

6/30/77 [1]

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THE PRESIDENT HAS SEEN.

RECEIVED

CONGRESSIONAL LIAISON
REFERRAL FORM

15 JUN 77 12 40

TO: *CL, Dept. of Defense*

Draft reply for:

- President's signature
- Frank Moore's signature
- Undersigned's signature

Direct reply to:

- Congressperson
- Constituent, with copy to Congressperson
- Furnish information/copy to C.L.

Memorandum for use as enclosure to reply

Suitable Acknowledgement or other appropriate handling

For your information

For comment

REMARKS:

Expedite

SUBJECT:

BY

K. Baker

Congressional Liaison
113 E.W. 456-2755

WE 36136

United States Senate

WASHINGTON, D.C.

Defence
11 JUN 1977

June 9, 1977

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

Dear Mr. President:

As you are aware, the Senate Subcommittee on Public Works of the full Senate Appropriations Committee is currently considering funding for the Public Works bill, including the weapons portion of the Energy Research and Development Administration's budget. I am deeply concerned over one particular aspect of the budget related to production of the enhanced radiation warhead, also known as the "neutron bomb."

When the full Appropriations Committee meets to discuss the Public Works bill on June 15, I hope to offer an amendment to delete production funding for the enhanced radiation warhead. Recent published reports indicate you believe that a delay in the production of the neutron bomb may be warranted. I agree that, at the very least, a delay in funding for production of this weapon should occur while the implications surrounding its deployment are fully reviewed. As you are aware, however, in this instance such a delay will require positive action on the part of Congress.

As ranking minority member of the Subcommittee, I am extremely interested in your views regarding planned production and research into the neutron bomb. I would therefore request from you a statement of your position concerning delaying the production of the enhanced radiation warhead for the LANCE missile until the matter can be given further study. It would also be helpful to know how long you feel it would take to undertake such a review.

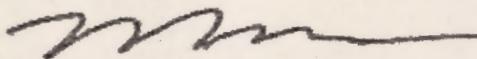
I believe this information would be an important factor in the deliberations of the Senate Appropriations Committee on ERDA's weapons production budget.

I would very much appreciate having a response before the full Committee mark-up scheduled for June 15.

Thank you for your consideration of this matter.

Kindest personal regards.

Sincerely,



Mark O. Hatfield
United States Senator

MOH:jrj

THE PRESIDENT HAS SEEN.

145 PM

THE WHITE HOUSE

WASHINGTON

June 29, 1977

MEETING WITH REP. JAMES HANLEY

Thursday, June 30, 1977

1:45 p.m. (15 minutes)

The Oval Office

From: Stu Eizenstat
Bob Malson

*Susan -
Retyped by
[Signature]
(attached)*

I. PURPOSE

Rep. Hanley is the Chairman of one of the two key Postal Subcommittees in the House. The hearings on his bill for postal reform have been postponed until mid-July in order to allow time for you to develop your postal policy.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Chairman Hanley (along with Rep. Charles Wilson) have introduced a bill containing various postal reform measures including: (1) Congressional veto over postage rates with shortages to be covered by appropriations; (2) Continuing the public service subsidies scheduled to be phased out in 1979; (3) Continuing six-day delivery; (4) Continuing the operation of rural post offices; and (5) Abolition of the Board of Governors and having the Postmaster General appointed by the President.

B. Participants: Frank Moore; Stu Eizenstat, Bob Malson

C. Press Plan: White House photographer only.

III. TALKING POINTS

A. The Postal Service now receives only 10% of its budget (\$1.7 billion out of \$17 billion) from appropriations. It is the Federal service that will be your greatest asset in balancing the budget by 1981.

B. A reduced first-class postage rate for consumers (See attached memorandum).

C. Whether or not it makes sense to bring the Postmaster General back under the President at this time.

THE WHITE HOUSE

WASHINGTON

June 29, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT
W. BOWMAN CUTLER

SUBJECT: POSTAL POLICY

There are two matters of concern in the postal area which we would like to bring to your attention:

- o Your relationship and involvement in postal matters given certain statutory limitations;
- o A proposal by the Postmaster General to grant rate relief to the general public through the creation of a discounted first-class stamp for use by consumers.

Presidential relationship to the U.S. Postal Service

The Postmaster General has indicated on several occasions recently that he is considering implementing specific postal cost reductions in the near future. These reductions would likely include the following:

- o A five day delivery week;
- o The closing of small post offices.

Recent discussions on postal policy have raised the question as to the extent you wish to become involved in taking positions on these and other postal policy plans.

The 1970 Postal Reorganization Act created a quasi-independent government-owned corporation which was to have exclusive control over management decisions. The Board of Governors consists of nine presidentially appointed members plus the Postmaster General and Deputy Postmaster General. (The presidential appointees select the Postmaster General and the Deputy.) The eleven members of the Board exercise the power of the Postal Service and are authorized

to use revenue from mail and services, borrowings, and Federal appropriations to finance postal operations and capital expenses. Only the Federal subsidy levels, set by formula to cover liabilities of the former Post Office Department, public service costs, and revenue forgone for carrying certain classes of mail at free and reduced rates, are submitted annually to OMB for your approval. The 1978 Budget includes \$1.7 billion for these purposes while the total Postal Service budget for 1978 is estimated at \$16.6 billion. Thus, existing legislation sharply limits your control over the postal budget. Your taking a position on major postal policy questions would be likely to have significant influence with postal officials, but final decisions rest with the Board of Governors.

Rate relief for consumers

The Postmaster General is scheduled to submit his overall proposal for a rate increase to the Board on July 6. Under the proposal, the rate for first class mail would increase from 13¢ to 16¢.

If you wish, the Postmaster General will request that the Board of Governors file for a different first-class rate -- 16¢ for a first-class stamp with six day delivery and a new discounted first-class postage rate of 2 stamps for 25¢ (12½¢ each) for use by consumers only and not by businesses.

- o Postmaster General Bailar does not choose to seek the consumer rate on his own because he believes that his charter, the Postal Reorganization Act, gives him a more restricted range of policy options than is available to elected officials.
- o This memorandum was delayed one week in order to allow time for postal officials to meet with our staffs to review the Postal Service's anticipated expenditures, income sources and safeguards against cross-rate and intra-rate subsidies. Cross-rate subsidies are in violation of the PRA. Intra-rate subsidies should be avoided whenever possible in order to minimize opposition by those who might feel that they were bearing an unfair share of the overall costs.

- o The Postal Service has assured us that there would be no cross-rate subsidy and no intra-rate subsidy as well. There would have to be a continuing assessment of the cost picture by the Postal Service to hold down costs.
- o In our judgment, the Postal Service has offered you a dividend for the public. As a bonus, the Postal Service claims that business users would not subsidize the new rate. The anticipated first-class postage rate would be 16¢ for 6 day delivery without the consumer stamp.

The consumer stamp would not require additional Federal subsidies. Postal officials estimate that existing procedures for estimating rates up to the nearest whole number or tenth of a cent would result in an annual revenue surplus of \$300 million. For example, these officials indicate that cost allocation calculations for the next rate filing require a 15.6 cent first class rate. If rates are set at 16¢, a \$300 million surplus results. If consumers are given the benefit of this surplus, the consumer stamp can be sold for 12½¢.

The Postal Service's primary aim in proposing the rate break for the general public is to create a calmer, more cautious atmosphere in the Congress and in the public for discussions on the nature and desirability of any new legislation. The Postmaster General realizes that strong sentiment exists in the Congress for bringing the Service back under the control of the Congress and the President. He also feels that you might be receptive to this plan which would bring rate relief to the public which generates only 20% of the first-class mail but the 95% of the complaints and pressure for postal reform. In addition, the plan would not require additional funds from the Federal treasury.

