

7/21/80 [1]

Folder Citation: Collection: Office of Staff Secretary; Series: Presidential Files; Folder: 7/21/80 [1]; Container 169

To See Complete Finding Aid:

http://www.jimmycarterlibrary.gov/library/findingaids/Staff_Secretary.pdf

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
telegram	<p>From Mondale to The President (2 pp.) re: African Visit OPENED 8/27/93</p>	7/19/80	A

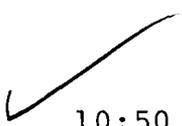
FILE LOCATION
 Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Hand-writing File 7/21/80 [1] BOX 196

RESTRICTION CODES
 (A) Closed by Executive Order 12356 governing access to national security information.
 (B) Closed by statute or by the agency which originated the document.
 (C) Closed in accordance with restrictions contained in the donor's deed of gift.

THE PRESIDENT'S SCHEDULE

Monday - July 21, 1980

8:00 Dr. Zbigniew Brzezinski - The Oval Office.

 10:50 Reception for Alaska Lands Legislation Interest Groups - The East Room.

11:05 Depart South Grounds via Helicopter en route Andrews Air Force Base and Trip to Henderson, Kentucky, and Dallas, Texas.

11:15 Return to the White House.

OP IMMEO
DE YEKOHK #1243 2720022
O 192359Z JUL 80 ZYH ZFF-1 ZFF-4
FM NIAMEY

TO THE WHITE HOUSE

~~SECRET~~ DELIVER TO THE P R E S I D E N T

VIA PRIVACY CHANNELS IMMEDIATE MONTO 3
TO: THE PRESIDENT
FROM: THE VICE PRESIDENT
SUBJECT: AFRICAN VISIT

1. WHILE THE FOCAL POINT OF THE VISIT WILL BE THE BILATERAL TALKS IN NIGERIA BEGINNING ON THE 22ND, THE VISITS TO SENEGAL AND NIGER HAVE CONFIRMED FOR ME, THE NEW, MORE POSITIVE MANNER IN WHICH LEADERS OF WESTERN AFRICA VIEW THE UNITED STATES.

2. YOUR LEADERSHIP IN HUMAN RIGHTS AND IN THE QUEST FOR MAJORITY RULE IN THE NATIONS OF AFRICA HAS BEEN THE SUBJECT OF THE WARMEST PRAISE. OVER A PRIVATE DINNER, PRESIDENT SENGHOR SAID THAT WHILE POPE JOHN PAUL II HAS EMBARKED ON A HUMAN RIGHTS CRUSADE, YOU AND YOUR POLICIES HAVE BEEN HIS INSPIRATION.

3. SENGHOR, OF COURSE, IS THE ELDER STATESMAN, WHILE PRESIDENT KOUNTCHE OF NIGER IS A YOUNG COLONEL, A DEVOUT MUSLIM, DOING HIS BEST FROM ALL APPEARANCES TO IMPROVE HIS COUNTRY.

4. SECURITY IS THE SUBJECT FOREMOST ON BOTH OF THEIR MINDS. SENGHOR IS TROUBLED BY THE WEST'S INABILITY, IN HIS EYES, TO MATCH AND FOIL SOVIET ADVENTURISM AND STRATEGIC ADVANCES. HE SEES THE SOVIETS EVERYWHERE. HIS SUPPORT FOR YOUR POSITIONS ON AFGHANISTAN AND IRAN IS COMPLETE. I NOTED THAT WE ARE PROVIDING SECURITY ASSISTANCE WHERE WE THINK IT WILL HELP, E.G., KENYA, SUDAN AND MOROCCO, AND IN THIS REGARD I URGED HIM TO ENCOURAGE HASSAN TO NEGOTIATE IN GOOD FAITH IN THE WESTERN SAHARA DISPUTE.

5. ON LIBERIA, IN SENGHOR'S WORDS, "THE OAU HAS PUT LIBERIA ON PROBATION." SENGHOR WAS GRATIFIED THAT YOU HAD NOT ABANDONED LIBERIA. NEWS ACCOUNTS OF A POSSIBLE VISIT BY SERGEANT DOE TO THE USSR HAD JUST APPEARED. HE URGED US TO CONTINUE TO WORK WITH HIM IN GUIDING LIBERIA BACK TOWARDS DEMOCRACY.

