5/19/77 [5]

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THE WHITE HOUSE
WASHINGTON

May 19, 1977

Ken Curtis
Hamilton Jordan

Re: Two Alternatives for the Size of the Mid-Term Conference

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

Rick Hutcheson

cc: The Vice President
Joe Aragon
Landon Butler
Jim Gammill
Rick Hutcheson
Tim Kraft
Betty Rainwater
Mark Siegel
The Alternatives for the size of the Mid-Term Conference

Alternative A1

The following alternative is similar to the composition of the 1974 Mid-Term Conference held in Kansas City.

A. Ex-officio delegates

1) all DNC members (364)
2) all Democratic Governors (37)
3) all Democratic Senators (52)
4) all Democratic Congressmen (289) (1 vacancy)
5) 10 Democratic Mayors (10)
   selected by the Democratic caucus of the Mayors Conference
6) 20 political necessities (20)
   i.e. (12 DNC Finance Council members) (8 Democratic State Legislators selected by the Democratic caucus of the National State Legislators Conference)

Total ex-officio delegates 787

B. Elected Delegates

1) 1376 delegates apportioned to the states. Each Congressional District (445) to be allocated at least two delegates by intra-state apportionment formulas.

Total delegates elected from Congressional Districts 1392

2) 174 delegates apportioned to the states (apportionment formula similar to that used for the 1976 Standing Committees) to be elected at-large.

Total delegates elected at-large 174

C. Delegate composite totals and percentages

1) Totals
   Total elected delegates 1550
   Total of all delegates 2333

Electrostatic Copy Made for Preservation Purposes
2) Percentages - Ex-officio delegates = 33% of Conference
   Elected delegates = 67% of Conference

Delegates elected at the Congressional District level = 89%
   of elected delegates
Delegates elected at-large = 11% of elected delegates
Delegates elected at Congressional District level = 59%
   of total number of all delegates
Delegates elected at-large = 8% of total number of all delegates

Advantages:
1. Covers all power bases
2. Will allow for good demographic mix
3. Will allow for meaningful grass roots participation (beneficial to early Carter types)
4. Very open

Problems:
1. Large in size (cost factor)
2. May be difficult to constructively channel
3. In 1974 Ex-officio delegates made up only 17% of total Conference. This year we will be doubling that. This may cause problems in that only 59% of the total delegates are elected at the Congressional District level, whereas in 1974 67% of the total delegates were elected at the C.D. level.

Alternates:
Assuming we use a one alternate to every six delegates ratio, we must plan for 397 alternates.

<table>
<thead>
<tr>
<th>Total Alternates</th>
<th>397</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total delegates and alternates</td>
<td>2730</td>
</tr>
</tbody>
</table>
Alternative #2

The following alternative attempts to moderate the size, while preserving the representation from the traditional power bases (i.e., Congress, D.N.C.) and allowing for maximum grass roots participation.

A. Ex-officio delegates

1) all DNC State Chairs and Vice Chairs (112)
2) 40 DNC members elected from the 4 regions (40)
3) 25 political necessities (25)
4) all Governors (37)
5) 73 Congresspersons (73)
6) 15 Senators (15)
7) 5 Mayors (5)

Total ex-officio delegates = 307

B. Elected Delegates

1) 962 delegates apportioned to the states to be elected from Congressional Districts
   Total 962

2) 174 delegates apportioned to the states to be elected at-large
   Total 174

C. Delegate composite totals and percentages

1) Totals
   Total elected delegates = 1136
   Total of all delegates = 1443

2) Percentages -

   Ex-officio delegates = 21% of Conference delegates
   Elected delegates = 79% of Conference delegates

   Delegates elected from Congressional Districts = 85% of elected
deleates or 67% of all delegates
   Delegates elected at-large = 15% of elected delegates, or
   12% of all delegates
Mid Term Conference Alternatives
Page Four

Advantages:
1. Covers all paver bases
2. Good demographic mix
3. Good Carter grass roots
4. Interesting election processes within ex-officio groupings (generates interest)
5. Good size with or without alternates
6. Very open

Problems:
1. Fairly large
2. Does not provide for full representation by Congress or D.N.C.

Alternates:
Using a one alternate to every five delegate ratio the total number of alternates would be 289. The alternates would be apportioned to states according to the apportionment formula in a proportional bases to the size of each delegation.

<table>
<thead>
<tr>
<th>Total Alternates</th>
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<tbody>
<tr>
<td>Total delegates and alternates</td>
<td>1732</td>
</tr>
</tbody>
</table>
DEMOCRATIC NATIONAL COMMITTEE

WORK PROGRAM

May 19, 1977
DEMOCRATIC NATIONAL COMMITTEE

WORK PROGRAM

May 19, 1977

Electrostatic Copy Made
for Preservation Purposes
The Democratic National Committee staff operates with two goals in mind:

A. Doing work mandated by the elected members of the DNC with the aim of refining the internal structure and processes of the national Democratic Party.