We believe the plan has merit. However, we also feel that you should be aware that a precedent will be set by your involvement, albeit only an endorsement on behalf of the public. This may invite other classes of mail users, particularly those in the private sector dissatisfied with their rate levels, to seek your intervention in their behalf despite the fact that the 1978 Budget includes \$711 million in subsidy for various mailers.

The pros and cons of your agreeing to the Postmaster General's proposal for rate relief are summarized below:

Pros and Cons of Presidential Involvement

Pros

- o By adopting the consumer stamp, the Congress may not be subjected to as much pressure from the public and private sectors to finding quick, short-term legislative solution to postal problems -- e.g., more Federal subsidy.
- o By adopting the consumer stamp, the President would be able to support rate relief for the public without requesting additional funds from the Treasury to support this relief.
- o By adopting the consumer stamp, the public may be more receptive to reasonable service changes and efforts to reduce costs as long as reliable dependable service is maintained.
- o By adopting the consumer stamp, the public would be less sympathetic to any excessive demands of the postal labor workforce during the 1978 collective bargaining negotiations.

Cons

- o By endorsing the consumer stamp, a precedent will be set by Presidential involvement, although only through endorsement, in the postal rate process. This may invite other mail users, dissatisfied with postal rate levels, to seek future intervention by the President.
- o By endorsing the consumer stamp, although subsidized through revenue foregone provisions of the Reorganization Act, some second, third, and fourth class mail users will not view the consumer any more deserving a rate break than themselves, and therefore voice strong opposition. Some may consider the consumer less deserving, since a significant portion of postal costs are benefits to the mail recipients -- e.g., door-to-door service.
- o By endorsing the consumer stamp, the relief may be shortlived, if the 1978 labor negotiations result in high wage increases for postal employees.

- o By endorsing the consumer stamp, the Postal Service may have difficulties enforcing this program, since it would be largely self-enforcing. (The Postal Service would require that the consumer have a residential return address on the envelope. The stamps would be sold in books of 8 for \$1.00 with a per person limitation of 3 books.)

We recommend that you support the Postmaster General's proposal but only with a commitment from the Postal Service to consider cost reducing measures which do not result in sacrificing reasonable service levels.

Decision:

Approve _____ (Recommended -- letter attached)

Disapprove _____

Discuss with me _____

White House / OMB Action

With your approval, we will work together with postal officials on the details of carrying out the consumer stamp proposal. A general memorandum discussing overall postal problems and emerging issues and legislation will follow.

THE PRESIDENT'S SCHEDULE

Thursday - June 30, 1977

7:30 Breakfast with Secretary Cyrus Vance,
Vice President Walter F. Mondale, and
Dr. Zbigniew Brzezinski - The Roosevelt Room.

8:20 Dr. Zbigniew Brzezinski - The Oval Office.

8:45 Mr. Frank Moore et al - The Oval Office.

10:30 News Conference. (Mr. Jody Powell).
(30 min.) Room 450, EOB.

11:00 Attorney General Griffin Bell - The Oval Office.

11:50 Judge Harlington Wood. (Mr. Robert Lipshutz).
(10 min.) The Oval Office.

1:45 Meeting with Congressman Jim Hanley.
(15 min.) (Mr. Frank Moore) - The Oval Office.

2:30 Meeting with Weekly Reader Childrens Group
(15 min.) (Xerox Education Publications) - (Ms. Midge
Costanza) - The Cabinet Room.

2:50 Secretary Henry A. Kissinger.
(15 min.) (Dr. Zbigniew Brzezinski) - Oval Office.

3:10 Mr. Neil Welch. (Mr. Robert Lipshutz).
(10 min.) The Oval Office.

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Goldberg

Meet c Senators - non ER

Breakfast

THE WHITE HOUSE
WASHINGTON

1/20

Senate Pressed for Killer Warhead'

By Walter Pincus

Washington Post Staff Writer

The Carter administration wants Congress to approve production funds for a new, neutron "killer" warhead even before the President decides if he wants to go ahead with it.

The 56-mile-range Lance missile warhead, nicknamed the "cookie cutter" by its designers, is the first publicly acknowledged tactical nuclear weapon designed specifically to kill people by radiation rather than destroy installations and equipment by heat and blast.

Money for the warhead—said to be \$10 million to \$20 million—is contained in the Energy Research and Development Administration's fiscal 1978 budget now before Congress.

The decision to build the warhead was made last year by the Ford administration. Neither President Carter nor Defense Secretary Harold Brown knew that money for its production was in the fiscal 1978 budget they had reviewed until news reports appeared two weeks ago.

Although the idea of a neutron bomb has been discussed by scientists for many years, never before has a decision been made to produce a version for use on the battlefield.

In a letter received yesterday by Sen. Mark O. Hatfield (R-Ore.), Dr. Joseph Perry, director of defense research and engineering in the Defense Department, said the President would make his decision on whether to go ahead with the enhanced radiation neutron warhead prior to the start of fiscal 1978, which begins Oct. 1, 1977.

"To afford maximum flexibility,

particularly if he chooses" to go ahead with production, Perry asked Hatfield not to cut the warhead funds from the ERDA bill. Hatfield has introduced such an amendment in the Senate Appropriations Committee.

Perry's letter came in response to a Hatfield letter to the President asking his position on the amendment.

Yesterday, Hatfield said he intends to press his amendment when the committee takes up the ERDA money bill.

"This is backwards," the Oregon senator said in reference to Perry's letter. "We're supposed to respond to the President's request for funds. Here the President wants us to give him the money, then he'll decide if he wants to use it."

The first public description of the new Lance warhead came when declassified testimony before a House Appropriations subcommittee was released. In it, Alfred D. Starbird, ERDA's assistant administrator for national security, cryptically described the qualities.

Earlier last month, the Senate had approved ERDA's military applications authorization, but only one line in the Armed Services Committee report on the measure made mention of the warhead. It contained only the name, and the committee's decision to delete \$3.2 million of the larger total amount being requested for production. It did not describe the type of weapon it was nor say that it was the first of its kind being produced for use against people.

According to weapons experts, the warhead would release large amounts of neutrons which in minutes would

incapacitate and probably kill individuals in its target area.

If a normal nuclear weapon of the same kilotonnage were also dropped in the same location, blast or fire would destroy buildings far beyond the range of the killing neutrons.

Thus, experts say, military commanders and the President would hesitate to employ a regular nuclear weapon because of the widespread

collateral damage it would wreak. The enhanced radiation weapon would be more credible for use because the building damage would be limited, experts say.

The House is expected to take up later this week its version of the ERDA military applications authorization. Rep. Christopher Dodd (D-Conn.) is expected to raise questions about the neutron warhead.

THE WHITE HOUSE
WASHINGTON

June 30, 1977

Greg Schneiders -

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

Rick Hutcheson

Re: A Proposal for Volunteers in
Service to Government

from "Paul" Landry

THE WHITE HOUSE
WASHINGTON

ACTION
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

	FOR STAFFING
	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

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

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
<input checked="" type="checkbox"/>	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

THE PRESIDENT HAS SEEN.

A PROPOSAL FOR VOLUNTEERS IN SERVICE TO GOVERNMENT

Challenge to a new Administration

"Government" frequently implies a deep fissure between the governed and their government. This chasm often leads to an apathetic citizenry, an ununiformed public and as we have seen in the recent past, mediocrity, waste and mismanagement in our federal government.