6. PRESIDENT KOUNTCHE VIEWING THE WORLD FROM NIAMEY, IS VERY SEN-

***** WSR COMMENT *****

THE PRESIDENT

PSN:007482 PAGE 01 TOR:202/01135Z DTG:192359Z JUL 80

Electrostatic Copy Made
for Preservation Purposes

DECLASSIFIED
E.O. 12356, Sec. 3.4
PER 3/1/83 NLS HX RE MR-NLS-92-185
BY [Signature] NARS, DATE 7/20/93

SITIVE TO THE FACT THAT HE IS SURROUNDED BY SEVEN NEIGHBORS: "I
 HAVE TO SLEEP WITH ONE EYE OPEN."
 KOUNTCHE NOTED IN OUR FIRST TALKS THAT NIGER'S BILATERAL AID REQUESTS
 ARE THE SUBJECT OF ON-GOING TALKS BETWEEN OUR AID OFFICIALS. HE DID
 EXPRESS THE HOPE THAT WE CAN HELP HIM IN HIS EFFORTS TO ENCOURAGE A
 U.S. OIL COMPANY TO PROSPECT FOR OIL HERE. WE WILL FOLLOW UP THROUGH
 THE EMBASSY.
 BEST REGARDS, FRITZ.

~~SECRET~~

✓ 011-7000001 file
Electrostatic Copy Made
for Preservation Purposes

SPENCER P. THORNTON, M.D., P.A.
OPHTHALMOLOGY
207 MID-STATE MEDICAL CENTER
2010 CHURCH STREET
NASHVILLE, TENNESSEE 37203

cc sent 7/21/80
cc: Spencer.

Thank you very
much - This means
a lot to us -
Jimmy Carter

January 24, '80

Dear Mr. Carter,

Two years ago, the last Sunday in January 1978, while Dickie and I were house guests of Fred and Mayo Gregg, Fred introduced us to you and Rosalynn. In our conversation in the pastor's study after Sunday school I made a promise to you that as a born-again brother in Christ I would hold you up in prayer every day through the next six years through the two terms which you are to serve as President.

I am aware of some of the pressures which are on you and some of the pain you have felt, and some of the disappointment in some of those whom you have trusted. Above all I am convinced that you are committed to serving our Lord and allowing the Holy Spirit to speak and act through you. I want you to know of my daily prayer support.

Not one day in the past two years has begun without a period of prayer for you and your needs for that day. I am aware that God honors His word and blesses those who depend on it.

I am praying for specific things; for your health and physical well being; for a sense of inner peace and security regardless of circumstances; that you may know His presence

and feel His protection, and that you may know
of the love and trust of those who, like me,
support you and believe in you through all times,
good and bad.

I want you to know, too, that I am aware
that you and Carolyn share the same sort
of oneness that Linnie and I share and
we are praying for you as a couple.

I believe that God is, and will continue
to bless our nation through you, and will
reward you for your faithfulness.

Know that you have my continued prayer
support in the trying days ahead.

Sincerely,

Spencer Horton

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

19 Jul 80

FOR THE RECORD

FRANK MOORE RECIEVED A COPY
OF THE ATTACHED.

THE WHITE HOUSE

WASHINGTON

July 18, 1980

MEMORANDUM FOR

THE PRESIDENT

FROM:

STU EIZENSTAT
FRANK MOORE

Stu

SUBJECT: Alaska Lands

The Senate will begin debate on the Alaska Lands bill on Monday, July 21. We recommend that you send a letter to every Senator asking them to support the floor amendments which will be offered by Senator Tsongas and others. These amendments correct many of the major deficiencies of the Committee bill and their passage will facilitate a conference.

Attached is a draft for your approval. It will be delivered Monday morning. The speechwriters have approved the text of the letter.

DECISION

Approve letter
 Disapprove letter

*Called Frank
Sun mite -
approved letter
J*

Electrostatic Copy Made
for Preservation Purposes

DRAFT LETTER FROM THE PRESIDENT TO THE FULL SENATE
(to be delivered on the morning of July 21)

Dear Senator _____:

Today you and your colleagues in the Senate begin debate on the most important conservation issue which will come before the Congress this century: the Alaska Lands bill.

I urge you to support the amendments offered by Senator Tsongas and others that will improve the Committee bill in several critical respects.

These amendments will help assure the integrity of Admiralty Island and Misty Fiords National Monuments, the protection of the William O. Douglas Arctic Wildlife Range, and the proper stewardship of a host of other magnificent, unequalled areas in Alaska. The amendments will also help establish the proper balance between conservation and development. With the adoption of these added protections, 95 percent of the onshore and 100 percent of the offshore oil and gas potential areas would still remain available for development. More than 60 percent of the hard-rock mineral areas would be open to exploration and mining. More than 90 percent of the state would be opened to sport hunting. Timber harvest levels and timber-related employment could be maintained and increased.

