acknowledge that there 
will be "mandatory restraints" in 
his energy program, and he spe-
cifically cited situation similar 
problems in housing and 
automobiles.

The president was relaxed, ap-
parently in the peak of condition 
and spirits. He spoke warmly of 
his cabinet, his relations with 
Congress and his staff, and he 
spoke with confidence and enthusi-
siasm for what he and his ad-
mistration are setting out to do.

CIA Probe

His most plausible concern was 
the problem of the CIA, after re-
cent disclosures of CIA secret 
payments to King Hussein of Jor-
dan, payments that he recently 
discovered and halted.

He said the affair had "dam-
aged us considerably in getting 
information from other coun-
tries."

His overriding concern, he said, 
was with reaching a standoff be-
 tween maintaining confidence of 
the American people and at the 
same time "mandating a degree of 
confidence with foreign government."

The president held his first 
meeting with regional editors in 
the Roosevelt Room of the White 
House, an intimate conference 
chamber dominated by portraits 
of two activist presidents, Frank-
lin Delano Roosevelt and The-
dore Roosevelt. Clearly it was a 
fitting setting for Jimmy Carter 
who, on this occasion, demon-
strated a commitment to his com-
mitment to an active government and 
an active presidency.

JPs Get List of Values
In Response to Figures
LR UP Head Presented

County Tax Assessor L. E. Tedford Jr. has mailed Pulaski 

Campus Local

County Tax Assessor L. E. Tedford Jr. has mailed Pulaski 

Campus Local

County Tax Assessor L. E. Tedford Jr. has mailed Pulaski 

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Campus Local
A Day At The White House

Carter Theme: Give Us Time, We'll Deliver

By BRUCE KENDERSHOT
Editorial Page Editor

President Carter warmed up for his 1980 campaign by speaking in a radio studio in Washington, D.C. The next day, he flew to New York City to talk to the media. He then returned to Washington and continued his campaign. Carter was more relaxed and confident after his first few days in office.

The White House

President Carter's first week in office was marked by a sense of jubilation and optimism. He had won a historic election, and he was eager to get to work on his agenda.

Carter's agenda included reducing the federal deficit, increasing energy independence, and promoting international cooperation.

The New White House:
More As It Should Be
March 8, 1977

Mr. Jody Powell
Press Secretary to the President
The White House
Washington, D.C.

Dear Jody:

Just a quick note to thank you for the invitation to the editors' briefing session last Friday. It was useful throughout -- especially the sessions with Bert Lance and Lyle Bramley -- and of course the presidential press conference was particularly meaty.

As you may know I spent (or mis-spent) something like 18 years in Washington, the last nine of them pretty steadily at the White House. I can't remember a president in that time coming down so flat-footed on so many issues in so short a time as Mr. Carter did with us. I cringed at some of the silly stuff brought up by some of my colleagues, but I guess that is the price you pay for letting editors in.

I only wish there had been a chance to get acquainted with you. But that will come someday, and meanwhile I will leave you to the tender mercies of Finlay Lewis, our Bureau chief.

Thanks again, and please convey my appreciation to the president.

Sincerely,

Charles W. Bailey
Editor

CWB:Ch
Impressions of Jimmy Carter...

BY ROBERT E. THOMPSON
P-I Editor and Publisher

WASHINGTON — His hair is the shade of Palouse wheat dusted with winter snow. His eyes are the cold blue of a mountain lake. His demeanor is quiet and confident.

He has just completed his first six weeks in the presidency. He enjoys his job. He already has experienced triumphs, disappointments and surprises. He is studying and learning and is quite candid in stating that he does not "know all the answers."

It is difficult to imagine him raising his voice in anger. But then it is equally difficult to think that a man of such self-assurance and subdued manner would have to raise his voice.

He manages to smile even when discussing the most serious matters of state. Unlike a number of his predecessors, he also is quite willing to reply to questions with an honest "I don't know."

These are impressions of President Carter gained during his initial White House meeting with newspaper editors and publishers and radio and television news directors from around the nation.

As he strode into the Roosevelt Room adjacent to his White House Oval Office late Friday to meet with the 22 media representatives, Carter appeared a smaller man than the candidate we remember from the campaign trail.