An avowed objective of our new administration is to bring Government closer to the People, an effort at closing the gap between Washington and the American people. A more effective method of attaining this goal may be to bring our "people closer to government." This could be achieved through a program of voluntary service to government, just as we have in "Action".

The recent Presidential election has demonstrated that the American people far from being politically apathetic, are eager to contribute of their time, their talents and their considerable energies to assist in achieving desirable national goals.

Goals of a Volunteer Program

The main thrust of a volunteer program should be to effect an improvement in the delivery of government services to the people. Additionally, however, it will bring an increased understanding of government processes; and to gain an awareness of our political, social and economic problems and objectives.

Ideally, a reciprocal benefit should occur: in exchange for the volunteers effort and sacrifice, his government would impart an appreciation for the role of government in a democratic society.

An equally important objective should be considered the freshness and openness that volunteers would bring to Washington, as well at providing a sounding board and forum for the Chief Executive.

Basic Concepts of a Volunteer Organization

While opportunities as volunteers should be open to those 18 and older, encouragement should be given to those who have by virtue of prior employment, education and other life experiences ~~have~~ the most to contribute.

To assist in the proper recruitment, adequate screening and interviewing should be afforded. Additionally, the volunteer candidate should receive proper orientation, placement and follow-up services.

The over-all concept of a volunteer organization is to have, at any one time, a volunteer from each Congressional District. Volunteers should be encouraged for a 3 - 6 month term. Where the candidate cannot sacrifice that amount of time, a 3 month stint could be accepted. On the other hand, volunteers should not be encouraged beyond 12 months, as the volunteers aspects and "freshness" of the individual will have diminished and the individual should be considered for normal civil service employment.

Duties and Assignments

Assuming encouragement from the Executive Office, implementation should be where ever practical throughout the various departments and agencies. Where possible, and where the suitability of the volunteers warrents, volunteers should be allowed to assist and intern with top and middle classified appointees. In other situations, the background and training of the volunteers may ~~pend~~ itself to special placement such as in an analysis, study or supportive position. In still other cases, exposure and familiarization with various aspects and segments of a department, or agency will be rewarding.

Funding and Legislative Requirements

Without a doubt, such a program will require the appropriate Congressional approvals. To make this proposal appealing to both Congress, as well as the Administration, funding and political structuring will be all important.

A volunteer program should be just that. While working with little or no remuneration will certainly turn away some very good potential candidates, the sacrificial requisites of the volunteers will bring with it the idealism and the zeal which we will find desirable.

As with other political internships, a small stipend might be considered. This "assistance", however, should in no case exceed the prevailing federal minimum wage.

Staff assignments, at least in the initial phases of the program might be drawn from the other departments on a temporary basis. In later phases, the "Action" agency should assume "The Volunteers" as a parallel organization to its Peace Corps and Vista Programs. In any event the funding and structural requirements of a Volunteer program should be kept to a minimum.

Likewise in later phases, volunteers who extend their terms (up to 12 months) could be called upon to fill "Volunteer" staff requirements.



THE PRESIDENT HAS SEEN.

THE VICE PRESIDENT
WASHINGTON

C
1

Mr. President,

I am delighted!

Love & Honor U.P.

STATEMENT ON B-1 BOMBER

THE PRESIDENT HAS SEEN.

DURING THE LAST FEW MONTHS I HAVE DONE MY BEST TO
ASSESS ALL FACTORS INVOLVING PRODUCTION OF THE B-1 BOMBER.

MY DECISION IS THAT WE SHOULD NOT CONTINUE WITH
DEPLOYMENT OF THE B-1, AND I AM DIRECTING THAT WE
DISCONTINUE PLANS FOR PRODUCTION OF THIS WEAPON SYSTEM.

THE SECRETARY OF DEFENSE AGREES THAT THIS IS THE
PREFERABLE DECISION.

THE EXISTING TESTING AND DEVELOPMENT PROGRAM NOW
UNDERWAY ON THE B-1 SHOULD CONTINUE, TO PROVIDE US WITH
THE NEEDED TECHNICAL BASE IN THE UNLIKELY EVENT THAT
MORE COST-EFFECTIVE ALTERNATIVE SYSTEMS RUN INTO
DIFFICULTY.

Continued efforts at

CONTINUED EFFORTS AT THE RESEARCH AND DEVELOPMENT
STAGE WILL GIVE US BETTER ANSWERS ABOUT THE COST AND
EFFECTIVENESS OF THE BOMBER AND SUPPORT SYSTEMS,
INCLUDING ELECTRONIC COUNTERMEASURES TECHNIQUES.

DURING THE COMING MONTHS WE WILL ALSO BE ABLE TO
ASSESS THE PROGRESS TOWARD AGREEMENTS ON STRATEGIC ARMS
LIMITATION IN ORDER TO DETERMINE THE NEED FOR ANY
ADDITIONAL INVESTMENTS IN NUCLEAR WEAPONS DELIVERY SYSTEMS.

IN THE MEANTIME WE SHOULD BEGIN DEPLOYMENT OF
CRUISE MISSILES, USING AIR LAUNCH PLATFORMS SUCH AS OUR
B-52's, MODERNIZED AS NECESSARY.

OUR "TRIAD" CONCEPT OF RETAINING THREE BASIC
DELIVERY SYSTEMS WILL BE CONTINUED WITH SUBMARINE
LAUNCHED BALLISTIC MISSILES, INTERCONTINENTAL BALLISTIC
MISSILES AND A BOMBER FLEET (USING CRUISE MISSILES AS
ONE OF ITS ARMAMENTS).

We will continue

WE WILL CONTINUE THEREBY TO HAVE AN EFFECTIVE
AND FLEXIBLE STRATEGIC FORCE WHOSE CAPABILITY IS FULLY
SUFFICIENT FOR OUR NATIONAL DEFENSE.

#

TALKING POINTS

- (1) The B-52G and the B-52H airplanes will be effective through the 1980s and have penetration capability.
- (2) Tests of air launch cruise missiles have been ~~very~~ successful.
- (3) Cruise missiles have a very low radar cross section.
- (4) ↗ Technological improvements in the cruise missile are almost inevitable.
- (5) The vulnerability to Soviet air defenses of a system using B-52's with cruise missiles is likely to be less than that of the B-1 system, *with SRAMs.*

(6) The B-52's and/or the cruise missile carriers using existing airplane configurations will be adequate stand-off launchers for the cruise missiles.

(7) Later rapid construction of the B-1's after our research and development delay, in the unlikely event that we should need to do so, would not be much more costly than ~~the~~ ^{a steady but} lower production rate beginning now.

(8) A divided B-52 force, partly as launchers for cruise missiles and partly for penetration using SRAM'S, would require dual defensive techniques by a potential adversary.

(9) The range of the B-52 carrying a maximum load of cruise missiles is significantly greater than the range of the B-1 carrying the same load.

(10) We have a strong program for ^{improving our strategic} [improvement] ^{delivery} systems with the Trident submarine launched missile, ^{with} improvements in our Minuteman III force, and ^{with} a continued modernization program for our bomber force, including electronic countermeasures and cruise missiles.

(11) Because of future evolution of Soviet air defenses, the capability of the B-1 to penetrate them cannot be assured through a period long enough to justify their cost.

(12) Both the B-1 and the B-52 would have to use standoff missiles against targets defended by advanced Soviet surface-to-air missiles. There is no visual inspection of a target area in either case.

(13) The B-1's SRAM or other weapons are of ^{little} use against mobile targets.

(14) The B-1 is more vulnerable to infrared attack and to radar detection than cruise missiles.

(15) The total cost of the B-1, its supporting systems, and their operation is likely to be \$100 billion over the lifetime of the system. This money could be better employed to fund defense and other programs that are more needed.