During the past two years, I have used the power of the Executive to assure that we did not lose our historic opportunity to make farsighted, balanced decisions about the future of

-2-

federal lands and resources in Alaska. It is time for the Senate to act in the interest of all Americans now, and of generations yet to come.

Thank you for your support.

Sincerely,

THE WHITE HOUSE
WASHINGTON

7-21-80

To Rich, Jack

I need the agency
weekly reports on my
desk prior to 8:00 a.m.
Saturday.



Electrostatic Copy Made
for Preservation Purposes

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

*Bill. Often, I need
to act on items
Sun ~~late~~ & early
Mon.*

J

July 21, 1980

TO: ~~SUSAN CLOUGH~~

FROM: BILL SIMON *BS*

SUBJECT: Weekly Reports

The President requested today that the agency weekly reports be given to him prior to 8:00 a.m., Saturday. Up until today, it had been our understanding (and practice) to have the reports on the President's desk by Sunday night -- for his reading first-thing Monday morning.

*12 NOON
SAT. OK.
J*

While we will certainly conform to the President's Saturday request, it would be useful in our contacts with the agencies to know if this change is based on a personal preference of the President or some other reason.

J

In addition, should we also begin to turn in the weekly reports from the WH staff by Saturday a.m.?

yes no

On those weekends that the President goes to Camp David, should we begin to courier all of the weekly reports to him by Saturday a.m.?

yes no

*I CAN READ THEM
SUN NIGHT*

**Electrostatic Copy Made
for Preservation Purposes**

Vol. 38, No. 25

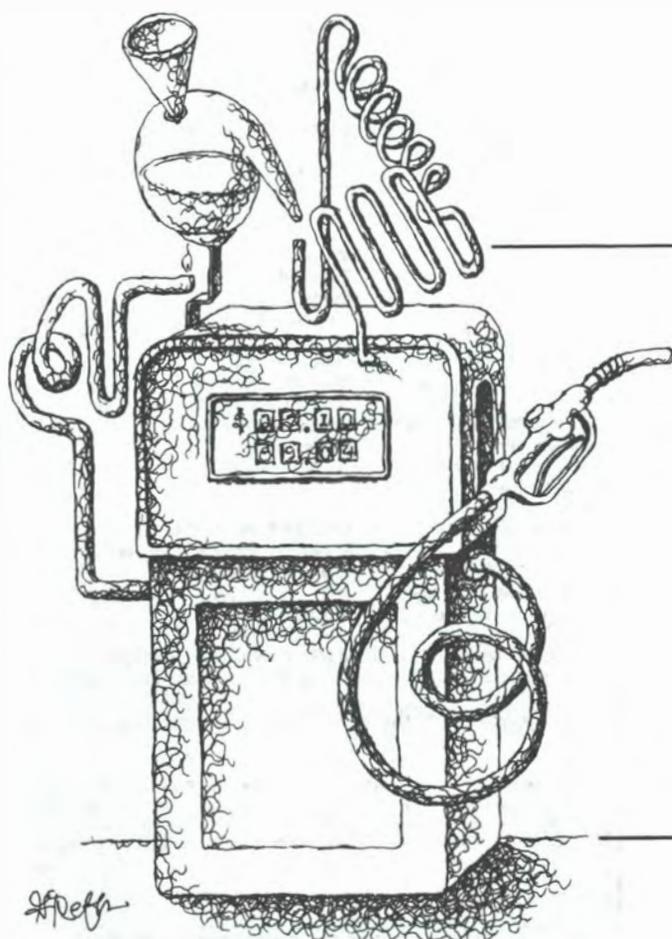
• Pages 1689-1776

• June 21, 1980



Disaster Aid (1719)

Labor and the Campaign (1733)



**Creating
Fuels**

(1691)



Building Platforms

(1796)



Tax Cut Pressure

(1779)

Energy Board Defeat

(1790)

THE WHITE HOUSE
WASHINGTON

7-21-80

To
Gene

Status of Cuban
refugees in detention
centers? Let's move
them out.

J

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

7-21-80

Jack

Expedite:

SSC

Board & chmn

J

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON
21 Jul 80

Stu Eizenstat

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

Rick Hutcheson

The original has been given
to Stripping for mailing.

THE WHITE HOUSE

WASHINGTON

July 17, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

SUBJECT: Note to Vernon Weaver

I think it would be very useful if you sent the attached note to Vernon Weaver to express your appreciation for his excellent leadership in securing Congressional passage of S. 2698, the Small Business Omnibus Bill of 1980.

