

5/19/77 [1]

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THE PRESIDENT'S SCHEDULE

Thursday - May 19, 1977

-
- 7:15 Dr. Zbigniew Brzezinski - The Oval Office.
- 7:45 Mr. Frank Moore - The Oval Office.
- ✓ 8:00 Congressional Leadership Breakfast.
(60 min.) (Mr. Frank Moore) - First Floor Private Dining Room.
- ✓ 9:10 Meeting with Congressman James C. Corman
(15 min.) and Congressional Delegation/Voter Registration.
The Red Room.
- ✓ 9:30 Meeting with Congressional Group. (Mr. Frank
(60 min.) Moore) - The State Dining Room.
- 10:30 Mr. Jody Powell - The Oval Office.
- ✓ 12:00 Lunch with Secretary Michael Blumenthal,
Dr. Arthur F. Burns, and Mr. Charles Schultze.
The Roosevelt Room.
- 1:00 Meeting with Secretary Harold Brown et al.
(60 min.) (Dr. Zbigniew Brzezinski) - The Cabinet Room.
- ✓ 2:15 Honorable Kenneth Curtis, Chairman,
(15 min.) Democratic National Committee - Oval Office.
- ✓ 2:45 Drop-By Meeting of the Steering Committee
(10 min.) of the HIRE Program. (Mr. Jack Watson).
The Cabinet Room.
- ✓ 3:05 Ambassador Kingman Brewster. (Dr. Zbigniew
(10 min.) Brzezinski) - The Oval Office.
- ✓ 7:00 Dinner with Senator and Mrs. Henry Jackson.
The Residence.

THE WHITE HOUSE

WASHINGTON

INFORMATION

19 May 1977

TO: THE PRESIDENT
FROM: RICK HUTCHESON *RH*
SUBJECT: Summary of Memos Not Submitted

1. FRANK MOORE MEMO passing along material from the Speaker's staff with information of a derogatory nature on McGovern's votes on labor and civil rights, 1957-60, and raising the issue of whether McGovern supported Truman or Henry Wallace in 1948.
2. STU EIZENSTAT/AL STERN MEMO proposing that the President send an annual Social Report to Congress. The memo notes that the President's Economic Report is a very useful summation of economic progress and projections, and that no comparable report exists dealing with the Nation's non-economic problems.

The Social Report, using the Georgia "State in Action" book as a model, would detail the Nation's and the Administration's progress in such social areas as: crime and delinquency; the environment; energy; family and neighborhood; population; education; science; arts and humanities; urban and rural development; civil rights and civil liberties; and health and welfare.

Because the data needed for the Report is already available, it could be produced without additional personnel or funds.

COMMENTS: Siegel thinks a report laying out the social goals of the Carter Administration would be a good idea. Watson suggests that any "social report" would inevitably be too general to be useful; and that a better (and already-existing) vehicle is the message to Congress.

Eizenstat adds: "If you have any interest in a presidential social report, I can begin to coordinate a task force to study the project and report to you within several weeks on its feasibility."

approve disapprove *J*

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THE WHITE HOUSE
WASHINGTON

May 18, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM*

One of the Speaker's people wanted you to have the attached information.

VOTING RECORD OF GEORGE McGOVERN IN THE HOUSE, 1957-1960

1. Labor

- (a) Landrum-Griffin bill (H.R. 8342) (anti-labor), tightened Taft-Hartley prohibition against boycotts and proposed curbs on union organizational and recognition picketing, etc. Passed 303 - 125 (8/14/59). Overwhelming majority of non-Southern Democrats voted "no." McGovern voted "yes." Democrats from neighboring States such as Anderson and Metcalf (Mont.), Burdick (N.D.), as well as four Democrats from Minn. and five from Wisconsin, all voted "no." Reference: 1959 C.Q.Almanac, p. 382
- (b) Minimum Wage (H.R. 12677), would have raised Minimum Wage to \$1.15 and brought 1.4 million retail workers under coverage. Passed 341 - 72, (6/30/60). Forty Democrats, chiefly from the South, voted "no." McGovern voted "no," (one of five non-Southern Democrats).Ref: C.Q.Almanac 1960, page 460.

2. Civil Rights

- (a) 1957 Civil Rights Act (first Civil Rights law to be passed since Reconstruction days). House Resolution 259, the Rule making in order the Civil Rights bill (H.R. 6127) adopted 291 - 117 (6/5/57). McGovern was absent and did not have a pair. Ref:1957 CQ Almanac,p. 306.
- (b) Passage of H.R. 6127 (See above) -- passed 286 - 126 (6/18/57). McGovern was absent. Although he had a pair, this of course had no effect on the results. Ref: 1957 CQ Almanac, p.348.
- (c) Rooney's Amendment to Justice Dept. Appropriation bill (H.R. 8385) to extend life of Civil Rights Commission for two years until 11/8/61 and appropriate \$500,000 to it, agreed to 221 - 81 (9/15/59). McGovern was absent -- no pair. 1959 CQ Almanac, p. 396.
- (d) Civil Rights Act of 1960,(H.R.860)Final House approval (House concurrence in Senate Amendments) approved 288 - 95 (4/21/60). McGovern was absent -- no pair. Ref: 1960 CQ Almanac, p. 434.

5/1/72

1. The Washington Daily News, 4/27/72

McGovern quoted as saying:

"I'm not at all ashamed that I campaigned for Henry Wallace in 1948. He was a great secretary of agriculture and a great vice president. I'm very proud of it."

"If we had listened to some of the things Henry Wallace said, we might have avoided the Korean War and the Vietnam War."

2. The Washington Post, 5/1/72 (column probably written 3-4 days earlier).

McGovern says, "I think my judgment was pretty good for a 25-year old."

3. The Washington Post, 4/29/72

McGovern says: "If we had listened to Henry Wallace, we might have avoided some tragedies like the Vietnam War." But McGovern added, "Like many men, I have grown and changed a lot since then."

4. The Washington Evening Star, 4/29/72

An aide to McGovern said McGovern was a delegate to the 1948 Progressive party convention that nominated Wallace but later became disenchanted over the party and ended up voting for Truman.

5. The Washington Sunday Star, 4/30/72

McGovern acknowledged he did support Wallace for President but actually voted for Truman because Wallace wasn't on the ballot in Illinois where McGovern was living while attending Northwestern University.

6. The Washington Post, 5/1/72

McGovern told press conference he abandoned his support of Henry A. Wallace before the general election and wound up voting for Truman.

7. The Washington Evening Star, 5/1/72

Quoted McGovern as saying in regard to his support for Wallace, "So what? I am rather proud of it."

8. Summary

Unanswered Questions

- (a) Whom did McGovern favor for President in 1948, Wallace or Truman?
- (b) If he did support Wallace, is he proud of it as stated in the Washington Daily News, 4/27/72, and the Evening Star, 5/1/72, or does he regret? The Post, 4/29/72, quotes him as saying, "Like many men, I have grown and changed a lot since then." This would imply he would do differently today. Apparently, he was proud on 4/27/72, had second thoughts on 4/29/72, and is once again proud on 5/1/72.
- (c) If he did vote for Truman, did he do it because he was disenchanted with the Progressive Party as stated in the Star, 4/29/72, or simply because as stated in the Washington Sunday Star, 4/30/72, Henry Wallace was not on the ballot in Illinois?
- (d) Did McGovern in fact give up his residency in South Dakota while he was a student at Northwestern University? This is unusual for students (voting rolls in South Dakota might be checked). At any rate, did he support the efforts of a group in Illinois led by a professor at Northwestern University to get Wallace's name on the ballot in 1948? Would he or would he have not voted for Wallace, had his name been on the ballot?
- (e) McGovern, in the Sunday Star, 4/30/72, attempts to make light of the fact that he supported Wallace, says he also stole a watermelon when he was 12 years old. This hardly squares with the fervor with which he defended his support of Wallace, Washington Daily News, 4/27/72. He hasn't spoken with anything approaching equal fervor for Harry Truman. In fact, he hasn't said a kind word for Harry Truman.
- (f) No matter how he voted, he is an admitted delegate. The Progressive Party condemned the Marshall Plan. The Marshall Plan saved Western Europe from a Communist takeover. Does McGovern still agree with the position he took in voting for that platform condemning the Marshall Plan?
- (g) He pays tribute to Wallace as Secretary of Agriculture. What about the General Counsel's office in Agriculture? It had more Communists per capita than Moscow under Wallace, including Alger Hiss and Lee Pressman. Others were Abt, Ware, and Weyl. Abt is now the Counsel of the Communist Party of America. Lee Harvey Oswald after assassinating John Kennedy, requested that Abt be his defense lawyer.