B. Performing functions geared toward building and strengthening a nationwide political Party - mobilizing support for the Party and its candidates.
REFINING INTERNAL STRUCTURE AND PROCESSES

1. Winograd Commission
   Charged with recommending a delegate selection process for the 1980 National Convention; the Commission will report to the DNC in early 1978.

2. Mid-Term Conference
   Staff work has already begun defining alternatives for the DNC Executive Committee relating to timing, size, purpose, and composition of the 1978 Mid-Term Conference.
A. Grassroots Structure

The Field Operations Division is striving to build a Carter-core grassroots structure through:

1. Targeting of key Administration initiatives
   (Universal Voter Registration and Energy, thus far).
2. Providing in-depth information to leaders and activists in the field.
3. Encouraging supporters to mobilize in support of an issue.
   Repetition of this process will eventually develop a nation-wide structure of reliable, organization-oriented supporters.
   Feedback from these people is one source of input as to the reaction of Americans to the Administration and its specific policies.

B. Campaign Assistance

Various campaign services will be made available to Democrats seeking state and national office. This will consist of training in the techniques of campaign management, staff referral, and financial assistance where feasible. Preliminary targeting of 1978 races has begun.
C. Financial Foundation

To support all of the functions of the DNC we are developing a three-pronged "givers" program.

1. Large Contributors
   a) "1600 Club" - $1,000 annually
   b) National Finance Council - $5,000 annually
   c) Executive Committee of NFC - $50,000 annually, usually by recruitment of nine additional NFC members.
   d) Political Action Committees of business and labor organizations.

2. Mid-Range Contributors
   Working now toward an October birthday celebration and a 1978 telethon.

3. Small Contributors
   Direct mail effort has begun.

D. Affinity Groups

Soon to be initiated is an effort spearheaded by the Vice-Chairmen to improve input by affinity groups in the programmatic efforts of the Party.

1. Women and Latinos will come under the domain of Vice-Chairman Carmella Lacayo.
2. Blacks and Nationalities will come under the direction of Vice-Chairman Coleman Young.
APRIL - JUNE 1977

Field Operations: Heavy load of personnel work [referrals, political checks, notifications]
Begin Recreating Carter Lists
Establishment of Congressional District Books
Legislative Program Support and Organization Building
- Universal Voter Registration
- Energy Program

Campaign Services: Speakers Bureau [continues to fill requests for Staff and Administration Speakers]
Poll analyses (Roper, Harris, Gallop, Cambridge)
Targeting begins for 1978 races
First informational meeting with interested groups took place May 18.
Planning begins for Training Program for 1978 candidates.
Planning for Fall 1977 Seminar
Revision of instructional books
Assistance to Democratic nominees in 1977 Elections begins (N.J. and Virginia primaries in June)
Preparation of guide to IRS, FEC, Senate and House Ethics Committees Standards and Requirements.

Finance Department: Acceleration of Large Donor Program

April 28th - Presidential Luncheon (with NFC account - current members)
Target: 400 paid members in attendance
June 23rd - Presidential Dinner ($1000 per person)
Target: 1000 paid guests generating one million dollars
Overhead of fifteen percent or less
Goals:
Mid-May - 100 Executive Committee members
June 1 - 500 National Finance Council (NFC) members
May 1 - Direct Mail Begins with drop of 650,000 pieces

Press Department:
Establishment of mailing lists (general and specific)
General Press Relations
Reception for Press to meet Staff

Administration Division:
Development of DNC policy manual
Investigation continues for headquarters relocation
Finalization of Intern Program
Field Department: Personnel referrals begin tapering off  
Major effort toward completing reconstruction of  
Carter lists  
Growing emphasis on legislative support and building  
organization structure to the congressional district  
level  
Goal: 80% of cong. dists., with one key proven person  
15% of cong. dists., with three key proven people  

Campaign Services: Speakers Bureau  
Poll analyses  
1978 Targeting continues  
Intensification of planning for Training for 1978  
candidates  
Education and Training Council  
Support to 1977 Democratic nominees  
Financial; Voter Registration  

Finance Department: Large Donor Program Goals  
July 1 - 1500 Members of "1600 CLUB" (1000 contributors)  
Sept. 1 - 1000 NFC Members  
Political Action Committee solicitation expands  
All preparations finalized for October event  
Direct Mail accelerates  
July 1 Appeal 400,000 pieces  
Sept. 1 Major Appeal 2-3 million pieces  

Press Department: Intense planning for DNC newsletter which is geared toward  
publications  
General Press Relations  

Administration  
Division: Search continues for new headquarters  
Intense planning for centralization of DNC files  
Begin micro-film program  
Investigation begins for DNC computer facilities
Field Department: Maintenance effort in personnel work
Completing of Carter list reconstruction
Assumption of third and possible fourth legislative support effort
Continued building of organization structure

- Goal: 90% of cong. dists. have three proven key people
- 30% of cong. dists. have five proven key people