The authorization bill for the Small Business Administration, as you know, was held up in an impasse because of Chairman Neil Smith's views on several key issues, including SBA's repayment of interest on borrowings from the Treasury.

While I was able to help break the impasse, the authorization bill would not have been possible without Vernon Weaver's persistence. The bill accomplished some key objectives such as transfer of disaster authority out of the SBA.

I know from Vernon's staff that a letter would be very much appreciated.

THE WHITE HOUSE

WASHINGTON

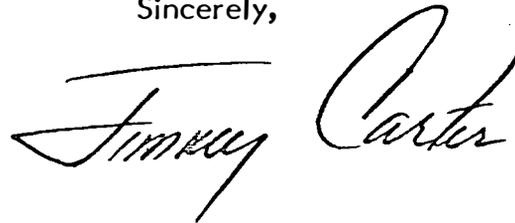
To Vernon Weaver

I want to express my sincere appreciation for your leadership in securing the passage of S. 2698, the Small Business Omnibus Bill of 1980.

Your persistence and diligence helped break the impasse over this important Act, which will serve as a framework for heightened governmental interest in the small business community.

This bill contains many elements that we have jointly sought for a long time. I appreciate your efforts.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

The Honorable A. Vernon Weaver, Jr.
Administrator
Small Business Administration
Washington, D.C. 20416

THE WHITE HOUSE

WASHINGTON

21 Jul 80

Frank Moore
Stu Eizenstat

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

Rick Hutcheson

The Vice President
Jack Watson
Gene Eidenberg
Al McDonald

ADMINISTRATIVELY
CONFIDENTIAL

THE WHITE HOUSE

WASHINGTON

July 18, 1980

cc Frank, Stu
J

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

Electrostatic Copy Made
for Preservation Purposes

FROM: FRANK MOORE *F/M KR*
STU EIZENSTAT *Stu*

SUBJECT: Weekly Legislative Report

I. DOMESTIC POLICY ISSUES

1. Energy

Rationing

While several Resolutions of Disapproval have been introduced in the House only H.J. Res. 575 offered by Congressman Brown of Ohio has been acted upon. It has been reported out of the House Commerce Subcommittee on Energy and Power and full committee markup is expected next week. If reported favorably, the Resolution would be allowed ten hours of general debate. In addition, Brown is expected to offer a Motion of Disapproval on the House floor next week.

In the Senate, no action has been scheduled on Senator Jackson's Resolution, which was referred to his committee. The Senator believes that if a motion to discharge his committee from responsibility for the Resolution is introduced on the floor it would be defeated. This would effectively provide Senate approval of the plan.

Utility Oil Backout

No markup activity is scheduled by the House Commerce Subcommittee on Energy and Power. Introduction of redrafted Utility Oil Backout legislation by Chairman Dingell is expected shortly.

2. Alaska National Interest Lands

The Senate is scheduled to consider H.R. 39, the Alaska National Interest Lands bill, immediately after morning business on Monday. Majority Leader Byrd has indicated he anticipates votes on Monday.

The bill, as amended and reported by the Senate Energy Committee, falls critically short of the levels of protection proposed by the Administration for Alaska's National Interest Lands. Consequently, the Administration supports the five strengthening amendments to be offered during the floor debate:

National Parks Amendment - (sponsors: Tsongas, Mathias)

Wildlife Refuges Amendment - (sponsors: Hart, Chafee, Randolph, Culver, Church, Tsongas)

National Forest Amendment - (Tsongas, Roth, McGovern)

Wilderness Amendment - (Nelson, Levin, Tsongas)

Transportation and Rivers Amendment - (Proxmire, Eagleton, Tsongas)

*My calls to
Senators provoke
cautious answers.
They're not familiar
with the issues.*

On this issue, we are up against a formidable combination of Committee Chairman Scoop Jackson and Alaska Senator Ted Stevens, who advocate passage of the Committee's bill without amendment. Secretary Andrus, Department of the Interior CL, and White House CL have been working to win support for the five strengthening amendments, coordinating our efforts with Senators Cranston, Tsongas and the other amendment sponsors. Our headcounts put us within reach on some of them at this point, but we are up against serious opposition lobbying by the National Rifle Association and the mining industry on the Parks Amendment, by the oil and gas industry on the Wilderness Amendment, and by the timber industry on the National Forest Amendment.

A major effort in the days remaining before the votes will be necessary for Administration success.