ADDENDUM TO MATERIAL OF 5/1/72

The Washington Post of 5/5/72 in an article by David S. Broder, says --

"McGovern has said that he favored Henry Wallace in the spring of 1948, but withdrew his support after seeing the Communist elements at Wallace's Progressive Party convention, and did not vote in the general election." (underlining supplied).

This does not square with the earlier stories in which McGovern is quoted as having voted for Truman in Illinois.

THE WHITE HOUSE
WASHINGTON

May 20, 1977

Stu Eizenstat -

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

Rick Hutcheson

Re: Social Report

THE WHITE HOUSE
WASHINGTON

Mr. President:

Watson suggests that any "social report" would inevitably be too general to be useful; a better vehicle (which already exists) is the message to Congress.

Siegel: good idea... should lay out the social goals of the Carter Administration.

Costanza: report should reflect the viewpoints of the people whose lives are being discussed.

---Rick

THE WHITE HOUSE

WASHINGTON

May 14, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT
AL STERN

Stu

SUBJECT: Social Report

One of the most useful and informative documents produced each year by the Executive Branch is the Economic Report of the President. That report, mandated by the Employment Act of 1946, is drafted for the President by CEA and sent to Congress each year just before the January budget submission. The Report essentially details the economic progress made by the nation during the previous year and makes projections for the ensuing year.

There is currently no comparable report by the President to the Congress, or to the public, on the nation's non-economic, or "social," side. Although there are numerous reports produced each year by the Executive Branch about every conceivable social policy subject, there is no report which summarizes those reports in a comprehensible manner, or records the Administration's social policy achievements. I think such a report, if written in a simple, straightforward manner, would be extremely useful both to the Congress, in considering proposed legislation, and to the public, in looking at the nation's and the Administration's progress in various social areas. I would include as the "social areas" topics such as: crime and delinquency, the environment, energy, family and neighborhood, population, education, science, arts and humanities, urban and rural development, civil rights and civil liberties, health and welfare.

Because a Presidential social report has not been produced before, it is difficult, without further work, to visualize how such a report might look. However, I think a working model might be the book produced in Georgia at the end of your term as Governor. That book, State in Action, was generally viewed to be a very useful look at the social progress made in Georgia during your term. With that

book as a model, I think a working group could be assembled to review the possibility of a Presidential social report for FY 1979.

Because most of the data needed for a social report is already available throughout the Executive Branch, I believe such a report could be produced without additional personnel or funds.

If you have any interest in a Presidential social report, I can begin to coordinate a task force to study the project and report to you within several weeks on its feasibility.

Approve _____

Disapprove _____

Comment _____

THE WHITE HOUSE
WASHINGTON

Date: May 16, 1977

MEMORANDUM

FOR ACTION:

The Vice President

Midge Costanza

Hamilton Jordan

Jody Powell

Jack Watson

Bert Lance

FOR INFORMATION:

Bob Linder

Suzel

should reflect views of the people - interest groups whose lives are being discussed
good idea, should be realistic - where we are & where we are going - lay out goals of Admin
would probably be vague & unfocused - better idea - is message to Congress

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Stu Eizenstat/Al Stern memo 5/14 re Social Report.

**YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:**
TIME: 3:00 P.M.
DAY: WEDNESDAY
DATE: MAY 18, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

3/20

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: May 16, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Midge Costanza
Hamilton Jordan
Jody Powell
Jack Watson
Bert Lance

FOR INFORMATION: Bob Linder

FROM: Rick Hutcheson, Staff Secretary

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TO THE STAFF SECRETARY BY:

TIME: 3:00 P.M.

DAY: WEDNESDAY

DATE: MAY 18, 1977

MMLC -
Please
comment -
2

ACTION REQUESTED:

 Your comments

Other:

STAFF RESPONSE:

 I concur. No comment.

Please note other comments below:

Good idea - I think it should be
positive, but realistic, coming where we are,
and where we are going. In its conclusion,
it might lay out (broadly) the sound goals
of the Carter Administration -

Siegel

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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Date: May 16, 1977

MEMORANDUM

FOR ACTION:

The Vice President
 Midge Costanza
 Hamilton Jordan
 Jody Powell
 Jack Watson
 Bert Lance

FOR INFORMATION: Bob Linder

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 TO THE STAFF SECRETARY BY:

TIME: 3:00 P.M.

DAY: WEDNESDAY

DATE: MAY 18, 1977

ACTION REQUESTED:

 Your comments

Other:

STAFF RESPONSE:

 I concur. No comment.

Please note other comments below:

While the impulse to write about "social" problems is a good one, we believe a "social report" will inevitably be too general and unfocused to be useful. There already are too many reports on social topics.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED. A better vehicle --

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

use -- is the message to Congress. Watson/Funk

Date: May 16, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Midge Costanza ✓
Hamilton Jordan
Jody Powell
Jack Watson
Bert Lance

FOR INFORMATION: Bob Linder

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Stu Eizenstat/Al Stern memo 5/14 re Social Report.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 3:00 P.M.

DAY: WEDNESDAY

DATE: MAY 18, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

I would hope that any report on the "social" status of the country will reflect the viewpoints of the people and interest groups whose lives and problems are being discussed.

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

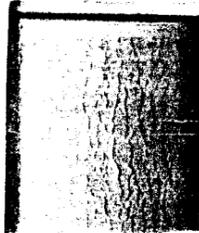
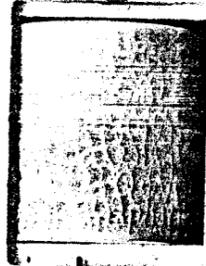
May 19, 1977

Stu Eizenstat
Jim Fallows

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

Rick Hutcheson

Re: Congressional Action on the
Economy



DEMOCRATIC STEERING AND
POLICY COMMITTEE

May 17, 1977

THE PRESIDENT HAS SEEN.

cc Jhu
Follows
J

CONGRESSIONAL ACTION ON THE ECONOMY

The House today completed action on a package of legislation designed to spur economic recovery. Following is a summary of main features of various parts of the package.

PUBLIC WORKS JOBS

On May 14 the President signed into law the Public Works Jobs bill (H.R. 11), the key component of the economic stimulus package developed jointly by the President and the Congress. The bill is an expansion of a program enacted into law in 1976 over President Ford's veto.

The new Act will:

1. Provide \$4 billion in additional authorizations for quick-starting (90 days) local public works construction projects.
2. Stimulate creation of an estimated 600,000 jobs: 300,000 direct jobs in the hard hit construction industry, where unemployment is currently at 15.2%, and another 300,000 jobs in related industries such as materials and supplies.
3. Allow funding of approximately 4,000 badly needed public works projects in cities and towns across the nation. The original 1976 Act stimulated 22,000 project applications worth approximately \$20 billion. Only some 2,000 projects, with a total value of \$2 billion, could be funded under the initial appropriation. The economic stimulus appropriation bill permits the funding of a significant number, perhaps, 4,000, of these still-pending projects which supply additional employment opportunities through the expeditious construction of useful public works and development facilities in economically distressed areas. Examples of the kinds of projects to be funded are water and sewage systems, health, school, and police and fire protection facilities, and other community needs.

APPROPRIATIONS

A. The Economic Stimulus Appropriation Act (H.R. 4876) was signed into law May 14. The bill contains \$20.1 billion in appropriations, with most of the funds aimed at revitalizing the economy. Included in H.R. 4876 are:

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1. Almost \$8 billion in funds for public service jobs in state and local governments. This amount includes:
 - \$6.85 billion for funding through fiscal year 1978 for public service jobs under Title VI of the Comprehensive Employment and Training Act (CETA). There are currently 260,000 Title VI jobs. Funds will be made available to expand the program, as requested by President Carter, to 500,000 jobs by September 30, 1977, and to 600,000 jobs during fiscal year 1978.
 - \$1.14 billion to expand public service employment under Title II of the Comprehensive Employment and Training Act from the present level of 50,000 to 100,000 by the end of fiscal year 1977 and to 125,000 jobs by the end of fiscal year 1978.
2. \$1 billion for a new Youth Employment and Training Program. The appropriation will establish 72,000 employment and training slots for youths by September 30, 1977, and 154,000 slots by September 30, 1978.
3. \$250 million to establish a new skill training improvement program for permanently displaced workers in need of retraining. A total of 58,000 training slots will be established.
4. \$120 million to establish a program, known as the HIRE program, to induce major corporations to hire and train young veterans. Approximately 60,000 people will be enrolled in the program by the end of the current fiscal year and 92,000 by the end of fiscal year 1978.
5. \$68 million to expand the Job Corps program of residential training centers for underprivileged youths to 30,000 slots from the present level of 22,700.
6. \$59.4 million for community service employment for older Americans. This will allow expansion of the program, which operates under Title IX of the Older Americans Act, from 22,600 to 37,400 jobs.
7. The Economic Stimulus Appropriations Act also directs the Secretary of Labor to utilize already appropriated discretionary funds specifically for job-creation efforts. The Secretary is directed to allocate:
 - \$14 million to provide additional employment and training programs on Indian reservations. The program will be operated by Indian prime sponsors under the Comprehensive Employment and Training Act.