Campaign Services: Speakers Bureau
Poll analyses
1978 Targeting continues
First training seminar for 1978 candidates (incumbents)
Education and Training Council
1977 Democratic nominee support:

Get-Out-The-Vote effort for Election Day

Finance Department: Large Donor Goals

- Oct. 1 - 3000 Members of "1600 Club"
- Dec. 31 - Full payment of $5,000,000. From the entire large Donor Program

Political Action Committee solicitation continues
October Birthday Event Goal: Net one million dollars
Begin Planning for Telethon 1978

Press Department: DNC Newsletter premieres [this publication will contain copy-ready columns for publication]
General Press relations
Begin planning DNC Radio Program [discussion format for distribution to radio stations]
Start preparation of press "how to" book for use in field by local and state parties

Administration Division:
Search for new headquarters nears completion
Centralization of DNC files
Micro-film program implemented
DNC computer planning continues
Field Department: Maintenance level personnel work
New legislative support initiatives
Continued development of grassroots organization

Goals:
90% of cong. dists. with 5 proven key people
33% of cong. dists. with 10 proven key people

Begin planning for regional field headquarters [to be established during next two quarters]

Campaign Services: Speakers Bureau - substantial increase in activity
Poll analyses
1978 Targeting intensifies
Finalization of plan for Training of candidates 1978
Education and Training Council

Finance Department: Large Donor Program:
Maintenance of 100 Executive Committee members
Encouragement of increase in NFC membership from 1000
Continued "1600 Club" solicitation
Emphasis on follow-up for large donors through seminar series.

Political Action Committee solicitation continues
Strengthening of Direct Mail program
Intense planning for Telethon 1978

Press Department: DNC monthly newsletter continues
General press relations
Press "how-to" book completed
Radio discussion program begins
Planning starts for video-tape program (similar to radio program)

Administration Division:
Headquarters decision finalized
Alternatives discussed for DNC computer facilities
THE WHITE HOUSE
WASHINGTON

May 18, 1977

MEMORANDUM FOR: The President
FROM: Jack Watson
SUBJECT: Regularly Scheduled Lunch with Secretary Blumenthal, Charles Schultze, Arthur Burns (Bert Lance, out of country) 12:00-12:45 p.m., May 19, 1977 Roosevelt Room

Charles Schultze prepared the attached suggestions for tomorrow's agenda.

Attachment Electrostatic Copy Made for Preservation Purposes
MEMORANDUM FOR THE PRESIDENT

FROM: Lyle E. Gramley

SUBJECT: Agenda for the May 19 Quadriad Meeting

Attached is an agenda for tomorrow's Quadriad meeting. Charlie Schultze gave me general instructions on what to include in the memo, but he has gone to New York this afternoon and has not seen it.
May 18, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze

Subject: Second Monthly Meeting with Economic Advisers and Federal Reserve Board Chairman (Quadriad)

The agenda for your second monthly meeting of the Quadriad might focus on two areas: (1) reassessment of the outlook for economic activity and prices in 1977, (2) recent developments in financial markets.

Since the first meeting four weeks ago, the Federal Reserve Board has tightened monetary policy in response to sharp increases in the money stock during April. Interest rates -- particularly short-term rates -- have begun to rise.

The meeting should give rise to opportunities to discuss this tightening and its implications for the future. We do not feel that the rise in interest rates to date will be harmful to the recovery, and some further rise in rates in 1977 is probably inevitable. Too rapid a runup of interest rates, however, could cause a downturn of housing activity in 1978, and slow the expansion in other sectors.

The following summary of the agenda will provide some background for addressing these issues.

(1) Reassessment of the Outlook for Economic Activity and Prices in 1977

At the time of the first Quadriad meeting a month ago, it was evident that the pace of recovery had quickened during the first quarter, due partly to a rebound from the cold weather.

Recent economic data indicate a strong expansion in the second quarter. Real GNP growth this quarter may be more than a 7 percent annual rate, compared with an upward revised 6.4 percent in the previous quarter. Industrial production this quarter may rise at a 9 to 10 percent annual rate -- double the pace of the first quarter.
The strength of the expansion in the first quarter came partly from a large rise of inventory investment, and there may be a further increase in the second quarter. This source of stimulus will diminish in the second half, so that growth of real GNP may slow after mid-year to a 5 to 6 percent annual rate.

Perhaps the most important economic news becoming available over the past month is the evidence of a strengthening in business capital spending plans. We had anticipated this and incorporated it into our economic forecast for 1977. There is no reason as yet to believe that growth of real GNP over the 4 quarters of 1977 will exceed materially our forecast of 5-3/4 to 6 percent.

Prices have been moving up sharply since the first of the year. Both wholesale and consumer prices rose at an annual rate of 10 percent in the first quarter, and wholesale prices rose rapidly again in April. Food prices at the retail level are expected to continue rising rapidly over the next couple of months.

The acceleration of price advances in the early months of this year has been confined mainly to food and fuel. The underlying rate of inflation still seems to be around 6 percent. As yet wage rate increases show no signs of accelerating.