3. Economic Policy Address

*Stop giving
the drafts
to the news
media*

The EPG Deputies have begun drafting an outline for an economic address that would describe the goals of our economic policy and a vision of the economy and economic programs for the future. At the same time, we are reviewing new programs and policies that might be included as part of this effort. It may be that any address should concentrate on goals and themes, rather than programs, leaving the latter for a fact sheet, but we are acting on the assumption that some new initiatives might be necessary very soon.

4. Fair Housing

The Senate Judiciary Committee is scheduled to mark up the fair housing bill on Wednesday. An effort to restore the bill's administrative hearing powers is expected to be launched by supporters. It appears now that a slim majority of the committee favors the Bayh-Hefflin compromise which is acceptable to the Administration. The House-passed bill gives HUD the authority to send a housing discrimination charge to an administrative court for resolution, while the bill reported by the Senate Constitution Subcommittee empowers only federal magistrates to hear these cases.

5. Youth Bill

The Youth Act will once again be on the House floor schedule following the recess. We are hopeful that the bill will come up for amendments next week. However, since appropriations bills will have first priority, no date certain has been set. It is possible that the bill will come up between appropriations bills depending on the time needed for those bills.

6. Rail Regulatory Reform

The rail bill is scheduled for consideration on Monday with final passage as early as Tuesday. In the pre-adjournment action, there was a test vote on an Eckhardt amendment which the Administration won handily. It will not be that easy next week, as opponents have had two weeks to lobby members in their districts.

An amendment offered by Glenn Anderson which is intended to protect ports is pending on Monday. However, if passed it would sharply curtail the surcharge and contracts provisions in the bill. DOT representatives and House Commerce Committee staffers have been meeting with port representatives but no solution to the dispute has been reached. DOT is circulating papers on this and other issues to members.

After the Anderson amendment has been acted upon, Congressman Eckhardt will offer more of his impressive collection of amendments. We are preparing to rebut these proposals.

7. EDA Reauthorization

There have been no concrete developments since the recess regarding EDA's reauthorization. If the bill remains deadlocked because of LPW, our strategy will be to have the Senate include authorization levels in the '81 budget for EDA and Title V's. We are working with Senate Appropriations Committee staff on this matter. Once the Senate has acted we will focus on the House side to ensure their acceptance of the dollar amount.

8. Anti-Recessionary Measures

After meeting privately with representatives of organized labor, we are encouraged about the possibility that we can design a small targeted program of spending, consistent with longer-term goals, that will draw the support of the traditional Democratic constituencies. DPS is working with OMB to consider what measures might be included.

?
Have only after I approve entire approach. This is a political decision

Export Disincentives Report

The various EOP agencies are now reviewing a DOC/STR draft report to the Congress on factors limiting U.S. export potential and on possible policies to increase exports. The report is required under the MTN agreement. We are presently uncertain how release of the report should be coordinated with any pronouncement on the economy, and will discuss the matter in EPG before sending you the final draft.

10. Farm Policy

Your economic advisors have met twice, following our meeting of two weeks ago, to discuss changes on farm policy. We will be providing you with a decision memorandum later this week. We are also trying to arrange for you to meet with Senator Talmadge and Congressman Foley early next week to discuss this topic before you make a decision.

Work in CIA, State, NSC

11. Drought/Heat Wave

The Federal Emergency Management Agency is coordinating the Federal response and is holding a series of regional meetings with representatives of state governments the latter part of this week (in Dallas, Denver, and Kansas City). Thus far, we have avoided use of major disaster declarations in providing relief since most of the needed assistance had been available through independent authority. USDA is preparing a crop damage assessment. The next 10 days are critical for the corn crop. If current weather conditions persist, it is now feared corn yields could be significantly reduced.

good

12. USDA Crop Report

The July 11 crop report (based on July 1 data) forecast a record large wheat crop of 2.32 billion bushels, up 8 percent over last year and a corn crop of 7.28 billion bushels, down 6 percent from last year's record. The USDA also raised their forecast of the Soviet crop slightly, to 215 million tons.

13. Alcohol Fuel

We have convened our interagency committee to assist in the prompt implementation of S. 932 as it applies to alcohol fuel and to generally coordinate the Administration's alcohol fuel policy.

14. Mental Health Systems Act

Secretary Harris has sent a letter to Majority Leader Byrd indicating that the Administration supports Title III of the Senate bill, which is the patient's rights section. We expect floor action in the Senate shortly after the Congress returns.

15. Thrift Industry Task Force Report

The Administration submitted its thrift industry task force report to the Congress on June 30. The report, which recommended greater rate variability on mortgage instruments and a Congressional override of state consumer usury ceilings, elicited a generally favorable response from the thrift industry.