THE WHITE HOUSE
WASHINGTON

June 30, 1977

Z. Brzezinski -

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

Rick Hutcheson

Re: Letter from Senator Hatfield
regarding "Neutron bomb"

**Electrostatic Copy Made
for Preservation Purposes**

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

June 21, 1977

C

Dr. Brzezinski:

With respect to the Hatfield letter, here is the information:

The Hatfield letter was received at the White House on June 11 and was referred to Defense for a response. DOD was requested to prepare a direct reply to the Senator with an information copy back to the White House Congressional Relations Office. The DOD reply was signed on June 17.

I have attached a copy of the buck slip to Defense, the original letter from Senator Hatfield, and DOD's reply (signed by William Perry).

Rick

17 JUN 1977

Senator Mark O. Hatfield
United States Senate
Washington, D. C. 20510

Dear Senator Hatfield:

On behalf of President Carter, I am replying to your letter of June 9, 1977, regarding your concern about production of the enhanced radiation warhead.

In addition to budgetary reviews of the ERDA program and direct approval of all nuclear tests, the President, on an annual basis, approves the production, retention, and retirement of all nuclear weapons in the stockpile for a three-year period through a mechanism called the joint DoD/ERDA Nuclear Weapons Stockpile Memorandum. Also subject to annual Presidential review and approval are the existing and planned deployments of these weapons.

Under the present schedule the stockpile memorandum will be provided to the President for his consideration sometime prior to the start of FY 1978. To afford the President maximum flexibility in his final decision on production, particularly if he chooses to authorize the presently proposed schedule, we respectfully recommend that adverse funding actions not be taken by the Congress.

Sincerely,

William J. Perry

William J. Perry

THE WHITE HOUSE
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

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

	FOR STAFFING
	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
<input checked="" type="checkbox"/>	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

THE WHITE HOUSE
WASHINGTON

June 30, 1977

Frank Moore
Jack Watson

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

Rick Hutcheson

Re: Disaster Assistance Legislation
and Senator Byrd

THE WHITE HOUSE
WASHINGTON

Mr. President:

Frank Moore concurs.

Rick (wds)

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

*Talked to
him
J*

MEMORANDUM TO: THE PRESIDENT

FROM:

Jack Watson *jack*

June 14, 1977

RE:

Contacting Senator Byrd Concerning your
Decision on Disaster Assistance Legislation

Late last week, in response to a memorandum from Stu and Bert, you decided to oppose several features and to narrow liberalization of other terms in legislation introduced by Senators Byrd and Randolph and passed by the Senate two weeks ago.

As Frank knows, Byrd talked to me personally at great length about his bill and has mentioned the issue several times to Jane Frank. I know he will be disappointed in your decision, and think it would be a good idea for you to contact him personally to tell him what you've decided and why.

You might phone him or send him the attached note.

Attachment

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

June 14, 1977

To Senator Robert Byrd

After considerable review by my staff and by me personally, I have reluctantly concluded that I am unable to support certain portions of your disaster assistance legislation which recently passed the Senate. I believe that a 3% interest rate for personal and home loans, and a 5% interest rate for business loans--both of which are, as you know, substantially below current levels--will deal with the hardships of the present situation while at the same time be consistent with my goals to balance the budget by 1981. I support paying benefits forward from April 1, 1977, the effective date of your original bill. I do not think it wise, however, to forgive the first \$3,000 of loans.

I recognize your strong personal interest in this matter and appreciate your leadership in representing and providing for the needs of your constituents. I sincerely hope you understand and appreciate my concern with the legislation.

Thank you for your continuing, invaluable help.

Sincerely,

The Honorable Robert C. Byrd
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE
WASHINGTON

June 30, 1977

The Vice President

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

Rick Hutcheson

Re: Phone Calls on Voter
Registration Bill



THE PRESIDENT HAS SEEN.

THE VICE PRESIDENT
WASHINGTON

c
/

June 7, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: THE VICE PRESIDENT *WJ*
SUBJECT: PHONE CALLS ON VOTER REGISTRATION BILL

Following up on your offer Monday morning to make some calls to House members on the Voter Registration bill, I have worked up a list of those on whom I believe you have the greatest impact. We have gone over it with Frank Moore, and he agrees that these are best names for you to call. They are in order of the priority we attach to them, and it would be extremely helpful if you could call as many of them as possible. As you can see, they are mostly Southerners, on whom I can have only limited impact, but I am trying to contact most of the other undecideds and opponents.

1. Jim Wright - Jim is OK on the bill, but we *done* desperately need his help to turn around the Texas delegation, which is our single worst delegation.

2. Reubin Askew - to ask his help on the Florida delegation. We now have only three votes - Fascell, Pepper and Lehman. All the rest are currently opposed.

3. George Mahon - he could be a key to breaking through in the Texas delegation (against)

4. Jake Pickle - another key to Texas. (against)

5. Richardson Preyer, N.C. (undecided)

6. Jim Mann, S.C. (leaning against)

7. Dawson Mathis, Ga. (against)

8. Ike Andrews, N.C. (leaning against)

Page Two

9. Lamar Gudger, N.C. (undecided)
10. Lindv Boags, La (leaning against but coming)
11. John Breaux, La (leaning against)
12. Clarence Long, Md (undecided)
13. Doug Barnard, Ga (leaning against)
14. Ed Jenkins, Ga (leaning against)
15. Andy Ireland, Fla. (against)
16. Ken Holland, S.C. (leaning against)

THE WHITE HOUSE
WASHINGTON

June 30, 1977

Fran Voorde
Tim Kraft
Frank Moore

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

Rick Hutcheson

Re: Letter from Jim Wright

THE WHITE HOUSE
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
<input checked="" type="checkbox"/>	MOORE
	POWELL
	WATSON

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	GAMMILL
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HOYT
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input checked="" type="checkbox"/>	KRAFT
<input type="checkbox"/>	LANCE
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	B. RAINWATER
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	SCHULTZE
<input type="checkbox"/>	SIEGEL
<input type="checkbox"/>	SMITH
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	WELLS
<input checked="" type="checkbox"/>	VOORDE

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Fran - 6/8/77
no promises -
I already talked to
him

Mr. President,

J

We'd like to invite you
to Fort Worth on a date of your
choice and offer you the best
possible forum for whatever
message or subject you'd con-
sider advantageous.

Ray Marshall has men-
tioned the possibility of your
coming to Texas on or about
Labor Day. If this should
materialize, we could work
within your schedule to
accommodate your convenience
at that time.

Noon on Tuesday,
September 6, would be an
ideal time if it were

2/
compatible with your other commitments. We have reserved the availability of our Convention Center tentatively for that time. We can accommodate 4,000 at a seated luncheon and 3,000 more in the adjoining theatre for a closed-circuit telecast.

I have the positive assurance of the newspaper for total cooperation, and the Chamber of Commerce, labor groups and all area service clubs (Lions, Rotarians, Kiwanians, etc.) will be joint sponsors if this arrangement is suitable to you. Sponsorship would be community-wide and non-partisan.

3/

If the date suggested is not the most convenient for you, we'll suit your convenience.

It occurs to me that you might want at that time to talk about our energy program, or perhaps even a Panama Canal Treaty. We can give you, I believe, a receptive forum.

If you are receptive to this idea, I'd like to talk with you about it and explore ways to maximize whatever advantages such an appearance could afford you.