- \$16 million to expand and improve existing employment for migrants and to initiate new approaches, such as residential skill centers.
 - \$20 million to expand apprenticeship opportunities in highly skilled occupations and to promote apprenticeship in industries not now using this type of training.
 - \$10.5 million to continue 71 Older Worker Projects providing employment opportunity for 4,800 workers aged 50 or older in work benefiting local communities, such as environmental aides, park and recreation aides, legal service aides, and pre-retirement counselors.
 - \$10 million for a veterans outreach program, which will enable state employment offices to hire 2,000 disabled veterans to staff job recruitment and service efforts for veterans.
8. \$4 billion in funds for the Public Works Jobs program, which provides grants to state and local governments for quick-starting construction projects.
 9. Almost \$5 billion in funds for general revenue sharing payments. At present, 39,000 units of general purpose governments are eligible to receive revenue sharing funds.
 10. \$632.5 million for anti-recession aid to help state and local governments maintain basic services during periods of high unemployment and decreasing local receipts. To date, more than 20,000 state and local government units have received assistance under this program.
 11. \$300 million for Environmental Protection Agency construction grants for water treatment facilities.
 12. \$175 million for emergency drought relief.
 13. \$200 million for safety improvement construction projects under the Safer Off-System Roads program.
 14. \$95 million to advance the production of the third Space Shuttle orbiter from 1978 to 1977, thus preventing a funding gap and saving 14,000 jobs in the 35 states in which Shuttle work is now underway.

15. \$100 million for railroad improvements, including \$50 million to speed up the various labor-intensive construction programs currently underway on the Northeast Corridor improvement program, and \$50 million for railroad rehabilitation and improvement financing.
16. \$16 million for rail-highway crossing demonstration projects aimed at improving safety at railway crossings.

B. Supplemental Appropriation (H.R. 4877). Congress has passed other appropriation legislation, besides the Economic Stimulus Appropriation Act, which will assist in revitalizing the economy. On May 4 the President signed into law a Supplemental Appropriation (H.R. 4877) containing almost \$29 billion for a wide variety of programs, including many which will aid directly in reviving the economy. Among the items included in the Act are:

- \$13 billion for various housing programs, including funding for construction of new assisted housing.
- \$1 billion for water treatment plant construction grants under the Environmental Protection Agency.
- \$150 million for water and sewer facility loans under the Farmers Home Administration.
- Funds to help offset the effects of severe drought in the West through water conservation practices, including \$100 million in contract authority under the emergency agricultural conservation program and an additional \$100 million for emergency drought assistance under the Bureau of Reclamation.

ANTIRECESSION ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

The Congress on May 16 completed action on a bill (H.R. 6810) providing "countercyclical antirecession assistance" to state and local governments. The House-passed bill extends the Antirecession Assistance Program through fiscal year 1978 as a temporary program to help state and local governments maintain public services during economic declines. The new authorization provides \$2.25 billion in authority for five calendar quarters beginning July 1, 1977.

TAXES

Congress on May 16 completed action on H.R. 3477, the Tax Reduction and Simplification Act of 1977. The Act -- modified by both the Congress and the Carter Administration since it was introduced last February -- contains a number of features designed to help the economy maintain its recent uptrend.

For individuals, the bill:

1. Establishes higher, flat levels for individual and joint standard deductions (\$2,200 and \$3,200 respectively), both lowering taxes and simplifying preparation of these returns.
2. Extends through 1978 the general tax credit of \$35 per person or 2% of the first \$9,000 of taxable income, whichever is larger.
3. Makes the \$35 per capita tax credit available for the extra age and blindness exemptions.
4. Extends through 1978 the earned income credit of 10% of the first \$4,000 of earned income.
5. Postpones for one year the repeal of the exclusion from taxation of sick pay contained in the 1976 Tax Revision Act.
6. Delays for one year the changes in taxation of income earned abroad contained in the 1976 Tax Revision Act. The 1976 law had lowered the amounts excluded from taxation.
7. Allows taxpayers over age 65 to choose (for 1976 taxes only) between the retirement income credit as it existed before the 1976 Act or as revised by it.
8. Authorizes an additional \$435 million in each of fiscal years 1978 and 1979 for the work incentive program for employment and support services for welfare recipients.

For business, the bill:

1. Extends through 1978 the corporate tax reductions first enacted in 1975 (thus keeping the corporate tax rate at 20% on the first \$25,000 of taxable income, 22% on the next \$25,000 and 48% on the excess above \$50,000).
2. Provides a new tax credit to employers in 1977 and 1978 of \$2,100 (50% of the first \$4,200 of wages) for each new worker in excess of a 2% rise over the previous years' employment levels.

No employer could claim more than \$100,000 per year in credits and employers hiring handicapped people could receive an additional 10% credit.

3. Postpones for one year for certain family-owned farm corporations a requirement of the 1976 Act to use the accrual method of accounting.
4. Exempts for 1977 only independent oil and gas producers from the requirement in the 1976 law that deductions for intangible drilling costs be a minimum tax preference item.

The tax bill also makes several other changes, including:

1. Relieving individuals and corporations from penalties and interest attributable to changes in the law made applicable to 1976 by the 1976 Act.
2. Lifting the exclusive use test in the 1976 Act for business deductions for use of the home for licensed day care services.
3. Permitting state legislators to apply, to their 1976 income taxes, deductions for travel and other expenses away from home connected with their legislative duties.
4. Modifying the requirement in the 1976 Act for 20% tax withholding on gambling winnings.

YOUTH EMPLOYMENT

The House on May 17 passed a Youth Employment bill (H.R. 6138) aimed at creating jobs for about 200,000 young people. Unemployment among the youth of our nation (ages 16-24) was at a level of 14.3% in the first quarter of 1977. H.R. 6138 will attack the youth employment problem by putting many of these young people to work on conservation projects, while others will receive job training and assistance in finding work.

THE WHITE HOUSE
WASHINGTON

May 19, 1977

Pat Caddell
Jerry Rafshoon

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

Rick Hutcheson

Re: Western Trip -- May 17th

MEMORANDUM

THE PRESIDENT HAS SEEN.

Received
5/18/77
J

To: President Carter 2 May 1977
Fr: Pat Caddell and Jerry Rafshoon
Re: Western trip -- May 17th

We understand that there is planning going on to conduct a TV studio program on the West Coast that would involve live or taped questions from the public with responses by the President. In short, somewhat of a TV version of the radio call-in program, conducted in the studio of KNX-TV. We are concerned about this idea and dubious about its potential impact.

One of the things that stands out from the studies that have been conducted is that consistency is critical for the President. President Carter has effectively established four communication mechanisms in his people's programs: the town meeting; the fireside chat; the radio call-in show; and visits to the President in the White House. All of these are good vehicles and have proved effective. We don't believe that another approach is necessary.

Indeed, our concern is that the addition, at this point of another mechanism is likely to be viewed as a gimmick. There seems to be some pressure for finding new and different things for the President to do to show he is close to the people. However, it is our feeling that this continual reach for new and different things is likely to convince the public and the press that many of these things are, indeed, gimmicks. The mechanisms already developed are well-tested and can be further developed. The town meeting, for example, was not planned as a one-time

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event, but something that would be repeated over time. They do not need to be superceded by another approach.

To do a TV version of the call-in will suggest that at every turn the White House is simply looking for something new and different or better to upstage the efforts that have been conducted previously. It is our feeling that a few good things done well -- things that are clearly identified as being your style -- will prove superior to a constant effort to come up with new ideas to top the old ones. There is only a fine line in the public mind between a real effort to be close to people and public relations-campaign gimmicks.

Therefore, we strongly believe that it would be far better to have a town meeting while in California rather than a studio-type television program. First, the town meeting has been a successful concept. Second, the President needs some exposure and personal contact on the West Coast. We would recommend a town meeting, perhaps on a single subject like energy, in a format similar to Clinton. The meeting could take place in the San Fernando Valley or any one of the smaller middle-class communities. Although there is no particular tradition of town meetings there, the process of inviting people into the hall and having a meeting is not a very difficult one. Such an effort would show continuity and we think would probably be more effective than the proposed program.