16. Mortgage Revenue Bonds

The "Ullman bill" (H.R. 5712), which has been enacted by the House and was supported by the Administration, would make the restrictions on single-family revenue bonds retroactive to April 1, 1979. The Senate has taken no action on this measure but last week passed a resolution supported by Senator Long indicating that any restrictions subsequently enacted should not be effective until January 1, 1981. We are working with Treasury to review whether the Administration should modify its position to accept the Senate view. At this point it is unclear whether Ullman will go along with a change, but we will give you recommendations on this subject shortly.

17. Higher Education Reauthorization Bill

The House-Senate conference on legislation reauthorizing the Higher Education Act is tentatively scheduled to commence on Tuesday. A detailed letter presenting our recommendations for the conference on all major issues was sent to all conferees and their staff on July 14 under the signatures of Stu, Jim McIntyre, and Shirley Hufstedler. Department of Education staff have been briefing and providing materials to Congressional staff. Members will be contacted directly before the conference.

Electrostatic Copy Made
for Preservation Purposes

*Rosalynn
will help
call her*

TC

18. Micronesian Negotiations

Agencies are reviewing Bennett Johnston's proposal for altering the \$1.9 billion Compact of Free Association with the three Micronesian entities. The amendment, which seems to be acceptable to at least two of the three island governments, would meet Senate Energy concerns that the 15-year agreement does not permanently deny military access to other nations. In return for a pledge to deny use of the Western Pacific islands to third parties, the proposal would have us guarantee our economic aid commitments. Meeting the Senate concerns is essential to adhering to your goal of 1981 termination of the Pacific Islands trusteeship but may require a new strategy for United Nations approval of the agreement.

19. Miss Lillian's Trip

The June 30-July 4 tour through the Virgin Islands and Puerto Rico was very well-received. Miss Lillian effectively conveyed your interest in our Caribbean Islands in a number of public events.

20. Puerto Rico-Virgin Islands Olympic Boycott

sk
With the Counsel's office we will propose recognition of the decision to boycott the Moscow games by the Virgin Islands and almost all of the Puerto Ricans. The recognition would be important to Caribbean Americans and would also make a worthwhile statement in this sensitive region.

II. ANTI-INFLATION ISSUES

1. Appropriations

Status of 1981 Bills

Passed House:

Energy and Water
Military Construction

Reported by House full committee:

State-Justice
Agriculture
HUD-Independent Agencies
Interior
Legislative
Treasury-Postal

Reported by House subcommittee:

Foreign Assistance
Transportation

No action yet:

Labor-HHS-Education
Defense
D.C.

The House had passed five bills by July 4 of last year and had passed ten bills by the same date two years ago. Thus, the Congress appears to work more slowly on Appropriations bills with each successive year. It is very unlikely that all Appropriations bills will be enacted by the October 1 deadline. Unless a continuing resolution is enacted by that date, a number of major agencies will be required to shut down based on the recent GAO and Justice decisions. This could cause serious disruptions to Federal operations and could be potentially very embarrassing to the Congress and the Administration.

House Floor Schedule

Monday: State-Justice (continuation)
 Tuesday: HUD-Independent Agencies
 Wednesday: Treasury-Postal, Agriculture
 Thursday: Legislative
 Friday: Interior

This is a very optimistic schedule and will likely slip. Also anticipated next week are full committee mark-ups on Thursday for Treasury and Foreign Assistance and beginning of subcommittee mark-up on Defense. The Senate does not now plan any mark-ups next week.

Summary Analysis

House action to date on the 1981 bills has been generally acceptable to the Administration. Many of the places where Congress has traditionally increased our budget have incurred smaller add-ons than in the last few years.

A few problem areas include:

Treasury-Postal bill -- no acceptance of a reduction in postal subsidies. (Senator Chiles may help on this in the Senate.)

Legislative -- unacceptable SES bonus provision for 1981. (We hope the Congress will accept the same compromise it worked out for 1980.)

We are monitoring the bills closely and will report any significantly troublesome features on a regular basis.

Be firm & early -

2. Mid-Session Review

This document is scheduled to be issued on Monday, when we will immediately distributed it to the Leadership, the money committees and then to the Congress as a whole.

Overview hearings on the Mid-Session Review will take place next Wednesday and Thursday with OMB, CEA and Treasury testifying in various configurations before both Budget Committees and the JEC. Treasury also will appear at "tax cut" hearings next Tuesday and Wednesday before the Ways and Means and Finance Committees.