Sincerely,
Jim Neighs

2/

compatible with your other commitments. We have reserved the availability of our Convention Center tentatively

THE WHITE HOUSE
WASHINGTON

June 30, 1977

Stu Eizenstat
Frank Moore

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

Rick Hutcheson

Re: Court Reform

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

cc Stu
J

June 24, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ
MARGARET MCKENNA *mmk*

SUBJECT: Court Reform (Per your request)

Attached is the Justice Department's Status Report on Court Reform.

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for Preservation Purposes**

222
1274
2330
1421

5247



United States Department of Justice

OFFICE FOR IMPROVEMENTS IN THE ADMINISTRATION OF JUSTICE

WASHINGTON, D.C. 20530

June 17, 1977

STATUS SHEET ON COURT REFORM

A. Legislation

1. Magistrate Act of 1977: This Administration bill (S.1613, H.R.7493) would enlarge the criminal jurisdiction of U.S. Magistrates and give them case-dispositive jurisdiction in civil actions if the parties and the District Court concur. The Act also would provide for more demanding magistrate appointment standards.

The Attorney General testified on the bill on June 10, 1977, before the Senate Judiciary Subcommittee on Improvements in Judicial Machinery. The Senate Subcommittee is marking up the bill; no House action is expected until the Fall.

2. Diversity Jurisdiction: The Office of Management and Budget (OMB) this week has cleared a bill which would limit diversity jurisdiction by precluding a plaintiff from invoking jurisdiction in any district in a state of which he is a citizen.

3. Civil Calendar Priorities: OMB also this week has cleared a bill which would repeal all statutory provisions that accord priority calendar status to civil cases before a federal district court or court of appeals other than habeas corpus matters. Under the bill each court would establish its calendar priorities under the supervision of the Judicial Council of the circuit.

4. Witness Fees: Awaiting clearance at OMB is a bill which would help witnesses by providing a new schedule of fees along with increased transportation and subsistence allowances. A companion proposal on juror fees will be submitted by the Administrative Office of the U.S. Courts.

5. Federal Justice Research Program: This FY 1978 appropriation request for the Department of Justice will provide for the first time research funds to study criminal and civil justice problems, including court reform. The Senate this week restored the full \$2,000,000 requested after the House had cut the request in half.

B. Projects

1. Neighborhood Justice Centers: As a means of providing national leadership for common problems under state and local jurisdiction, three pilot Neighborhood Justice Centers will begin operation in the Fall. Financed with federal funds, but under local control, the Centers will be alternatives to the courts for settling a wide range of disputes by using such techniques as mediation, conciliation, and fact-finding.

2. Arbitration: A Department study is underway to identify criteria by which to select federal cases which might aptly be referred to arbitration. Specific categories of cases appropriate for referral to arbitration under these criteria will be selected and transmitted to the Congress for an experimental program.

3. Class Action Procedures: A study is underway in this area, with the goal of recommending improved procedures which will facilitate the handling of class action cases by the courts and afford broader access for citizens to seek redress through the class action device. The study group also is exploring the possibility of certain types of alternative and innovative ways of handling some of these suits more effectively. Department staff soon will meet with experts and private practitioners to discuss these issues.

4. Judicial Impact Statements: Two offices in the Department are developing a proposal for judicial impact statements. This would be a means of forecasting the impact on the judicial system of various types of proposed legislation in order to improve judicial planning and resource allocation.

5. Judicial Disability and Tenure: The Department is reviewing proposed legislation which would create a mechanism, short of impeachment, to permit the removal of federal judges who have become physically or mentally disabled or whose conduct on the bench does not comport with the Constitutional requirement of good behavior.

6. Federal Justice Council: A staff proposal is near completion which calls for a tripartite Federal Justice Council to serve as a forum for discussion of court-related problems.

7. Bureau of Justice Statistics: A proposal for centralized collection and analysis of civil and criminal justice statistics is being reviewed by the Attorney General.

8. Circuit Judge Nominating Commission: This Commission, established by the President in February, is composed of 13 nominating panels for selection of judges for the Circuit Courts of Appeals. Nine panels already have been announced.

THE WHITE HOUSE
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
<input checked="" type="checkbox"/>	MOORE
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<input type="checkbox"/>	JAGODA
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<input type="checkbox"/>	SCHULTZE
<input type="checkbox"/>	SIEGEL
<input type="checkbox"/>	SMITH
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	WELLS
<input type="checkbox"/>	VOORDE

THE WHITE HOUSE
WASHINGTON

J une 30, 1977

Frank Moore -

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

Rick Hutcheson

Re: Letter from Senator Jackson
re: Jackson-Vanik Amendment

THE PRESIDENT HAS SEEN.

United States Senate

WASHINGTON, D.C. 20510

June 17, 1977

*I called Scoop
J*

The President
The White House
Washington, D. C.

Dear Mr. President:

You and I have had an opportunity to discuss the uncertainty that exists within the American Jewish Community toward your Administration. Thus I was astonished to read remarks by the Secretary of State who commented on Section 402 (Jackson-Vanik Amendment) of the Trade Act of 1974 as follows: "However, I would hope that in time this [to have that amendment removed] could be done."

Just this past Tuesday, June 14 I addressed the National Conference on Soviet Jewry with remarks that commended you for the position of the Administration on human rights in general and the implementation of the Jackson amendment in particular. Obviously I cannot be effective in reassuring the American Jewish community, in urging them to place confidence in your Administration if a long-standing position of the Administration is reversed abruptly in an ill-timed and ill-advised remark by the Secretary of State.

Indications that, even in the future, the Administration might seek the removal of the Jackson amendment to the Trade Act can only encourage the Soviets to conclude that they need not comply with American law in order to receive the trade concessions they seek from us. You will recall that the last Administration began to speak of repeal of the amendment within days of its enactment, despite the fact that it passed the Senate by a vote of 88-0 and the House by a 4 to 1 margin. That posture virtually assured that the Soviets would continue to repress those wishing to emigrate. It would be a tragic disappointment if this Administration were to follow its predecessor.

For myself, I will continue to have confidence in your letter to me of September 29, 1976. I am pleased to note that you have stood by those understandings that we have been able to achieve on a variety of issues and I look forward to a continuing relationship of trust and confidence. I am proud of your landmark effort on behalf of international human rights.

**Electrostatic Copy Made
for Preservation Purposes**

The President

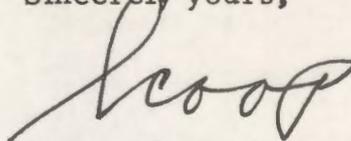
Page Two

June 17, 1977

I would be most grateful if you could clarify the position of the Administration on this issue in a way that would assure that the Soviets are not misled into believing that trade concessions will flow despite their failure to meet the requirements of Section 402 or that they can anticipate support by the Administration for the repeal of Section 402.

I am enclosing a copy of my speech of last Tuesday.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "H. M. Jackson", written in a cursive style.

Henry M. Jackson, U.S.S.

news from:

senator henry m. jackson

Brian Corcoran, Press Secretary, 202-224-3441

FOR IMMEDIATE RELEASE

HUMAN RIGHTS AND THE JACKSON-VANIK AMENDMENT

Remarks by Senator Henry M. Jackson

Congressional Forum, National Conference on Soviet Jewry
Tuesday, June 14, 9:00 A.M.

International Inn, Washington, D.C.

In the area of the defense of human rights the new Administration has departed markedly from its predecessor. Those of us in the Congress who have labored long and hard on behalf of the rights of men and women everywhere to those basic liberties set forth in the Universal Declaration of Human Rights are gratified by the new American emphasis on these matters.

As a people we have been committed to human rights all along. But as a government we were too often too timid to speak out.

I believe that the Jackson amendment tying trade concessions to freer emigration from the Soviet Union and Eastern Europe is no longer an island in a sea of indifference on human rights. I am proud that the Congress took the lead in enshrining, as part of our public law, this commitment to that most fundamental of human rights, the right to emigrate to the country of one's choice.