There is one variation in the town meeting format that might make it a little different and more effective, without losing the sense, i.e. that is, part of an ongoing, stable program established in Clinton in March. For change,

rather than simply have a Question & Answer between the President and the audience, the President could initiate discussions with people in the audience. He can ask members of the audience to respond to specific ideas or concerns about energy and explain their feelings. Then he can react and explain his positions on those. We think the town meetings would be enhanced, to some degree, if there were greater involvement by people there, taking on more of the aspect of a discussion group led by, centered around, and dominated by the President. We think the idea of asking people for thoughts and reactions would be both effective and something the President could do effectively. It's something he's very good at, it would add a new wrinkle, and yet still be viewed as part of a serious effort to communicate with the public, to relate, and to be close to them.

All in all, we think the town meeting either as structured in Clinton, or with the variations, would be far more effective than efforts to introduce yet another new device. We feel strongly about this, and hope the matter will be taken under consideration.

cc: Vice President Mondale
Hamilton Jordan
Jody Powell
Tim Kraft
Greg Schneiders

THE WHITE HOUSE
WASHINGTON

May 16, 1977

THE PRESIDENT HAS SEEN.

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *JM*

Senator Riegle phoned today to say that he will be sending you a letter making a formal request for a report on all information being transmitted to former President Nixon. He says he intends to go public with this information and demand that it be stopped. In his mind, Nixon is a convicted felon even if an ex-President.

I believe that Riegle is looking for a way to attack the Administration. He will do it through Nixon so that we cannot respond.

cc: Secretary Vance
Admiral Turner
Z. Brzezinski

*Frank -
Nixon is neither a
convicted felon nor a
confessed adulterer.
JC*

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON
May 18, 1977

Hamilton Jordan
Bob Lipshutz

The attached is forwarded to you
for your information.

Rick Hutcheson

Re: Information to Nixon.

THE WHITE HOUSE

WASHINGTON

Mr. President:

Hamilton concurs with Lance/Brzezinski, but thinks you should consider Jim King's points.

King believes the Commission lacks sufficient women and minorities, and would like the opportunity to submit additional names for better balance.

He observes that Peterson held positions under Nixon and Ford; and that Davis held positions under Nixon, Eisenhower and Truman. He thinks some Carter Democrats should be added to the list for consideration.

Rick

THE WHITE HOUSE
WASHINGTON

May 19, 1977

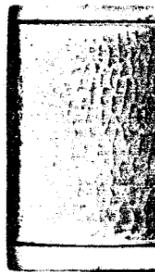
Z. Brzezinski

Re: President's Commission on
Military Compensation

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

Rick Hutcheson

cc: Bert Lance
Bob Linder
Bob Lipshutz
Jim King



THE WHITE HOUSE
WASHINGTON

5-18-77

Ham - Don't forward
a silly comment
like this. I don't
have time to referee
among you all.
Work it out &
then let me have
the final recom-
mendation - Without
delay - J.C.

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for Preservation Purposes

85/19/77

2249 add-on

THE WHITE HOUSE
WASHINGTON

May 12, 1977

J
Zwick & Brown will talk
J

MEMORANDUM FOR: THE PRESIDENT
FROM: BERT LANCE
ZBIGNIEW BRZEZINSKI
SUBJECT: President's Commission on Military Compensation

Bha -
ZB

In the attached memorandum (Tab B) Secretary Brown presents his views on who should serve on the President's Commission on Military Compensation and how the Commission should be established.

We believe the Commission members and the Chairman suggested by Secretary Brown are excellent and recommend that as soon as possible you personally ask Charles J. Zwick to serve as Chairman.

The persons proposed by Secretary Brown appear capable of the independent and objective review of our current military compensation and retirement policies that is so urgently needed. They should be able to give us a product that will not be seen by the Congress or the public as representing solely a military viewpoint and that can be viewed by the military community as fair.

However, we need to make certain that the Commission is established in a way to ensure a useful independent product. Specifically:

- We have made minor changes to the DOD-proposed executive order.
- As suggested by Secretary Brown, the Executive Director should come from outside of Government and be approved by the Chairman.

**Electrostatic Copy Made
for Preservation Purposes**

-- Although the Commission will need to draw on Defense experience, its staff must not be unduly connected to previous reviews of these issues.

This can be best accomplished by requiring that the process of establishing the Commission continue to be a joint effort rather than one done strictly by Defense.

RECOMMENDATIONS

- (1) That you call Charles Zwick and ask him to chair the Commission.
- (2) That you sign the attached memorandum to Secretary Brown (Tab A) approving what he has done to date, amending his draft executive order, and directing him to keep working with us on this issue.

Approve Disapprove

THE WHITE HOUSE

WASHINGTON

May 19, 1977

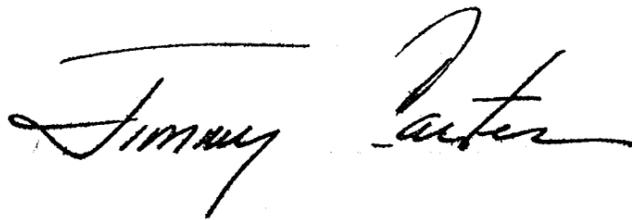
MEMORANDUM FOR:

THE SECRETARY OF DEFENSE

SUBJECT: Presidential Commission on Military
Compensation

I approve the approach outlined in your memorandum of April 15, 1977. The attached draft executive order reflects some changes I would like to see incorporated in the final version. The Commission members that you recommended appear capable of the independent review that I desire.

I have called Charles Zwick and he has accepted the position of Commission Chairman. I want you to keep working with Bert Lance and Zbig Brzezinski to ensure that the Commission has a suitably independent charter and professional staff. It is important to begin this effort immediately.

Jimmy Carter

April 15, 1977

MEMORANDUM FOR THE PRESIDENT

SUBJECT: President's Commission on Military Compensation

This memorandum presents my views on how to establish and conduct the President's Commission on Military Compensation. A draft Executive Order to establish the Commission is attached at Tab A.

Scope of Review. The objectives of this review should be clearly specified in order to focus the work of the Commission on the most difficult and important issues. This should shorten the time required and minimize the number of specific recommendations forthcoming from the Commission.

The Commission should review the analyses, findings and recommendations of the 1976 Third Quadrennial Review of Military Compensation, the 1976 Defense Manpower Commission, recent (1975-1977) reports of the Comptroller General on military compensation issues, the 1972 DoD Retirement Study Group, and the 1971 Interagency Committee Study of Uniformed Services Retirement and Survivor Benefits.

The Commission should make independent recommendations on the critical military compensation issues identified in those forums, outlined in Tab B.

The Commission should be tasked to develop the implementing strategy to ensure understanding and support of the changes they propose. This might include plans for transition to new pay practices, their costs and protection of current active and retired members against adverse effects of changes where this is appropriate.

Membership. The Commission should include nine distinguished Americans who can provide credibility and independent judgment and the Commission as a whole should be viewed as not representing any particular interest in the outcome of the deliberations. I propose that you select as Chairman Charles J. Zwick of Miami, Florida. My recommendations for the other members are listed at Tab C.

Executive Director. The position of Executive Director should be filled from outside the government and be approved by the Chairman. He should have some professional knowledge of compensation and government experience.

Professional Staff. The Department of Defense with the advice of OMB should assemble a professional staff of about twelve analysts both "in-house" and "out-of-house", familiar with military compensation systems and personnel management concepts. Staff members should be approved by the Executive Director, who is responsible for creating a staff environment free of vested interest, and one that encourages a free exchange of ideas.

Administrative Support. DoD and OMB should provide administrative personnel and support. The funding for the Commission will be provided by DoD. Costs will be minimized because of the use of "in-house" staff and administrative support.

Consultation. The views of the Military Departments and the separate services should be solicited. Comments should also be sought from interested groups including associations reflecting military interests and other groups such as the Conference Board, The American Compensation Association and the U.S. Chamber of Commerce. Views should also be solicited in writing, and those with interesting ideas, special interests or special complaints of significance could be asked to testify in public hearings.

Schedule of Actions. The Commission's recommendations should be forwarded through my office to you by December 15, 1977. To meet this schedule, and subject to your approval I will:

- Initiate the Executive Order for your signature through normal OMB channels.
- Issue the required Charter consistent with this memorandum.
- Solicit members of the Committee from the recommended list.
- Identify potential candidates for Mr. Zwick to consider for the position of Executive Director.
- Begin assembling a professional staff.
- Solicit from GSA an experienced administrative officer to assist the Commission with its logistical requirements.

Action Required. If you approve this approach, I would ask that you solicit Mr. Zwick's participation as Chairman of the Commission as soon as possible.