3. Reconciliation

The House is expected to consider a rule on this bill next Wednesday or Thursday, and floor action is expected early the following week.

The Administration has strongly supported the implementation of reconciliation and will continue to do so. Nevertheless, we are carefully reviewing the 195-page Senate bill to pinpoint sections for possible modification in conference.

4. Tax Legislation

We have maintained our posture of opposition to a tax cut this year while helping the Congress in its deliberations. Anne Wexler and Stu met this week with Jack Albertine, staff director of the Joint Economic Committee and of the temporary task force. The WH has agreed to serve as a resource in their deliberations by permitting OMB and DPS staff along with Treasury staff to respond to staff proposals without submitting our own proposals. Senator Bentsen seems satisfied with this arrangement.

At this point, we are hopeful that we can avoid legislation, despite the pledge of action by Senate Democrats. Senate staff work has not proceeded beyond a listing of possible approaches, and Senator Long will be preoccupied with a serious primary fight until mid-September. Furthermore, public opinion polls continue to show opposition to a cut, a fact members will likely gather from constituents during the recesses. We will have a much clearer picture when the Congress returns next week.

5. OTEC (Ocean Thermal Energy Conversion)

A second bill on this subject (H.R. 6514) has been scheduled on the House suspension calendar for next week. This bill is seriously objectionable; both White House CL and the Budget Task Force are trying to remove it from the suspension calendar.

*Will
defo*

III. FOREIGN POLICY ISSUES1. Nuclear Fuel to India

Prospects are bleak for favorable Senate action on nuclear exports to India during the pre-Democratic Convention session. Negative House action is, however, a distinct possibility despite Chairman Zablocki's quiet efforts to delay a vote.

Our vote count in the Senate Foreign Relations Committee is favorable (7 of the 15 Committee members are already committed to vote for and only 3 are definitely against) and a good bipartisan group of Senators will offer support (Church, Javits, Jackson, McClure, Moynihan, Baker). Nevertheless, none of our supporters on the Foreign Relations Committee want to upstage John Glenn by forcing a vote on a disapproval resolution. As a result the 45 days may come close to running out in September before any Committee action is taken.

On the House side, there are great pressures being brought to bear on the Chairman to hold a vote on the issue. A majority of the committee has already co-sponsored the disapproval resolution and Zablocki is having difficulty holding on to that majority (Zablocki has also co-sponsored the resolution but is reluctant to oppose you). Hearings have been set in the HFAC for Wednesday with a variety of outside witnesses scheduled to testify. Secretary Muskie has been asked to testify Tuesday on his recent travels but questions on the Tarapur issue are likely to arise.

*Does it
require an
affirmative
vote*

We will encourage Javits and Church to hold an early vote in the SFRC and, if this is possible, we will then begin to encourage Byrd to schedule a floor vote. In the meantime, State Department CL will visit with targeted Senators to expose them to the issue and urge their support. State will hold briefings for House and Senate staff and Members. We continue to believe that our only chance for victory is in the Senate, but we will continue working on the House side as well.

2. FY 81 Foreign Assistance Appropriations Mark-Up

House staff has informed us that full Committee mark-up of the FY 81 Foreign Assistance Appropriations Bill is tentatively scheduled for Tuesday, July 29. Some Members, however, are not so sanguine about an early scheduling of the mark-up or eventual floor action this session.

Doc Long has told us that he does not favor retaining the \$25 million in FY 81 Economic Support Funds for Nicaragua and has hinted that he or some other Member may offer a motion to delete our request. We have replied that the Administration strongly supports this request and that the House leadership also supports these additional ESF funds for the devastated Nicaraguan economy.

We do, however, expect further cuts in nearly all programs when the full Committee meets. The only areas that may be exempt from additional cuts are the security assistance programs, narcotics control and other programs that are politically popular.

3. FY 81 Foreign Assistance Authorization Conference

One of the major pending items of business when Congress returns is the conference on the FY 81 Foreign Assistance Authorization. The conference was delayed because of disagreements between Senate supporters of a free-standing intelligence bill and Chairman Zablocki's amendment to the FY 81 authorization which would repeal the restrictive Hughes-Ryan provisions. Efforts are under way to work out differences on the matter which should pave the way to start-up of the conference. We are hopeful that conference work can be completed before Congress breaks for the Democratic convention.

4. Soviet Grain "Embargo"

Congressman Tom Harkin plans to offer an amendment to the State-Justice-Commerce Appropriations Bill to prohibit the Department of Commerce from enforcing licensing restrictions on agricultural commodities to the Soviet Union. The bill is now scheduled for floor action July 21 or 22.