You may want to ask whether a more restrictive policy will have any impact on the food and fuel inflation, or whether it will just slow the growth of the recovery.

(2) Recent Financial Developments

The Federal Reserve took actions to restrict the growth of money and credit in late April, when it became evident that the money supply was growing very rapidly. In response to these actions, the interest rate on interbank loans (the Federal funds rate), which generally sets the course for other short-term market rates, rose by more than 1/2 of a percentage point. Market rates have risen since then. Last Friday most of the major commercial banks announced that they were raising their prime rate on business loans from 6-1/4 to 6-1/2 percent, and the prime rate may rise further to 6-3/4 percent in the next few weeks. Interest rates on long-term bonds have risen moderately.

The Federal Reserve Board also announced recently its decision to reduce the upper limit of the growth range for the broader money supply (M2) to 9-1/2 percent over the next year. The target growth range for M1 was left unchanged at 4-1/2 to 6-1/2 percent.
We are forecasting a rise of GNP in current dollars of about 12 to 13 percent over the four quarters of 1977. It is questionable whether this large a rise in current dollar GNP can be financed within the framework of the Federal Reserve's present monetary growth targets without a large rise of interest rates.

You may wish to ask whether the Federal Reserve intends to be flexible in letting actual money growth rates this year run at or above the upper limits of its announced target ranges.

Actions by the Federal Reserve Board to tighten policy in the short-run and to reduce its targeted growth rate for the broader money supply (M₂) came in the context of downward revisions of the Federal budget deficit for 1977, and a reiteration of your commitment to balance the budget in 1981. Moreover, the preliminary estimates of Federal spending for April indicate that the Federal deficit in FY 1977 may be even smaller than the revisions indicate. Thus, the tightening of monetary policy is occurring at a time when fiscal policy is becoming less stimulative.

You may want to ask whether these changes in budget projections have any implications for monetary policy, and thereby elicit a discussion of this issue.
The attached was returned in the President’s outbox and is forwarded to you for your information.

Rick Hutcheson

Re: Call to Senator Robert Byrd
    re: Strip Mine Bill
RECOMMENDED TELEPHONE CALL

TO: Senator Robert Byrd, Senate Majority Leader

DATE: May 11 or 12

RECOMMENDED BY: Stu Eizenstat

PURPOSE: To ask for his support for a strong strip mine bill when it goes to the floor Friday or next week.

BACKGROUND: We have gotten wind from a confidential source that Senator Byrd may offer a major weakening amendment providing exemptions from the "approximate original contour" provision of the bill. This would be the first time he has become actively involved in the bill.

A call from you would convey the Administration's priority on a strong bill, might dissuade him from supporting such weakening amendments, and might garner his support for strengthening provisions.

TOPICS OF DISCUSSION:

1. Emphasize importance of strip mine bill to end controversies surrounding increased coal use;

2. Emphasize your commitment to expanded Eastern coal development, such as in West Virginia;

3. Ask for his assistance in opposing weakening amendments on the floor;

4. State desire to avoid prolonged controversy in the conference committee;

5. Mention that Secretary Andrus is taking the lead on detailed Administration positions on amendments -- offer to have Andrus call him on specifics;
6. If you would like to discuss specifics:

- The bill has already been loosened up to accommodate West Virginia operators by allowing mountaintop removal and by paying for hydrologic data collection costs for small operators.

- The Senate bill needs strengthening in three critical areas: improving the alluvial valley floor protections; eliminating the thirty-month exemption for small operators; and restricting new starts on prime agricultural lands.

- The Administration opposes weakening amendments including a "states' rights" amendment which would gut the requirement for states to affirmatively comply with the law, and opposes any weakening of the "approximate original contour" requirement.

- West Virginia will benefit from a strong strip mine law, because the laxness of Virginia and Kentucky puts responsible states like West Virginia at a competitive disadvantage.
Frank Moore -

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

Rick Hutcheson

Re: Universal Voter Registration
MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore
Dick Moe

RE: Universal Voter Registration

It would be very helpful if you would reaffirm the great importance you attach to the voter registration bill at the leadership meeting Thursday morning. As you know, the bill will be on the House floor early next week and we need a full-scale effort by the leadership not only to pass it but also to provide a large enough vote to give us needed momentum in the Senate, where we face even more serious difficulties. If the House leaders are aware of your personal strong support, we believe they will go all out.

In the Senate there is a good likelihood of a filibuster and Senator Byrd is fearful that it may tie up the Senate for too long. As a result, he is seriously considering delaying floor action on the bill, possibly until next year, which we believe would be very damaging to its prospects. State and local officials would have months to organize and lobby against the bill. If we get a sizeable House vote next week, we believe we should move quickly in the Senate or else we'll lose momentum. It would be helpful if you could privately discuss this matter with Senator Byrd (we have already shared our concerns with his staff) as well as reaffirm your support for the bill to the entire group.
THE WHITE HOUSE
WASHINGTON

May 19, 1977

Bert Lance

For your information the attached was signed by the President and given to Bob Linder for appropriate handling.