The Congress has particularly emphasized this right to free emigration because the freedom to leave a country is the traditional final lifeline for victims of racial, religious, and political persecution. I remind you that the Senate made the Jackson-Vanik amendment the law of the land in the Trade Act of 1974 by a vote of 88 to 0. The amendment applies to Jews and Gentiles, without

discrimination on the basis of race, religion, or national origin. The fact is that tens of thousands of people -- Jews and non-Jews alike -- have escaped from persecution and repression because of the amendment.

I want to commend President Carter for his commitment to implement the Jackson amendment. He wrote me on September 29, 1976:

"I share your deep concern over the protection of human rights and freedom of emigration in the Soviet Union and throughout the world. The legislation which you co-authored, which is now the law of the land and which is aimed at securing those rights, will be effectively implemented by a Carter-Mondale Administration. As the platform of our Party makes clear, 'America must take a firm stand to support and implement existing U.S. law to bring about liberalization of emigration policy in countries which limit or prohibit free emigration'."

* * * *

Now as before there are great pressures to weaken our resolve -- to water down the Jackson amendment. Business groups who seek to profit from government-subsidized sales to the Soviets call for its repeal. The Soviets never miss an opportunity to argue that the amendment is "unwarranted interference in Soviet internal affairs." This is, of course, nonsense.

The truth is that the governments of the world have made the right to emigrate a matter of justified international concern and of recognized international responsibility. Article 13 of the Declaration of Human Rights -- adopted without opposition in 1948 -- affirms the right to leave any country, including one's own. That declaration was reaffirmed in the International Convention on the Elimination of All Forms of Racial Discrimination of 1965 and the International Covenant on Civil and Political Rights of 1966, each of which was ratified by the Soviet Union. Most recently, in the Helsinki Final Act, the 35 signatories, including the Soviet Union, agreed to act in conformity with

the Universal Declaration of Human Rights.

In supporting the Jackson-Vanik amendment for freer emigration we have international law on our side.

We simply ask the Soviet government to take seriously the right to free emigration established in international accords and conventions to which it is itself a party.

We are saying: if the Soviets and other Eastern bloc countries want U.S. trade concessions and special subsidies, they will have to moderate their restrictive policies on the emigration of their citizens and move substantially to respect the obligations on freer emigration which they have subscribed to in solemn international agreements.

This is no time for a weak backbone or ambiguous declarations or unilateral concessions. It is a time for all of us to keep cool. We have to demonstrate the will to stay the course. When we embarked on this historic effort 5 years ago we knew that the road was long and hard. And so it remains. But we have taken a great first step. Our course is right and our will must remain strong.

I am convinced that as the Soviets face mounting economic problems, and a massive liquidity problem in their foreign borrowings, they will eventually decide that it is better to loosen their emigration policies than to continue the stalemate on trade and credits.

* * * *

Meanwhile, the Soviets are testing President Carter -- and they are testing the Congress -- and they are testing the American people -- with their preposterous imprisonment of the Helsinki group members -- including Alexandr Ginzburg, Professor Yuri Orlov and Anatoly Shcharansky.

These human rights defenders have been exercising their internationally affirmed right to freedom of opinion and expression, informing the government signatories to the Helsinki Agreement, as well as the public at large, of cases of flagrant violation of the human rights articles. The Soviet authorities hear this criticism and comment, and they hope to have it silenced before the Belgrade meeting gives the truth a world audience.

Today, in your presence, I want to protest again the arbitrary arrest of the Helsinki group members. Soviet citizens must be free to monitor the observance of the humanitarian articles of the Helsinki accords. President Carter must convey this message to Secretary Brezhnev, and our delegation must take it to Belgrade.

Secretary Brezhnev himself signed the Helsinki Agreement, and that agreement affirms the obligation to respect freedom of opinion and expression.

Precisely in the name of this freely accepted international obligation, we call upon Secretary Brezhnev to release Anatoly Shcharansky and his heroic human rights colleagues, and permit them to exercise their elementary rights.

THE WHITE HOUSE
WASHINGTON

June 30, 1977

Stu Eizenstat
Bert Lance
Jody Powell

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

Rick Hutcheson

Re: Attorney Inventory



THE PRESIDENT HAS SEEN.

Office of the Attorney General
Washington, D. C. 20530

June 13, 1977

cc. Stu
Bert
Jody
J

MEMORANDUM FOR: The President
FROM: Griffin B. Bell
Attorney General
SUBJECT: Attorney Inventory.

The inventory of lawyers in the Federal government has been completed. Copies of the inventory, which fills three volumes and several thousand pages, have been submitted to the Reorganization Project in OMB and to Bob Lipshutz.

The attached tables summarize some of the data in the inventory. Two points deserve note:

(1) A lawyer, for purposes of this inventory, was defined as a person holding a law degree and performing "lawyer-like functions," e.g., litigating, preparing legal memoranda, giving legal advice, and drafting statutes, rules, or regulations. Persons holding law degrees and not performing lawyer-like functions, e.g., special agents of the FBI, were not included in the inventory.

(2) Many of the lawyers in the Department of Defense, perhaps as many as two-thirds, are uniformed. I have been informed that little, if any, distinction exists between the functions performed by uniformed and civilian attorneys in the Department.

Please let me know if you desire further information on this subject.

Griffin B. Bell

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Presidential Request for Inventory of Lawyers

AN OVERVIEW

The Justice Department survey of lawyers in the Federal Government includes data from all of the 65 Offices, Departments and Agencies which were requested to supply information. Of the approximately 4,555,398 persons employed by these 65 agencies, about 19,426, or less than one half of one percent, are attorneys. (Total employment for the CIA is not included in the employment count; the number of attorneys is.)

The attached charts display a breakdown of these attorney positions according to the GS categories suggested by Justice. It should be noted that the classification "General Attorney" includes everyone from the Attorney General of the United States to the most recent law school graduate hired as an attorney. It also includes the ungraded U.S. Attorneys and Assistant U.S. Attorneys for the purposes of this survey. The Justice Department model did not include any types of paralegal positions, so those are not included here. The survey did not request information on the number of lawyers working in the Federal Government who do not occupy attorney positions or who do not perform attorney-like functions.

It appears that those organizational elements with the greatest numbers of attorneys generally do not have a high proportion of attorneys in relation to their total employment. The organizations with the highest ratio of attorneys to non-attorneys tend to be the smaller regulatory agencies or commissions or those whose primary functions are adjudicating claims. This is apparent on Tables II and III which rank the organizations by total numbers of attorneys and by percent of attorneys in the organization.