Harold Brown

Decision:

Proceed as outlined _____

See me _____

EXECUTIVE ORDER

PRESIDENT'S COMMISSION ON MILITARY COMPENSATION

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, and as President of the United States of America, in accordance with the Federal Advisory Committee Act (5 U.S.C. App. I), it is hereby ordered as follows:

Section 1. (a) There is established the President's Commission on Military Compensation, hereinafter referred to as the Commission, which shall be composed of not more than nine members who shall be appointed by the President ~~[with the advice of the Secretary of Defense]~~. ✓

(b) The President shall designate a Chairman from among the members.

Sec. 2. (a) The Commission shall review ^{at least} the analyses, findings, and recommendations related to military compensation which have previously been completed by the ~~[Third]~~ Quadrennial Review^s of Military Compensation, the Comptroller General, the Interagency Committee Study of Uniformed Services Retirement and Survivor Benefits, the Department of Defense Retirement Study Group, and the Defense Manpower Commission. ✓

(b) The Commission shall identify, study, and make recommendations on critical military compensation issues, specifically addressing the following issues:

(1) What form of military compensation is the most effective for meeting the needs of the nation in peace and war? Is the present pay and allowances system appropriate? If not, what changes (such as some form of military salary) offer greater potential to serve the national purpose?

(2) Are specific standards appropriate and necessary for setting and adjusting military compensation? If so, what should the standards be? What elements of compensation should be based on such standards?

(3) What provisions are appropriate for differential compensation (such as special and incentive pays) and what are the appropriate criteria for using them?

(4) What are the purposes of the military retirement system? Is the present system effective in achieving these purposes? What changes are appropriate?

(5) Should the unique characteristics of military service be reflected in the compensation system and, if so, how?

(c) The Commission shall submit a report to the President through the Secretary of Defense by December 15, 1977. The report shall recommend how the military compensation system can best be structured to serve the national interest. If changes

are recommended the Commission should estimate their cost and propose an implementation plan and time table.

Sec. 3. In performing its functions the Commission shall conduct such studies, reviews, and inquiries as may be necessary ~~[to review the aforementioned studies]~~ . In addition to conducting open meetings in accordance with the Federal Advisory Committee Act, the Commission shall conduct public hearings to identify critical issues and possible solutions related to the structure of military compensation.

Sec. 4. The Commission is authorized to request from any Executive agency such information that may be deemed necessary to carry out its functions under this Order. Each Executive agency shall, to the extent permitted by law, furnish such information to the Commission in the performance of its functions under this Order.

Sec. 5. Each member of the Commission who is not otherwise employed in the Government may receive, to the extent permitted by law, compensation for each day he or she is engaged in the work of the Commission at a rate not to exceed the maximum daily rate now or hereafter prescribed by law for GS-18 of the General Schedule, and may also receive transportation and travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5702 and 5703) for persons in the Government service employed intermittently.

Sec. 6. The Chairman of the Commission is authorized to establish such additional advisory committees as may be deemed appropriate to carry out the purposes of this Order.

Sec. 7. All necessary administrative staff services, support, facilities, and expenses of the Commission shall, to the extent permitted by law, be furnished by the Department of Defense.

Sec. 8. Notwithstanding the provisions of any other Executive order, the functions of the President under the Federal Advisory Committee Act (5 U.S.C. App. I), except that of reporting annually to the Congress, which are applicable to the Commission, shall be performed by the Secretary of Defense in accordance with guidelines and procedures established by the Office of Management and Budget.

Sec. 9. The Commission shall terminate thirty days after submitting its report.

THE WHITE HOUSE

, 1977

SPECIFIC COMMISSION TASKS

- (1) What form of military compensation is the most effective for meeting the needs of the nation in peace and war? Is the present pay and allowances system appropriate? If not, what changes (such as some form of military salary) offer greater potential to serve the national purpose?
- (2) Are specific standards appropriate and necessary for setting and adjusting military compensation? If so, what should the standards be? What elements of compensation should be based on such standards?
- (3) What provisions are appropriate for differential compensation (such as special and incentive pays) and what are the appropriate criteria for using them?
- (4) What are the purposes of the military retirement system? Is the present system effective in achieving these purposes? What changes are appropriate?
- (5) Should the unique characteristics of military service be reflected in the compensation system and, if so, how?

TAB B

OTHER COMMISSION MEMBERS

1. Peter G. Peterson of New York, NY
MBA University of Chicago; Lehman Bros
Investment Bankers, former Secretary of
Commerce, and former Chairman of the
Quadrennial Review of Executive Salaries;
Trustee of Brookings Institution.
2. Philip A. Odeen of Lake Forest, Illinois
MS in Political Science; Vice President,
Wilson Sporting Goods; former Deputy Assistant
Secretary of Defense, Systems Analysis; and
Director of Program Analysis, National Security
Council.
3. Walter B. Wriston of New York, New York
MA International Relations; Chairman,
First National City Corp.; director of
numerous other companies; Trustee of RAND
Corporation.

or

- Walter N. Page of Huntington, Long Island, NY
BA; President Morgan Guaranty Trust Co.;
Director, Foreign Policy Association and
trustee of the Carnegie Institution.
4. Herbert F. York of La Jolla, California
PhD in Physics; Professor of Physics of
University of California at San Diego; former
Director of Defense Research and Engineering
and former Chancellor of the University of
California at San Diego.
 5. Zvi Griliches of Waban, Massachusetts
PhD in Economics; Professor of Economics,
Harvard University; veteran of Israeli Army;
former member of the Board of Governors of
the Federal Reserve System; co-editor
Econometrica; author of books and articles
on economics and statistics.

TAB C

6. Lieutenant General Benjamin O. Davis, USAF, Retired, of Arlington, Virginia.
BS, U.S. Military Academy; Consultant to Metropolitan Life Insurance Company and the Department of Transportation; former Commander, U.S. Forces Korea and Chief of Staff UN Command; retired in January 1970; former Safety Director of Cleveland; former Assistant Secretary of Transportation for Environment, Safety, and Consumer Affairs.
7. Judge Shirley M. Hufstедler of Pasadena, California.
LLB Stanford Law School; Judge 9th Circuit Court; served in various judgeships.
8. General Frederick C. Weyand, USA, Retired, of Honolulu, Hawaii.
BA, University of California (Berkeley); Vice President, Hawaii National Bank; former Chief of Staff of U.S. Army.

THE WHITE HOUSE
WASHINGTON

Date: May 12, 1977

MEMORANDUM

FOR ACTION:

Hamilton Jordan

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Bert Lance/Zbigniew Brzezinski memo 5/12 re
President's Commission on Military Compensation.

**YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:**

TIME: 11:00 A.M.

DAY: SATURDAY

DATE: MAY 14, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

5/19

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

RICK:

Hamilton supports the
Lance/Brzezinski recommendations.
However, he believes Jim King
has a right to make the points
he has in his memo to you.

Eleanor
5/13

THE WHITE HOUSE
WASHINGTON

May 12, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: BERT LANCE *Bla-*
ZBIGNIEW BRZEZINSKI *ZB.*
SUBJECT: President's Commission on Military
Compensation

In the attached memorandum (Tab B) Secretary Brown presents his views on who should serve on the President's Commission on Military Compensation and how the Commission should be established.

We believe the Commission members and the Chairman suggested by Secretary Brown are excellent and recommend that as soon as possible you personally ask Charles J. Zwick to serve as Chairman.

The persons proposed by Secretary Brown appear capable of the independent and objective review of our current military compensation and retirement policies that is so urgently needed. They should be able to give us a product that will not be seen by the Congress or the public as representing solely a military viewpoint and that can be viewed by the military community as fair.

However, we need to make certain that the Commission is established in a way to ensure a useful independent product. Specifically:

- We have made minor changes to the DOD-proposed executive order.
- As suggested by Secretary Brown, the Executive Director should come from outside of Government and be approved by the Chairman.

-- Although the Commission will need to draw on Defense experience, its staff must not be unduly connected to previous reviews of these issues.

This can be best accomplished by requiring that the process of establishing the Commission continue to be a joint effort rather than one done strictly by Defense.

RECOMMENDATIONS

- (1) That you call Charles Zwick and ask him to chair the Commission.
- (2) That you sign the attached memorandum to Secretary Brown (Tab A) approving what he has done to date, amending his draft executive order, and directing him to keep working with us on this issue.

_____ Approve _____ Disapprove

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR:

THE SECRETARY OF DEFENSE

SUBJECT: Presidential Commission on Military
Compensation

I approve the approach outlined in your memorandum of April 15, 1977. The attached draft executive order reflects some changes I would like to see incorporated in the final version. The Commission members that you recommended appear capable of the independent review that I desire.

I have called Charles Zwick and he has accepted the position of Commission Chairman. I want you to keep working with Bert Lance and Zbig Brzezinski to ensure that the Commission has a suitably independent charter and professional staff. It is important to begin this effort immediately.