Rick Hutchinson

Re: Budget Amendments on Water Projects
MEMORANDUM FOR: THE PRESIDENT
FROM: Bert Lance
SUBJECT: Fiscal Year 1978 Budget Amendments Implementing Your Recent Decisions on Water Resource Development Projects and an Amendment for the Department of Commerce

Attached for your signature is a package of fiscal year 1978 budget amendments totalling $91,369,000 which implement your recent decisions regarding water resource development projects. We have also included an unrelated amendment providing for the fiscal year 1978 and 1979 costs of the White House Conference on Balanced National Growth and Economic Development. The details of these proposals are contained in the fact sheets attached to this memorandum.

Recommendation
That you sign the letter transmitting this package. The House Appropriations Committee has indicated that they would like to review these proposals as soon as possible.

Attachment
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 $91,469,000.

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,

[Signature]

Enclosure
Date: May 16, 1977

MEMORANDUM

FOR ACTION: Stu Eizenstat,

Jack Watson

FOR INFORMATION: Frank Moore

FROM: Rick Hutcheson, Staff Secretary


YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:
TIME: IMMEDIATE TURN AROUND

ACTION REQUESTED:
X Your comments
Other:

STAFF RESPONSE:
I concur.
No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)
MEMORANDUM FOR: THE PRESIDENT
FROM: Bert Lance
SUBJECT: Fiscal Year 1978 Budget Amendments Implementing Your Recent Decisions on Water Resource Development Projects and an Amendment for the Department of Commerce

Attached for your signature is a package of fiscal year 1978 budget amendments totalling $91,369,000 which implement your recent decisions regarding water resource development projects. We have also included an unrelated amendment providing for the fiscal year 1978 and 1979 costs of the White House Conference on Balanced National Growth and Economic Development. The details of these proposals are contained in the fact sheets attached to this memorandum.

Recommendation
That you sign the letter transmitting this package. The House Appropriations Committee has indicated that they would like to review these proposals as soon as possible.

Attachment
Purpose

This request will provide $1,564,000 for necessary 1978 and 1979 costs associated with holding a White House Conference on Balanced National Growth and Economic Development. Costs for 1977 will be covered by reprogramming $776,000 from existing Economic Development Administration funds to support Conference activities.

Outlay Impact

This request will increase the Department of Commerce's estimated outlays in fiscal year 1978 by $1,440,000 and by $124,000 in fiscal year 1979.

Recommendation

That you sign the attached transmittal letter.
Purpose/Discussion

This request for a 1978 budget amendment of -$19,500,000 is a result of your recent decisions on several Corps of Engineers water projects. This is a net figure resulting from the reinstatement of several projects which passed the review and the deletion of others which did not.

Outlay Impact

This request will result in outlay savings of $19,500,000 in fiscal year 1978.

Recommendation

That you sign the letter transmitting this request to the Congress.
Purpose/Discussion

This request for a 1978 budget amendment of $5,560,000 restores funding to the Garrison Diversion Unit, Pick-Sloan Missouri River Basin Project which had been deleted previously pending a complete review of all Federal water resources development projects. This proposal also deletes funding for the Narrows Unit, Pick-Sloan Missouri River Basin Project.

Outlay impact

This request will result in outlays in FY 1978 of $5,000,000, and $560,000 in FY 1979.

Recommendation

That you sign the letter transmitting this request to the Congress.
Purpose/Discussion

This is a request of a 1978 budget amendment for $103,145,000 to restore funding for a modified Central Arizona Project which had been deleted previously pending a complete review of all Federal water resources development projects.

Outlay Impact

This request will result in outlays in FY 1978 of $90,000,000 and $13,145,000 in FY 1979.

Recommendation

That you sign the letter transmitting this request to the Congress.
Purpose/Discussion

This is a request for a 1978 budget amendment of $20,700,000 to restore funding to the Bonneville Unit, Central Utah project, and the Dolores project, Colorado which had been deleted previously, pending a complete review of all Federal water resources development projects.

Outlay Impact

This request will result in outlays in FY 1978 of $17,000,000, and $3,700,000 in FY 1979.

Recommendation

That you sign the letter transmitting this request to the Congress.
Payment to the Tennessee Valley Authority Fund

Purpose/Discussion

This request for a 1978 budget amendment of $20,000,000 is a result of your recent decision to delete funding for the Columbia Dam.

Outlay Impact

This request will result in outlay savings in fiscal year 1978 of $20,000,000.

Recommendation

That you sign the letter transmitting this request to the Congress.
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 $91,469,000.

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
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 $1,564,000 for the Department of Commerce, $19,500,000 for the Department of Defense - Civil, $129,405,000 for the Department of the Interior, and $20,000,000 for the Tennessee Valley Authority.