In physical presence, he simply is not as overwhelming as Gerald Ford or Lyndon B. Johnson.

But what he lacks in height, Carter appears to make up in grace, naturalness and cool intellect. Although he wore a gray suit, blue shirt and red, white and blue tie, Carter was no more formal than he might have been in his favorite yellow sweater.

He conceded that he began his relationship with Congress on
Impressions of Jimmy Carter, President

From Page A-1

"shaky ground" and that he has had a difficult
time convincing official Washington that he

truly is an accessible president and that basic
decisions will be made by cabinet officers and
not just in the White House.

He made it clear he is determined not to
have a Bob Haldeman or John Ehrlichman
standing between him and Congress or the
people.

The President also reported during his first
six weeks in office he discovered there is a
basic — and probably dangerous — conflict
between the need to preserve an open democ-
tratic society and the need to protect Ameri-
can intelligence efforts abroad.

Carter said he has no ready solution for
this dilemma, which has disturbed all of his
immediate predecessors and which may be as
old as democracy itself. But he is deeply
concerned about its impact upon both the Unit-
ed States and America's allies and adversaries
abroad.

Surrounded by paintings recalling the vivid
careers of the inimitable Theodore and Frank-
lin Roosevelt, the President made his com-
ments when asked to enumerate the major
disappointments and surprises of his first weeks
in office.

While he did not specifically mention news-
paper reports of CIA payments to King Hus-
sein of Jordan and other foreign leaders, the
President said: "One of the surprises has been
the almost total absence of any sort of confiden-
tiality around Washington on matters that I
think sometimes we would like to hold to
ourselves. I have been quite disconcerted at
some of the CIA revelations, for instance, and
I believe it has damaged us considerably in
our capability of obtaining adequate intelli-
gence information from other countries."

He then added: "How can you maintain a
democracy, truthfulness and frankness with the
American people on the one hand, and on the
other hand preserve a mandatory degree of
confidentiality about intelligence sources?"

While he said such confidentiality is impor-
tant in peacetime, Carter added "It would be
crucial to us in time of an international crisis
to have the people who give us information,
completely in a legitimate way, to know what
they did, to their aid to us, their friendship to
us, wouldn't be revealed publicly."

This is but one of many problems that now
have come to rest on the shoulders of Jimmy
Carter, President, as never on the shoulders of
Jimmy Carter, Governor of Georgia.

Such problems do not offer themselves to
overnight solutions.

But it is obvious that Carter is working long
and hard, from 7 a.m. to 7 p.m. each day, to
educate himself on such matters in the hope
that eventually he can find solutions.

He will make his mistakes, as he already
has with certain appointments.

But after a visit with him it is hard to
disagree with Jimmy Carter's own assessment
that during six weeks in the White House "I
have learned an awful lot."
THE WHITE HOUSE
WASHINGTON
April 16, 1977

Stu Eizenstat -

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

Rick Hutcheson

cc: Tim Kraft

Re: Tax Reform
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**FOR STAFFING**

**FOR INFORMATION**

**FROM PRESIDENT'S OUTBOX**

**LOG IN/TO PRESIDENT TODAY**

**IMMEDIATE TURNAROUND**

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EYES ONLY - CONFIDENTIAL
THE WHITE HOUSE
WASHINGTON
April 15, 1977

Hamilton Jordan
The attached is forwarded to you for your personal information.

Rick Hutcheson

Re: Tax Reform
I am concerned that Treasury's review of the tax code will not be as bold and open-minded as you want and have publicly promised.

My concern is prompted by the growing number of people who have told me that the good intentions of Larry Woodworth are increasingly being overtaken by the cautious, bureaucratic approach characteristic of all Treasury tax reform efforts. Unless this trend is reversed, you are likely to get in September a package which ignores sweeping reform in favor of minor (but complicated) changes in existing loopholes.

I think you can reverse the trend by meeting briefly with Larry and his top people, and indicating to them the depth of your commitment to real reform and the mandate they have from you - not Treasury - to produce such reform. I think that Secretary Blumenthal should also be at the meeting.