April 15, 1977

MEMORANDUM FOR THE PRESIDENT

SUBJECT: President's Commission on Military Compensation

This memorandum presents my views on how to establish and conduct the President's Commission on Military Compensation. A draft Executive Order to establish the Commission is attached at Tab A.

Scope of Review. The objectives of this review should be clearly specified in order to focus the work of the Commission on the most difficult and important issues. This should shorten the time required and minimize the number of specific recommendations forthcoming from the Commission.

The Commission should review the analyses, findings and recommendations of the 1976 Third Quadrennial Review of Military Compensation, the 1976 Defense Manpower Commission, recent (1975-1977) reports of the Comptroller General on military compensation issues, the 1972 DoD Retirement Study Group, and the 1971 Interagency Committee Study of Uniformed Services Retirement and Survivor Benefits.

The Commission should make independent recommendations on the critical military compensation issues identified in those forums, outlined in Tab B.

The Commission should be tasked to develop the implementing strategy to ensure understanding and support of the changes they propose. This might include plans for transition to new pay practices, their costs and protection of current active and retired members against adverse effects of changes where this is appropriate.

Membership. The Commission should include nine distinguished Americans who can provide credibility and independent judgment and the Commission as a whole should be viewed as not representing any particular interest in the outcome of the deliberations. I propose that you select as Chairman Charles J. Zwick of Miami, Florida. My recommendations for the other members are listed at Tab C.

Executive Director. The position of Executive Director should be filled from outside the government and be approved by the Chairman. He should have some professional knowledge of compensation and government experience.

Professional Staff. The Department of Defense with the advice of OMB should assemble a professional staff of about twelve analysts both "in-house" and "out-of-house", familiar with military compensation systems and personnel management concepts. Staff members should be approved by the Executive Director, who is responsible for creating a staff environment free of vested interest, and one that encourages a free exchange of ideas.

Administrative Support. DoD and OMB should provide administrative personnel and support. The funding for the Commission will be provided by DoD. Costs will be minimized because of the use of "in-house" staff and administrative support.

Consultation. The views of the Military Departments and the separate services should be solicited. Comments should also be sought from interested groups including associations reflecting military interests and other groups such as the Conference Board, The American Compensation Association and the U.S. Chamber of Commerce. Views should also be solicited in writing, and those with interesting ideas, special interests or special complaints of significance could be asked to testify in public hearings.

Schedule of Actions. The Commission's recommendations should be forwarded through my office to you by December 15, 1977. To meet this schedule, and subject to your approval I will:

- Initiate the Executive Order for your signature through normal OMB channels.
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- Identify potential candidates for Mr. Zwick to consider for the position of Executive Director.
- Begin assembling a professional staff.
- Solicit from GSA an experienced administrative officer to assist the Commission with its logistical requirements.

Action Required. If you approve this approach, I would ask that you solicit Mr. Zwick's participation as Chairman of the Commission as soon as possible.

Harold Brown

Decision:

Proceed as outlined _____

See me _____

EXECUTIVE ORDER

PRESIDENT'S COMMISSION ON MILITARY COMPENSATION

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, and as President of the United States of America, in accordance with the Federal Advisory Committee Act (5 U.S.C. App. I), it is hereby ordered as follows:

Section 1. (a) There is established the President's Commission on Military Compensation, hereinafter referred to as the Commission, which shall be composed of not more than nine members who shall be appointed by the President ~~with the advice of the Secretary of Defense~~. ✓

(b) The President shall designate a Chairman from among the members.

Sec. 2. (a) The Commission shall review ^{at least} the analyses, findings, and recommendations related to military compensation which have previously been completed by the ~~Third~~ Quadrennial Review^s of Military Compensation, the Comptroller General, the Interagency Committee Study of Uniformed Services Retirement and Survivor Benefits, the Department of Defense Retirement Study Group, and the Defense Manpower Commission. ✓

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(5) Should the unique characteristics of military service be reflected in the compensation system and, if so, how?

(c) The Commission shall submit a report to the President through the Secretary of Defense by December 15, 1977. The report shall recommend how the military compensation system can best be structured to serve the national interest. If changes

are recommended the Commission should estimate their cost and propose an implementation plan and time table.

Sec. 3. In performing its functions the Commission shall conduct such studies, reviews, and inquiries as may be necessary ~~[to review the aforementioned studies]~~ . In addition to conducting open meetings in accordance with the Federal Advisory Committee Act, the Commission shall conduct public hearings to identify critical issues and possible solutions related to the structure of military compensation.

Sec. 4. The Commission is authorized to request from any Executive agency such information that may be deemed necessary to carry out its functions under this Order. Each Executive agency shall, to the extent permitted by law, furnish such information to the Commission in the performance of its functions under this Order.

Sec. 5. Each member of the Commission who is not otherwise employed in the Government may receive, to the extent permitted by law, compensation for each day he or she is engaged in the work of the Commission at a rate not to exceed the maximum daily rate now or hereafter prescribed by law for GS-18 of the General Schedule, and may also receive transportation and travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5702 and 5703) for persons in the Government service employed intermittently.

Sec. 6. The Chairman of the Commission is authorized to establish such additional advisory committees as may be deemed appropriate to carry out the purposes of this Order.

Sec. 7. All necessary administrative staff services, support, facilities, and expenses of the Commission shall, to the extent permitted by law, be furnished by the Department of Defense.

Sec. 8. Notwithstanding the provisions of any other Executive order, the functions of the President under the Federal Advisory Committee Act (5 U.S.C. App. I), except that of reporting annually to the Congress, which are applicable to the Commission, shall be performed by the Secretary of Defense in accordance with guidelines and procedures established by the Office of Management and Budget.

Sec. 9. The Commission shall terminate thirty days after submitting its report.

THE WHITE HOUSE

, 1977

SPECIFIC COMMISSION TASKS

- (1) What form of military compensation is the most effective for meeting the needs of the nation in peace and war? Is the present pay and allowances system appropriate? If not, what changes (such as some form of military salary) offer greater potential to serve the national purpose?
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TAB B

OTHER COMMISSION MEMBERS

1. Peter G. Peterson of New York, NY
MBA University of Chicago; Lehman Bros
Investment Bankers, former Secretary of
Commerce, and former Chairman of the
Quadrennial Review of Executive Salaries;
Trustee of Brookings Institution.
2. Philip A. Odeen of Lake Forest, Illinois
MS in Political Science; Vice President,
Wilson Sporting Goods; former Deputy Assistant
Secretary of Defense, Systems Analysis; and
Director of Program Analysis, National Security
Council.
3. Walter B. Wriston of New York, New York
MA International Relations; Chairman,
First National City Corp.; director of
numerous other companies; Trustee of RAND
Corporation.

or

- Walter N. Page of Huntington, Long Island, NY
BA; President Morgan Guaranty Trust Co.;
Director, Foreign Policy Association and
trustee of the Carnegie Institution.
4. Herbert F. York of La Jolla, California
PhD in Physics; Professor of Physics of
University of California at San Diego; former
Director of Defense Research and Engineering
and former Chancellor of the University of
California at San Diego.
 5. Zvi Griliches of Waban, Massachusetts
PhD in Economics; Professor of Economics,
Harvard University; veteran of Israeli Army;
former member of the Board of Governors of
the Federal Reserve System; co-editor
Econometrica; author of books and articles
on economics and statistics.

TAB C

6. Lieutenant General Benjamin O. Davis, USAF, Retired, of Arlington, Virginia.
BS, U.S. Military Academy; Consultant to Metropolitan Life Insurance Company and the Department of Transportation; former Commander, U.S. Forces Korea and Chief of Staff UN Command; retired in January 1970; former Safety Director of Cleveland; former Assistant Secretary of Transportation for Environment, Safety, and Consumer Affairs.
7. Judge Shirley M. Hufstедler of Pasadena, California.
LLB Stanford Law School; Judge 9th Circuit Court; served in various judgeships.
8. General Frederick C. Weyand, USA, Retired, of Honolulu, Hawaii.
BA, University of California (Berkeley); Vice President, Hawaii National Bank; former Chief of Staff of U.S. Army.

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

TO: Rick Hutcheson
FROM: Jim King *JK*
(Prepared by Peggy Rainwater)
DATE: May 13, 1977
RE: Bert Lance/Zbigniew Brzezinski memo
5/12 re President's Commission on
Military Compensation

The proposed membership of the Commission lacks women and minorities. We would like the opportunity to submit a couple of names for better balance.

Four of the eight proposed have held high-level positions in the Executive Branch of government. Peterson held many positions under President Nixon and Ford. General Davis held positions under Nixon and Eisenhower; he was also an Ambassador under Truman.