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,

Bert Lance
Director

Enclosure
**DEPARTMENT OF COMMERCE**
**GENERAL ADMINISTRATION**

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<td>$1,564,000</td>
<td>$1,564,000</td>
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(Insert the above heading and the following appropriation language immediately after the material under the heading "Salaries and Expenses":)

For expenses necessary to carry out the provisions of Title II of the Act of October 12, 1976 (90 Stat. 2339), $1,564,000, to remain available until September 30, 1979: Provided, That such funds may be expended without regard to the provisions of law in 31 U.S.C. 551 and 41 U.S.C. 5.

This amended appropriation request is for funds necessary to prepare for and carry out a White House Conference on Balanced National Growth and Economic Development. The Conference will be preceded by consultations throughout the nation in preparation for addressing significant issues affecting balanced national growth and economic development at the Conference. This proposal will increase outlays by $1,440 thousand in fiscal year 1978 and $124 thousand in fiscal year 1979.
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<tr>
<th>1978 budget appendix page</th>
<th>1978 budget heading request</th>
<th>1978 amendment pending (H.Doc.95-97) amendment request</th>
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<td>287</td>
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This request reflects a decision, as a result of the President's review of water resources development projects, to restore funding for the continuation of work on projects at Freeport, Illinois, Daytop and Paintsville Lake, Kentucky, and Dickey-Lincoln School Lakes, Maine. The proposal will also delete funding for projects at Hillsdale Lake, Kansas, Bayou Bodcau, Louisiana, Tallahalla Creek Lake, Mississippi, Applegate Lake, Oregon and La Farge Lake and channel improvement projects in Wisconsin. This proposal will result in decreases in budget outlays of $19.5 million in fiscal year 1978.
<table>
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<tr>
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<td>426</td>
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This amended budget request provides funds for a modified Garrison Diversion Unit and deletes funds for the Narrows Unit of the Pick-Sloan Missouri River Basin project. This proposal is a result of the President's review of water resources development projects. The net result of this amendment will be to increase budget outlays by $5,000,000 in fiscal year 1978 and $560,000 in fiscal year 1979.
### 1978 Budget Request for the Lower Colorado River Basin Development

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</tbody>
</table>

For advances to the Lower Colorado River Basin Development Fund, as authorized by section 403 of the Act of September 30, 1968 (as Stat. 894), for the construction, operation, and maintenance of projects authorized by title III of said Act, to remain available until expended, $103,145,000.

This proposed amendment restores funding for a modified Central Arizona Project. This modified proposal is a result of the President's review of water resources development projects. This request will increase fiscal year 1978 outlays by $90 million and fiscal year 1979 outlays by $13.1 million.
This amendment restores funds for the continuation of the Bonneville Unit of the Central Utah project and of the Dolores project in Colorado. This proposal is a result of the President's review of water resources development projects. This request will increase fiscal year 1978 budget outlays by $17 million and fiscal year 1979 outlays by $3.7 million.
FOR ACTION:
Stu Eizenstat
Jack Watson

FROM: Rick Hutcherson, Staff Secretary

SUBJECT: Bert Lance memo 5/16 re Fiscal Year 1978 Budget
Amendments Decisions on Water Resource Development
for the Department of Commerce.

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

No comment - Dan Tate (Senate)
No comment - Jim Free (House)

MC - Pinsia (House)

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 19, 1977

FOR ACTION:
   Hugh Carter

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Moore memo 5/19 re Use of the autopen on attached certificate.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:
   TIME: IMMEDIATE TURNAROUND

ACTION REQUESTED:
X Your comments
Other:

STAFF RESPONSE:
   I concur.
   No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.
If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)
Frank Moore -

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

Rick Hutcheson

Re: Use of Autopen on Certificates Requested by Congressman Blouin
Mr. President:

Hugh Carter advises against this:
(1) past Presidents have not signed this sort of thing;
(2) the autopenning would take hours.

Hugh suggests xeroxing the signature if the political reasons are strong enough to warrant its use.

--Rick
MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: USE OF AUTOPEN ON ATTACHED CERTIFICATE

Congressman Michael T. Blouin (D-Iowa) is sponsoring a district-wide art contest. Six books to be given as prizes in the contest have already been autopenned, and his office thought we would be able to provide certificates signed by you for the rest of the participants (700 total).

Congressman Blouin was the critical committee vote on the consumer bill and is a key member of the minimum wage subcommittee. He is from a very marginal district (1/2 percent) and a great deal of publicity is surrounding this contest. It will be a great embarrassment to him if he is unable to provide these certificates, since the children have already been told they would receive them.

Having these certificates autopenned is against your policy on this matter, but if an exception could be made it would be very helpful to the Congressman and our dealings with him.

YES [ ] NO [x]

Electrostatic Copy Made
for Preservation Purposes
In Recognition

of your participation in Congressman Mike Blouin's

"What Iowa Means to Me"

1977 Art Contest

* * *

In Appreciation and with Best Wishes

Michael T. Blouin
Member of Congress

Jimmie Carter
President of the
United States
MEMORANDUM

FOR ACTION:

Hugh Carter

FOR INFORMATION:

Bob Linder

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Moore memo 5/19 re Use of the autopen on attached certificate.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: IMMEDIATE TURNAROUND

ACTION REQUESTED:

Other: X Your comments

STAFF RESPONSE:

I concur. No comment.