ATTORNEYS IN THE FEDERAL GOVERNMENT

OFFICE DEPARTMENT OR AGENCY	Law Clerk	General Attorneys	Admin. Law Judge	Patent	Other	Total Attorneys	Total Employment	Percent Attorneys
Office of Management and Budget		7				7	643	1
Central Intelligence Agency		39				39	classified	less than
Special Representative for Trade Negotiations		5				5	111	5
Council on Environmental Quality		4				4	48	8
Office of Telecommunications Policy		2				2	44	7
Agriculture		214	5		(1) GS-110	220	81,352	0.3
Commerce	2	216	3		(9)GS-1220	242	29,451	0.8
Defense		222				5,247	3,070,039	0.1
Air Force		1,274				1,274	838,838	
Army		2,330				2,330	1,223,000	
Navy		1,421				1,421		
Health, Education and Welfare		659	626			1,285	140,419	0.9
Housing and Urban Development		325	1			326	14,876	2
Interior	12	256				268	77,339	0.3
Justice		3,608				3,608	51,322	7
Labor		431	59			490	15,496	3
State		155				155	27,783	0.5
Transportation		278	13			291	73,379	0.3
Treasury		1,224				1,224	110,000	1
ACTION		8			Foreign (1) Service	9	2,014	0.4
Administrative Conference of the United States		8				8	16	50
Civil Aeronautics Board		86	17			103	788	13
Commission on Civil Rights		26				26	261	10
Commodity Futures Trading Commission		63	3			66	443	15
Community Services Administration		29				29	945	3
Consumer Product Safety Commission	1	48	1			50	858	6
Energy Research and Development Administration								
Environmental Protection Agency	11	261	7	1	(6) consultants	286	11,273	3
Equal Employment Opportunity Commission		322				322	2,429	13

TABLE 1

OFFICE DEPARTMENT OR AGENCY	Law Clerk	General Attorneys	Admn. Law Judge	Patent	Other	Total Attorneys	Total Employment	Percent Attorneys
Export-Import Bank		19				19	424	4
Farm Credit Administration		4				4	231	2
Federal Communications Commission	1	328	12			341	2,027	17
Federal Deposit Insurance Corporation	8	53				61	2,869	2
Federal Election Commission		19				19	197	2
Federal Energy Administration	26	152				178	3,590	5
Federal Home Loan Bank Board		54				54	1,443	4
Federal Maritime Commission		39	7		(1)GS-309/(4)GS-1340	52	299	17
Federal Mediation and Conciliation Service		2				2	544	0.3
Federal Power Commission	6	111	20			137	1,370	10
Federal Reserve System		65				65	1,523	4
Federal Trade Commission		566	13			579	1,668	35
Foreign Claims Settlement Commission		5				5	20	25
General Services Administration	13	117				130	34,614	0.4
Indian Claims Commission		25			(1)GS-986		44	59
Interstate Commerce Commission		308	60			368	2,078	18
National Aeronautics and Space Administration	1	59		30	(1)GS-1101	91	23,880	0.3
National Credit Union Administration		8				8	585	1
National Endowment for the Arts and Humanities		4				4	398	1
National Labor Relations Board		872	91			963	2,747	35
National Mediation Board		1				1	73	1
National Science Foundation		11				11	1,235	1
National Transportation Safety Board		7	6			13	325	4
Nuclear Regulatory Commission		98				98	2,459	4
Occupational Safety and Health Review Commission		45	44			89	181	49
Overseas Private Investment Corporation		12				12	127	9
Pension Benefit Guaranty Corporation		28				28	392	7
Postal Rate Commission		16	1			17	77	22

OFFICE, DEPARTMENT OR AGENCY	Law Clerk	General Attorneys	Admin. Law Judge	Patent	Other	Total Attorneys	Total Employment	Percent Attorneys
Railroad Retirement Board		17				17	1,880	1
Renegotiation Board		9				9	175	5
Securities and Exchange Commission		604	9			613	1,904	32
Selective Service System		1				1	74	1
Small Business Administration		191				191	4,330	4
U.S. Arms Control and Disarmament Agency		6				6	179	3
U.S. Civil Service Commission		178	1		(1)GS-301	180	6,687	3
U.S. Information Agency	1	7				8	8,797	1
U.S. International Trade Commission		23	1		(6)GS-301	30	359	8
U.S. Postal Service		103	3			106	540,143	0.1
Veterans Administration		578				578	194,121	0.3
TOTAL OFFICES, DEPARTMENTS, & AGENCIES	82	18,266	1,003	43	32	19,426	4,555,398	0.4

Executive Offices	0	57	0	0	0	57	846*	7
Departments	12	7,150	704	0	1	7,867	3,662,005	0.2
Agencies	70	11,059	299	43	31	11,502	892,547	1

*Central Intelligence Agency is not included in total employment.

ATTORNEYS IN THE FEDERAL GOVERNMENT
RANKED BY NUMBER OF ATTORNEYS
IN OFFICES, DEPARTMENTS AND AGENCIES

	No. of Attys.	% of Total Employment
Department of Defense	5,247	0.4
Department of Justice	3,608	7
Department of Health, Education and Welfare	1,285	0.9
Department of Treasury	1,224	1
National Labor Relations Board	963	35
Securities and Exchange Commission	613	32
Federal Trade Commission	579	35
Veterans Administration	578	0.3
Department of Labor	490	3
Interstate Commerce Commission	368	18
Federal Communications Commission	341	17
Department of Housing & Urban Development	326	2
Equal Employment Opportunity Commission	322	13
Department of Transportation	291	0.3
Environmental Protection Agency	286	3
Department of Interior	268	0.3
Department of Commerce	242	0.8
Department of Agriculture	220	0.3
Small Business Administration	191	4
U.S. Civil Service Commission	180	3
Federal Energy Administration	178	5
Department of State	155	0.5
Federal Power Commission	137	10

TABLE II

ATTORNEYS IN THE FEDERAL GOVERNMENT
RANKED BY NUMBER OF ATTORNEYS
IN OFFICES, DEPARTMENTS AND AGENCIES

	No. of Attys.	% of Total Employment
General Services Administration	130	0.4
U.S. Postal Service	106	0.1
Civil Aeronautics Board	103	13
Nuclear Regulatory Commission	98	4
National Aeronautics & Space Administration	91	0.3
Occupational Safety & Health Review Commission	89	49
Commodity Futures Trading Commission	66	15
Federal Reserve System	65	4
Federal Deposit Insurance Corporation	61	2
Federal Home Loan Bank Board	54	4
Federal Maritime Commission	52	17
Consumer Product Safety	50	6
Central Intelligence Agency	39	
U.S. International Trade Commission	30	8
Community Services Administration	29	3
Pension Benefit Guaranty Corporation	28	7
Commission on Civil Rights	26	10
Indian Claims Commission	26	59
Export-Import Bank	19	4
Federal Election Commission	19	2
Postal Rate Commission	17	22
Railroad Retirement Board	17	1
National Transportation Safety Board	13	4
Overseas Private Investment Corporation	12	9
National Science Foundation	11	1

ATTORNEYS IN THE FEDERAL GOVERNMENT
RANKED BY NUMBER OF ATTORNEYS
IN OFFICES, DEPARTMENTS AND AGENCIES

	<u>No. of Attys.</u>	<u>% of Total Employment</u>
ACTION	9	0.4
Renegotiation Board	9	5
National Credit Union Administration	8	1
Administrative Conference of the U.S.	8	50
U.S. Information Agency	8	0.1
Office of Management and Budget	7	1
U.S. Arms Control & Disarmament Agency	6	3
Foreign Claims Settlement Commission	5	25
Special Representative for Trade Negotiations	5	5
Farm Credit Administration	4	2
Council on Environmental Quality	4	8
National Foundation for the Arts & Humanities	4	1
Office of Telecommunications Policy	2	7
Federal Mediation & Conciliation Service	2	0.3
National Mediation Board	1	1
Selective Service System	1	1
 TOTALS	 19,426	 0.4