Shouldn't we look for some Carter Democrats?

(Supporter even)
JK

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

May 19, 1977

Frank Moore

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

Rick Hutcheson

Re: Information Supplied Former
President Nixon

DETERMINED TO BE AN ADMINISTRATIVE
MARKING BY Jay DATE 7/21/89

THE WHITE HOUSE
WASHINGTON

May 19, 1977

Bob Linder -

The attached Budget Amendments
should be rushed to the Hill today.

Rick Hutcheson

Re: Fiscal Year 1978 Budget
Amendments

(18)



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

*We're going
to have to stop
all these multi-
million \$ "women's
year" programs*

James T. McIntyre, Jr.

J

SIGNATURE

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr.
Deputy Director

SUBJECT: Fiscal Year 1978 Budget Amendments

Attached for your signature is a package of fiscal year 1978 budget amendments totaling \$692,089,000. These amendments are for:

- \$8.0 million for United States contributions to international organizations and programs. This includes an initial contribution of \$3.0 million for the United Nations Decade for Women and a \$5.0 million increase in our voluntary contribution for the United Nations Children's Fund.
- \$300.0 million for a balance of payments loan for Portugal. This item was included in the 1978 budget as an item for later transmittal to the Congress. We are transmitting it now because negotiations have begun between Portugal and the consortium of nations who have pledged to help Portugal with her short-term balance of payments problems. This request for appropriations will assist the United States in its efforts to develop this multi-nation loan package.
- \$193.8 million for advance funding for a nuclear powered, Aegis-equipped, "Virginia" class cruiser. The proposal reflects your recent decision.
- \$916 thousand to extend Bureau of Indian Affairs services to the Penobscot and Passamaquoddy Indian tribes in Maine. This extension of services is required by a recent Federal Court order and is related to the land claims of the two tribes.

**Electrostatic Copy Made
for Preservation Purposes**

- \$12.0 million for the Federal Prison system. This reflects the greater-than-anticipated Federal prison population and the increased costs of their upkeep.
- \$177.4 million for community service employment for older Americans. This will provide funding for this program for the fourth quarter of calendar year 1977 at the same level as the first three quarters. This program was a congressional initiative in the Economic Stimulus Appropriations Act, 1977. We hope that this proposal will head off congressional additions for an even more ambitious program in 1978.

These six proposals will increase fiscal year 1978 outlays by an estimated \$54.1 million and fiscal year 1979 outlays by \$43.4 million. The details of these proposals are contained in the attachments to this memorandum.

Recommendation

That you sign the letter transmitting these amendments to the Congress. Ambassador to the United Nations Andrew Young has requested that this package be signed no later than Friday, May 20, prior to a meeting of the United Nations Children's Fund on Sunday, May 22 (this package includes \$5.0 million for the Children's Fund).

Attachment



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

SIGNATURE

James T. McIntyre, Jr.

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr.
Deputy Director

SUBJECT: Fiscal Year 1978 Budget Amendments

Attached for your signature is a package of fiscal year 1978 budget amendments totaling \$692,089,000. These amendments are for:

- \$8.0 million for United States contributions to international organizations and programs. This includes an initial contribution of \$3.0 million for the United Nations Decade for Women and a \$5.0 million increase in our voluntary contribution for the United Nations Children's Fund.
- \$300.0 million for a balance of payments loan for Portugal. This item was included in the 1978 budget as an item for later transmittal to the Congress. We are transmitting it now because negotiations have begun between Portugal and the consortium of nations who have pledged to help Portugal with her short-term balance of payments problems. This request for appropriations will assist the United States in its efforts to develop this multi-nation loan package.
- \$193.8 million for advance funding for a nuclear powered, Aegis-equipped, "Virginia" class cruiser. The proposal reflects your recent decision.
- \$916 thousand to extend Bureau of Indian Affairs services to the Penobscot and Passamaquoddy Indian tribes in Maine. This extension of services is required by a recent Federal Court order and is related to the land claims of the two tribes.

- \$12.0 million for the Federal Prison system. This reflects the greater-than-anticipated Federal prison population and the increased costs of their upkeep.
- \$177.4 million for community service employment for older Americans. This will provide funding for this program for the fourth quarter of calendar year 1977 at the same level as the first three quarters. This program was a congressional initiative in the Economic Stimulus Appropriations Act, 1977. We hope that this proposal will head off congressional additions for an even more ambitious program in 1978.

These six proposals will increase fiscal year 1978 outlays by an estimated \$54.1 million and fiscal year 1979 outlays by \$43.4 million. The details of these proposals are contained in the attachments to this memorandum.

Recommendation

That you sign the letter transmitting these amendments to the Congress. Ambassador to the United Nations Andrew Young has requested that this package be signed no later than Friday, May 20, prior to a meeting of the United Nations Children's Fund on Sunday, May 22 (this package includes \$5.0 million for the Children's Fund).

Attachment

FUNDS APPROPRIATED TO THE PRESIDENT

Balance of Payments Loan for Portugal

Purpose/Discussion

This is a request for a fiscal year 1978 budget amendment of \$300 million to fund a medium-term loan for Portugal. This loan, along with support from other interested nations, will enable Portugal to finance its immediate balance of payments requirements and will make a significant contribution to Portugal's financial and political stability.

This proposal was included in the fiscal year 1978 budget as an item for later transmittal. We propose that it be transmitted to the Congress at this time because of the urgency of Portugal's economic situation. Negotiations are now underway with other countries to determine the total magnitude of assistance.

Outlay Impact

This request will result in outlays of \$300 million in fiscal year 1978 but will not affect current outlay estimates since this item was included in the fiscal year 1978 budget.

Recommendation

That you sign the letter transmitting this request to the Congress.

FUNDS APPROPRIATED TO THE PRESIDENT
FOREIGN ASSISTANCE

International Organizations and Programs

Purpose/Discussion

This \$8 million request provides an initial \$3 million contribution to the United Nations Decade for Women program and a \$5 million increase in the United States 1978 voluntary contribution to the United Nations Children's Fund. The State Department also requested \$1 million for the International Year of the Child, a \$2.5 million increase to \$20 million already requested for technical assistance activities of the Organization of American States, and \$2 million each to initiate U.S. contributions to two small United Nations development programs (a capital fund for small projects and a subsidy of young American technical experts in international organizations). The Office of Management and Budget believes these latter four programs are of lower priority than the first two.

Outlay Impact

This request will increase fiscal year 1978 outlays by \$6 million and fiscal year 1979 outlays by \$2 million over previous estimates.

Recommendation

That you sign the attached transmittal letter.

DEPARTMENT OF DEFENSE - MILITARY

PROCUREMENT

Shipbuilding and Conversion, Navy

RESEARCH, DEVELOPMENT, TEST AND EVALUATION

Research, Development, Test and Evaluation, Navy

Purpose/Discussion

The proposed amendment will provide advance funding for the procurement of a nuclear-powered, Aegis-equipped, "Virginia" class cruiser. It will add \$180 million to the fiscal year 1978 Navy shipbuilding budget for long leadtime material and \$13.8 million to the Navy research and development budget for design work. The fiscal year 1979 budget will contain an estimated \$1,266 million for this class of cruiser. The cruiser will be the first of four designed to provide nuclear-powered Aegis air defense escorts for the four nuclear-powered carriers now in the fleet or under construction.

Outlay Impact

1978: +\$20 million

1979: +\$39 million

Recommendation

That these amendments be transmitted to the Congress.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
Operation of Indian Programs

Purpose/Discussion

This request will provide an additional \$916,000 in fiscal year 1978 to the Bureau of Indian Affairs to enable the Bureau to extend its services to two Indian tribes in Maine which have not heretofore received such services. The reason for providing services to these tribes is that the Federal court decision which caused the Justice Department to commence land claims litigation against the State of Maine indicates that the Federal Government has a trusteeship responsibility to the two tribes. Secretary Andrus believes that, by law, this trusteeship requires providing some services to the tribes and that, by policy, the Interior Department should provide the entire range of services to these tribes.

Secretary Andrus proposed amounts of \$1,579,000 for fiscal year 1977 and \$4,507,000 for fiscal year 1978. Our recommended amounts differ from the Secretary's in the following respects:

- (1) The Maine State government informed us that it would continue to provide services to these tribes as in the past, whereas the Department assumed curtailment of some State services.
- (2) We believe that the Bureau of Indian Affairs can absorb some costs for serving these tribes within its existing budget amounts of over \$1 billion in each of these fiscal years.
- (3) We believe that our estimates in a number of program areas are more representative of the program levels provided to other Indian groups. Generally, our estimates are lower than those of the Secretary, though they exceed his in some cases.
- (4) We believe that the Federal Government should not commit itself to major investments in road construction and natural resources development in Maine until the Department has done further planning.