Please note other comments below:

I recommend against using the autopen because:
(1) No President in the past has signed certificates of this nature and I feel it would be unusual now.
(2) The quality of printing on the certificates is not good—especially not for the President's signature.
(3) It would take one person four hours to do the autopenning. If the political reasons are strong enough to warrant
it, I suggest we keep the President's signature with a note that it is a facsimile. Otherwise I suggest we not
allow ourselves to be stumped by this key congressman.

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

Hugh Carter

5/19/77
MEMORANDUM FOR THE PRESIDENT
From: Lyle E. Gramley
Subject: Revised GNP Estimates for the First Quarter

The Commerce Department will release at 2:00 pm today (May 19) its revised estimates of the Gross National Product for the first quarter. Real GNP is now estimated to have risen at an annual rate of 6.4 percent during the first quarter -- compared with the earlier estimate of 5.2 percent.

This upward revision is entirely a consequence of a larger rise of business inventory investment than estimated earlier. Estimates of the growth of real final sales (those components of the GNP other than inventory investment) were relatively unchanged.

These new estimates indicate that improvement in the economy was more rapid early this year than we had expected. But this is no reason to change our views on the underlying strength of the recovery. The stimulus of an increasing rate of inventory investment tends to be of relatively short duration. We may be getting the push from this sector now that we had anticipated later in the year.
I. PURPOSE
To have an opportunity to talk with the Senator.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Senator Jackson is Chairman of the Senate Energy and Natural Resources Committee which has jurisdiction over all of the non-revenue aspects of the comprehensive energy legislation. His committee also has jurisdiction over virtually all energy related matters such as the Outer Continental Shelf. Additionally, the committee handles all Interior Department and Energy Department nominations as well as practically all issues dealing with natural resources such as wilderness and wild life refuge areas, national parks, and resource exploration and recovery (for example, strip mining). He is the ranking Democrat on the Governmental Affairs Committee which will handle our reorganization plans. He is the ranking Democrat on the Senate Armed Services Committee where he wheels tremendous clout on all defense issues. His wife is a Georgian and the Senator is very familiar with the State.

B. Participants: The President
Mrs. Rosalynn Carter
Senator Henry Jackson
Mrs. Helen Jackson

C. Press Plan: White House Photo.
III. TALKING POINTS

A. Senator Jackson, who is a close friend of Dr. Schlesinger, did a tremendous amount of work in the Governmental Affairs Committee to shape the Department of Energy bill to our liking. He would deeply appreciate your personal thanks.

B. His Energy and Natural Resources Committee is already taking a preliminary look at our comprehensive energy legislation. We are hopeful that his committee will keep the bill intact after it has finished its work rather than separating the measure into four or five smaller bills.

C. While his committee does not have jurisdiction, Jackson has expressed opposition to the gasoline tax. It is difficult to tell how firm that opposition is. He may be more flexible than news reports and his staff indicate. He has not taken a position on the gas-guzzler tax as yet so we should try to enlist his support for that measure.

D. As you already know Senator Jackson's support for any SALT agreement we negotiate will be essential to its ratification by the Senate.

E. Jackson feels he has a good relationship with you, but believes that some of your aides and advisors have a vendetta against him. He sees as evidence of this his lack of success in landing Administration jobs for individuals he has recommended, particularly in the Interior Department. Senator Jackson is mistaken regarding the actions of your aides and advisors, and we are giving priority consideration to individuals he recommends for jobs when they are worth a damn (which is seldom).
MEETING WITH REP. JAMES C. CORMAN (D-CALIF. 21)

Thursday, May 19, 1977
9:10 a.m. (20 minutes)
The Red Room

From: Frank Moore

I. PURPOSE

To discuss voter registration with Rep. Jim Corman, Chairman of the Democratic Congressional Campaign Committee, and the members of the Committee's executive committee. The purpose of this meeting is to seek their assistance in gaining Democratic support for the voter registration legislation.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Voter registration is a top Presidential priority. Floor action has been postponed from Tuesday, May 24th to the latter part of June. The preliminary vote count is very bad. We need the assistance of the Committee members in gaining the support of other Democratic Members of the House if this legislation is to pass.

B. Participants: The President
Rep. Jim Corman (D-Calif. 21)
Rep. Gunn McKay (D-Utah 1)
Rep. Bo Ginn (D Ga. 1)
Rep. Joe Early (D-Mass. 3)
Rep. John Murphy (D-N.Y. 17)
Rep. Bill Burlison (D-Mo. 10)
Rep. Fred Rooney (D-Pa. 15)
Rep. Dan Rostenkowski (D-Ill. 8)
Rep. Joe Waggonner (D-La. 4)
Rep. J. J. (Jake) Pickle (D-Tex. 10)
Rep. Yvonne B. Burke (D-Calif. 28)

Staff present: Bill Cable
Jim Free
Valerie Pinson


III. TALKING POINTS

1. The voter registration legislation is a top Presidential
priority. It is important, as Democrats, to work
together on the passage of this legislation.