Although we may be able to talk Harkin out of his amendment, the concept is almost certain to re-emerge as a Republican initiative following the Republican convention. It will be difficult, if not impossible, to beat on the House floor. If it does not appear on the State-Justice-Commerce bill, it may be tacked on to the USDA appropriation later in the week.

We are working with Commerce and USDA to build support for the continuation of the "embargo," for which there are good foreign policy arguments. House judgment, however, is likely to be more influenced by the farmers, and we may have to recover in the Senate, by which time we expect farm prices to be up as a result of the heat wave and drought, thereby reducing farm state pressure to lift the "embargo."

5. Nicaragua Aid - Reprogramming Notification to Congress

The State Department sent up reprogramming notifications to the House and Senate Appropriations Committees covering the \$60 million balance of the FY 80 assistance package for Nicaragua. The notifications explain that we intend to draw on other ESF funds from slow disbursing accounts (Egypt) to provide \$40 million over the next two months before we will be able to tap the funds in the '80 Omnibus Supplemental (the

*Keep
firm
position*

Nicaragua money was not to be expended or obligated until October 1). Inouye has assured us we will have no problem on his side so long as we go through this exercise, and with the help of Jim Wright we expect the Long Subcommittee will honor its commitment to vote down any move to disapprove the reprogramming. AID Administrator Bennet should be able to sign the agreement with Nicaragua by the beginning of August.

6. Cuban/Haitian Entrant Legislation

We expect to submit to the Congress the Administration bill granting special entrant status for Cubans who were paroled into the U.S. between April 20 and June 20 and for Haitians in various processing categories prior to June 20.

Expedite

We anticipate considerable opposition to the provision allowing for only 75% reimbursement of states and localities. Realistically, the tight legislative timetable probably will not allow for enactment this year, although Rodino's committee may move towards relatively prompt hearings.

**Electrostatic Copy Made
for Preservation Purposes**

House Schedule for the Week of July 21Monday

H.R. 7511	Veterans Compensation
H.R. 7394	Veterans Education
H.R. 5800	Gold Medal for Lewis Bryan Allen
H.R. 7113	Bureau of Standards Authorization
H.R. 7689	Research and Development Authorization Estimates Act
H.R.	Standards Committee Contempt Citation
H.R. 7039	Fish Development Act
H.Con.Res. 351	Tax-Free Status of Social Security Benefits
H.R. 5047	Temporary Duty Suspension for Color Couplers and Intermediates
H.R. 6571	Tariff Act Amendments for Fish Netting
H.R. 6975	Eliminate Duty on Hardwood Veneers
H.R. 7670	Allocation of Social Security Tax Receipts
H.R. 7664	Child Nutrition Authorization Adjustments
H.R. 5499	Wartime Relocation and Internment of Civilians Act
H.R. 7242	Encourage Production of Oil from Tar Sands
H.Res. 586	Authorization for Eximbank
H.R. 7235	Rail Act of 1980
H.R. 7584	State-Justice Appropriations, FY '81

Tuesday

H.R. 7631	HUD Appropriations, FY '81
H.R. 6711	Youth Act of 1980
H.R. 7262	Housing and Community Development Act
H.R. 7152	Intelligence Authorizations
H.R. 6790	Foreign Service Act of 1980
H.R. 7265	DOE Authorizations of Defense Programs
H.R. 7115	National Science Foundation Authorization, FY '81
H.R. 6899	Maritime Omnibus Act of 1980

Wednesday

H.R. 7583	Treasury-Postal Appropriations, FY '81
H.R. 7591	Agriculture Appropriations, FY '81

Thursday

H.R. 7593	Legislative Branch Appropriations, FY '81
-----------	---

Friday

H.R.	Interior Appropriations, FY '81
------	---------------------------------

UPCOMING ECONOMIC TESTIMONY

Tuesday, July 22

10 am Ways and Means Miller Tax Cut

Wednesday, July 23

10 am Senate Finance Miller Tax Cut

10 am House Budget McIntyre Mid Session Review

10 am Joint Economic Comm Schultze Mid Session Review

2 pm Senate Budget McIntyre & Schultze Mid Session Review

Thursday, July 24

10 am House Budget Schultze Mid Session Review

2 pm House Budget Miller Mid Session Review

2:30pm Ways & Means Volcker Tax Cut

Friday, July 25

10 am Senate Finance Volcker Tax Cut

Friday, August 1

9:30am Joint Economic Comm Miller Economy