Outlay Impact

This proposal will have the following outlay impacts: in fiscal year 1978, an increase of \$766 thousand; in fiscal year 1979, an increase of \$150 thousand. Furthermore, it can be anticipated that an additional \$800 thousand in outlays would be required in 1979 to continue these programs during that year at the level proposed for 1979.

Recommendation

That you sign the letter transmitting this budget amendment to the Congress.

DEPARTMENT OF JUSTICE

FEDERAL PRISON SYSTEM

Purpose/Discussion

Attached for your approval is a fiscal year 1978 budget amendment for \$12,023,000 for the Department of Justice. The proposed amendment would provide funds necessary for housing Federal offenders in non-Federal prison facilities during fiscal year 1978.

This increase is required because of the greater-than-anticipated Federal inmate population growth, which has increased the use of contract halfway houses and pre-trial detention facilities. Contract costs have also increased above anticipated levels.

Outlay Impact

This proposal will increase outlays by \$9,859,000 in fiscal year 1978 and \$2,164,000 in fiscal year 1979.

Recommendation

That you sign the letter transmitting this request to the Congress.

DEPARTMENT OF LABOR

Employment and Training Administration
Community Service Employment for Older Americans

Purpose/Discussion

This request for a fiscal year 1978 budget amendment for \$177,350,000 will provide funding in the fourth quarter of calendar year 1978 at the level provided for the first three quarters by a fiscal year 1977 supplemental appropriation included in the Economic Stimulus Appropriations Act. It will also provide a small additional increase in 1978, bring the total 1978 budget authority available up to the full authorization level, and fund the program through fiscal year 1979. This advance appropriation is intended to bring this program onto the normal fiscal year cycle starting in fiscal year 1980. This amendment is proposed in an effort to forestall much larger program increases that may result from congressional action on 1978 appropriations.

Outlay Impact

This request will result in outlays over the pending budget request in fiscal year 1978 of \$17,500,000. The new program level would increase the spring preview outlay projections for 1979 and future years by \$50 million.

Recommendation

That you sign the letter transmitting this request to the Congress.

THE WHITE HOUSE
WASHINGTON

The Speaker of the
House of Representatives

Sir:

I ask the Congress to consider amendments to the request for fiscal year 1978 appropriations in the amount of \$692,089,000.

The details of these proposals are set forth in the enclosed letter from the Director of the Office of Management and Budget. I concur with his comments and observations.

Respectfully,

Enclosure

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

The President

The White House

Sir:

I have the honor to submit for your consideration, amendments to the request for appropriations for the fiscal year 1978 in the amount of \$692,089,000. The details of these proposals are contained in the enclosures to this letter.

I have carefully reviewed these proposals and am satisfied that these requests are necessary at this time. I recommend, therefore, that these proposals be transmitted to the Congress.

Respectfully,



James T. McIntyre, Jr.
Deputy Director

Enclosure

FUNDS APPROPRIATED TO THE PRESIDENT

Foreign Assistance

Budget appendix page	Heading	1978 budget request	1978 amendment pending (H.Doc 95-)	1978 proposed amendment	1978 revised request
79	International development assistance: International organizations and programs	\$226,000,000	\$30,000,000	\$8,000,000	\$264,000,000

This proposed amendment would provide for an initial contribution of \$3 million to the voluntary fund for the United Nations Decade for Women program and a \$5 million increase in the United States contribution to the United Nations Children Fund. This amendment will increase fiscal year 1978 outlays by \$6 million and fiscal year 1979 outlays by \$2 million.

FUNDS APPROPRIATED TO THE PRESIDENT
Balance of Payments Loan For Portugal

Budget appendix page	Heading	1978 request pending	1978 proposed amendment	1978 revised request
91	<u>Balance of Payments Loan for Portugal</u>	-	\$300,000,000	\$300,000,000

(Insert the above heading and the following appropriation language immediately after the material under the heading "Middle East Special Requirements Fund":)
For balance of payments loan for Portugal, \$300,000,000; Provided, That this appropriation shall be available only upon enactment into law of authorizing legislation.

This loan, along with support from other allied nations, will provide Portugal with financial assistance to meet its short-term balance of payments obligations. This assistance will facilitate the progressive implementation by the Portuguese Government of its program for financial stability and economic recovery. This proposal will not increase fiscal year 1978 budget outlays over current estimates since it was included in the 1978 budget as an item for later transmittal.

DEPARTMENT OF DEFENSE - MILITARY

1978 Budget appendix page	Heading	1978 budget request	1978 amendment pending H. Doc. 95-93	1978 proposed amendment	1978 revised request
PROCUREMENT					
245	Shipbuilding and conversion, Navy	\$6,493,200,000	\$-742,000,000	\$180,000,000	\$5,931,200,000
RESEARCH, DEVELOP- MENT, TEST AND EVALUATION					
254	Research, develop- ment, test and evaluation, Navy	4,209,100,000	-10,000,000	13,800,000	4,212,900,000

The proposed amendment will provide advance funding for the procurement of a nuclear-powered, Aegis-equipped, "Virginia" class cruiser. This cruiser will be the first of four designed to provide nuclear-powered Aegis air defense escorts for the four nuclear-powered carriers now in the fleet or under construction.

These proposals will increase budget outlays in fiscal year 1978 by \$20 million and in fiscal year 1979 by \$39 million.

DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

1978 budget appendix page	Heading	1978 request pending	1978 proposed amendment	1978 revised request
467	Operation of Indian programs	\$654,740,000	\$916,000	\$655,656,000

This budget amendment is to extend the services of the Bureau of Indian Affairs to the Penobscot and Passamaquoddy Indian tribes of Maine. This amendment will increase fiscal year 1978 outlays by \$766,000 and fiscal year 1979 outlays by \$150,000.

DEPARTMENT OF JUSTICE
 FEDERAL PRISON SYSTEM

1978 budget appendix page	Heading	1978 budget request	1978 proposed amendment	1978 revised request
498	Support of United States prisoners	\$35,063,000	\$12,023,000	\$47,086,000

This request would provide funds necessary for housing Federal offenders in non-Federal prison facilities during fiscal year 1978. This increase is due to higher-than-anticipated contract rates and increased use of pre-trial detention and contracted halfway house facilities. This amendment will increase fiscal year 1978 outlays by \$9,859,000 and fiscal year 1979 outlays by \$2,164,000.

DEPARTMENT OF LABOR
EMPLOYMENT AND TRAINING ADMINISTRATION

1978 budget appendix page	Heading	1978 budget request	1978 amendment	1978 revised request
505	Community service employment for older americans	\$22,650,000	\$177,350,000	\$200,000,000

This request will provide funds for the fourth quarter of calendar year 1978 for the increase of 14,800 federally subsidized part-time jobs for older Americans, funded in the first three quarters by the Economic Stimulus Appropriations Act of 1977. In addition, it provides another 2,600 jobs for the fourth quarter of fiscal year 1978 and funds the new total thus reached, 40,000 jobs, throughout fiscal year 1979. This proposal provides funds for the full funding level authorized by statute and permits the program to move to a regular fiscal year cycle, starting with fiscal year 1980. Outlays would be increased in fiscal year 1978 by \$17.5 million.

THE WHITE HOUSE
WASHINGTON

Date: May 18, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat *concur*
Bob Lipshutz
Jack Watson *NC*
Zbigniew Brzezinski *concur - heavy on Budget Thrust*

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: James T. McIntyre memo re Fiscal Year 1978
Budget Amendments.

**YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:**

TIME: IMMEDIATE TURNAROUND

DAY:

DATE:

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

THE WHITE HOUSE
WASHINGTON

*8/1978
Budget
Cabinet*

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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

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

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

Date: May 18, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat
 Bob Lipshutz
 Jack Watson
 Zbigniew Brzezinski ✓

FOR INFORMATION:

Staff

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: James T. McIntyre memo re Fiscal Year 1978
Budget Amendments.

YOUR RESPONSE MUST BE DELIVERED
 TO THE STAFF SECRETARY BY:

TIME: IMMEDIATE TURNAROUND

DAY:

DATE:

ACTION REQUESTED:

 Your comments

Other:

STAFF RESPONSE:

 I concur. No comment.

Please note other comments below:

Please expedite! The House is holding hearings on
 Portugal tomorrow.

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: May 18, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat ✓
Bob Lipshutz ✓
Jack Watson
Zbigniew Brzezinski

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: James T. McIntyre memo re Fiscal Year 1978
Budget Amendments.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: IMMEDIATE TURNAROUND

DAY:

DATE:

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

Please note other comments below:

No comment.
mm

RJ

5/19

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)