2. The preliminary vote count shows that many more
Democratic votes are needed for the voter registration
legislation to pass. The assistance of the Members
is needed to gain the support of their colleagues
in the House of Representatives.
House and Senate Action

The bill has been reported favorably by both the House Administration Committee (Frank Thompson) and the Senate Rules Committee (Howard Cannon). Committee amendments on both sides substantially tighten the bill against fraud and make it more workable administratively.

House floor action was scheduled for Tuesday, May 24, but is now being delayed until late June. Republican opposition appears to be solid and far too many Democrats are currently either opposed or undecided to be sure of passage.

No Senate floor action is planned until the House passes the bill.

Patterns of Opposition

Most Democratic opposition in the House is coming from the South and the big cities (principally Cook County and Philadelphia). This is in spite of the fact that the bill in no way applies to primary elections. The exclusion of primaries should reassure these members. They should also be aware that the bill leaves registration and election administration in the hands of state and local officials where it is now and it will provide them with substantial federal financial assistance with few strings attached.

Other scattered opposition is based on a fear of increased election fraud. We need to get the message across that this bill has many protections and will provide at least as safe a system as exists under the way voter registration is administered today.

A major source of criticism reaching members of Congress is the large group of local election officials around the country who see the bill as imposing more work and responsibility on them. The new system has been shown to be workable in Minnesota and Wisconsin, however, and these officials are assured of more than enough federal money to offset their additional costs.

Sources of Support/White House Efforts

The Congressional Liaison staff and the Vice President's office are working closely with Chairman Thompson and the House leadership. Labor and the League of Women Voters are the bill's
strongest supporters, and Common Cause is also providing assistance. The American Bar Association’s committee on election reform recommended that the ABA Board of Governors endorse the bill on Friday. The Public Liaison staff is generating citizen support in the field.

The Fraud Argument

* Nearly all serious election fraud in this country in recent years has involved corruption by election officials themselves.
* In most places, no investigation is done on the voter qualifications of those who pre-register. Officials do not have the time or resources to do such checking between the cutoff date and the day of the election.
* Most people who pre-register (including those who register by postcard in 18 states covering half the U.S. population) are not required to prove their qualifications. They simply fill out a form and sign it.
* Under our bill, states would require election day registrants to show a drivers license or other form of identification approved by the state and the FEC; if they had no such identification they would have to have a pre-registered voter in their precinct vouch for them in person by signing an affidavit under criminal penalty.
* Every election day registrant would also have to sign an affidavit himself, attesting that he is qualified and has not yet voted in the election.
* Persons who violate the law would be subject to a federal felony of 5 years in prison and/or a $10,000 fine. Subsequent convictions would lead to 10 years and/or a $25,000 fine.
* The FEC would have civil enforcement authority, to seek injunctions, monetary penalties, and other remedies to prevent fraud.
* Minnesota and Wisconsin have had no verified cases of fraud since using this system.

*The financial assistance would be used to improve record-keeping, train officials, detect and prevent fraud, and otherwise protect the integrity of the system.

In conclusion, the danger of increased fraud is very small while the need to open the system and increase participation is very great.
MEMORANDUM TO: THE PRESIDENT
FROM: Jack Watson
SUBJECT: REPORT TO THE CONGRESS OF YOUR COLOR TELEVISION DECISION

In accordance with the law requiring you to report to the Congress immediately on any decision you make regarding import relief which is different than that recommended by the International Trade Commission, I am attaching the following documents for your signature:

(1) A transmittal note to Speaker O'Neill;
(2) A transmittal note to the Vice President, as President of the Senate; and
(3) An explanation of your decision on import relief to the U.S. color television receiver industry.

I did not submit these attachments to you earlier today because there was a difference of opinion between the STR staff and Charlie Schultze's staff as to the precise wording on pages 3 and 4. Rather than submit two separate drafts of proposed language to you, I asked the staffs to resolve their differences and they did so. All parties concur in the attachments.

Attachments

TWO SIGNATURES NEEDED
May 19, 1977

Dear Mr. Speaker:

In accordance with Section 203(b)(1) of the Trade Act of 1974, I am enclosing a report to the Congress setting forth the action I am taking on color television receivers pursuant to Section 203(a) of the Trade Act.

Sincerely,

[Signature]

The Honorable Thomas P. O'Neill
The Speaker
U.S. House of Representatives
Washington, D.C. 20515
THE WHITE HOUSE  
WASHINGTON  

May 19, 1977

Dear Mr. President:

In accordance with Section 203(b)(1) of the Trade Act of 1974, I am enclosing a report to the Congress setting forth the action I am taking on color television receivers pursuant to Section 203(a) of the Trade Act.

Sincerely,

[Signature]

The Honorable Walter F. Mondale  
President of the Senate  
Washington, D. C. 20510