ATTORNEYS IN THE FEDERAL GOVERNMENT
RANKED BY PERCENT OF TOTAL EMPLOYMENT
IN OFFICES, DEPARTMENTS AND AGENCIES

	<u>Percentage</u>	<u>Number of Attorneys</u>
Indian Claims Commission	59	26
Administrative Conference of the U.S.	50	8
Occupational Safety and Health Review Commission	49	89
National Labor Relations Board	35	963
Federal Trade Commission	35	579
Securities and Exchange Commission	32	613
Foreign Claims Settlement Commission	25	5
Postal Rate Commission	22	17
Interstate Commerce Commission	18	368
Federal Maritime Commission	17	52
Federal Communications Commission	17	341
Commodity Futures Trading Commission	15	66
Civil Aeronautics Board	13	103
Equal Employment Opportunity Commission	13	322
Commission on Civil Rights	10	26
Federal Power Commission	10	137
Overseas Private Investment Corporation	9	12
U.S. International Trade Commission	8	30
Council on Environmental Quality	8	4
Pension Benefit Guaranty Corporation	7	28
Department of Justice	7	3,608
Office of Telecommunications Policy	7	2
Consumer Product Safety Commission	6	50
Renegotiation Board	5	9
Special Representative for Trade Negotiations	5	5

ATTORNEYS IN THE FEDERAL GOVERNMENT
RANKED BY PERCENT OF TOTAL EMPLOYMENT
IN OFFICES, DEPARTMENTS AND AGENCIES

	<u>Percentage</u>	<u>Number of Attorneys</u>
Federal Energy Administration	5	178
Small Business Administration	4	191
Federal Home Loan Bank Board	4	54
Federal Reserve System	4	65
National Transportation Safety Board	4	13
Nuclear Regulatory Commission	4	98
Export-Import Bank	4	19
Department of Labor	3	490
U.S. Civil Service Commission	3	180
Environmental Protection Agency	3	286
Community Services Administration	3	29
U.S. Arms Control and Disarmament Agency	3	6
Department of Housing and Urban Development	2	326
Federal Deposit Insurance Corporation	2	61
Farm Credit Administration	2	4
Federal Election Commission	2	19
National Mediation Board	1	1
National Credit Union Administration	1	8
Office of Management and Budget	1	7
Department of Treasury	1	1,224
Selective Service System	1	1
Railroad Retirement Board	1	17
National Foundation for the Arts and Humanities	1	4

ATTORNEYS IN THE FEDERAL GOVERNMENT
RANKED BY PERCENT OF TOTAL EMPLOYMENT
IN OFFICES, DEPARTMENTS AND AGENCIES

	<u>Percentage</u>	<u>Number of Attorneys</u>
National Science Foundation	1	11
Department of Health, Education and Welfare	0.9	1,285
Department of Commerce	0.8	242
Department of State	0.5	155
Department of Defense	0.4	5,247
General Services Administration	0.4	130
ACTION	0.4	9
Federal Mediation and Conciliation Service	0.3	2
National Aeronautics and Space Administration	0.3	91
Department of Interior	0.3	268
Veterans Administration	0.3	578
Department of Transportation	0.3	291
Department of Agriculture	0.3	220
U.S. Postal Service	0.1	106
U.S. Information Agency	0.1	8
Central Intelligence Agency		39
TOTALS	0.4	19,426

THE WHITE HOUSE
WASHINGTON

June 25, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz

BJL

Attached is the "Attorney Inventory" report to you from the Attorney General.

The Attorney General delivered to me one of the three complete sets of this inventory and it has given me an opportunity to fill up a large void on my office bookshelves!

1150 AM

~~THE PRESIDENT HAS BEEN.~~

THE WHITE HOUSE
WASHINGTON

June 29, 1977

MEETING WITH JUDGE HARLINGTON WOOD
CANDIDATE FOR FBI DIRECTOR

Thursday, June 30, 1977
11:50 a. m. (10 minutes)
The Oval Office

From: Mary Lawton, U. S. Department of Justice
and Robert J. Lipshutz *RJL*

I. PURPOSE

The interviews with the five individuals recommended by the Committee on Selection of the Director of the FBI have been scheduled to begin on June 30. Judge Harlington Wood of the United States Court of Appeals for the Fifth Circuit has been scheduled first. He will meet with Attorney General Bell earlier on the 30th for an extensive interview and will then meet briefly with you.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background: Judge Wood is the only Republican on the list. Prior to his appointment to the U. S. Court of Appeals he served briefly on the U. S. District Court. He was appointed to the bench from the position of Assistant Attorney General in charge of the Civil Division in the Department of Justice where he had previously served in two high positions upon appointment of the Attorney General. He served as United States Attorney in Springfield, Illinois, during the Eisenhower Administration. Judge Wood, at 57, is the oldest of the five individuals on the list and holds the highest ranking position of the five, at this time. At your meeting with Irving Shapiro he ranked Judge Wood as his first choice among the five on the list. A copy of Judge Wood's resume is attached to this briefing paper.

X

B. Participants:

Judge Harlington Wood
The Vice President

- C. Press Plan: Due to the short time available for you to talk with Judge Wood, no press or photographers have been scheduled for this meeting.

HARLINGTON ALANCIN WOOD, JR.
Judge
United States Court of Appeals, 7th Circuit

AGE: - 57 - born April 17, 1920
at Springfield, Illinois

RESIDENCE ADDRESS: - 421 Rosewood Avenue
Winnetka, Illinois 60093
Telephone: (312) 446-5541

BUSINESS ADDRESS: - Dirksen Federal Building
219 South Dearborn Street
Chicago, Illinois 60604
Telephone: (312) 435-5820

EDUCATION

<u>School</u>	<u>Years</u>	<u>Degree</u>
University of Illinois	1938-1942	A.B.
University of Illinois	1946-1949	J.D.
U. S. Army Command and General Staff School	1943	-

MILITARY SERVICE

<u>School</u>	<u>Years</u>	<u>Grade</u>
U. S. Army Air Corp.	1942-1943	-
U. S. Army	1943-1946	Major
U. S. Army Reserve	1946-1961	Major

EMPLOYMENT

<u>Agency</u>	<u>Location</u>	<u>Dates</u>	<u>Duties</u>
Self-employed	Springfield, IL	1948-1949	Engaged in a general law practice.
Wood & Wood	Springfield, IL	1949-1958	In partnership with his father in general law practice.
Governor of Illinois	Springfield, IL	1952	Served as legal advisor to the Governor; analyzed bills and made recommendations.
State of Illinois	Springfield, IL	1954-1958	Special Assistant Attorney General - tried land condemnation cases.
U. S. Government	Springfield, IL	1958-1961	U. S. Attorney for Southern District of Illinois - directed all Federal prosecutions and managed all civil matters in the district.
Wood & Wood	Springfield, IL	1961-1969	Rejoined his father in partnership, this time specializing in criminal defense work.
Illinois Election Law Commission	Springfield, IL	1965-1969	Minority Council - drafted legislation.
Republican National Committee	Washington, DC	Three months in 1964	Staff worker on "ballot security," training party workers how to prevent vote fraud.
Department of Justice	Washington, DC	1/69-11/70	Director, Executive Office for U. S. Attorneys - responsible for screening candidates for 93 offices, training, budget preparation, and office management.

EMPLOYMENT CONTINUED

<u>Agency</u>	<u>Location</u>	<u>Dates</u>	<u>Duties</u>
Department of Justice	Washington, DC	11/70-7/72	Administrative Assistant to the Deputy Attorney General - Assisted in administering the various U. S. Attorney's offices; liaison with other government agencies; provided testimony before Congress; liaison with State Attorneys General.
Department of Justice	Washington, DC	5/72-7/73	Acting Assistant Attorney General, Civil Division - Directed activities of 240 attorneys and 230 administrative persons in the handling of a case load of 26,000 matters. Personally handled special projects including the Indian occupation of Alcatraz, the negotiations protestors holding an island off Puerto Rico, the Indian uprising at Wounded Knee, South Dakota, and negotiations with the "March on Washington" protest groups.
U. S. Government	Springfield, IL	8/73-5/76	District Judge - Southern District of Illinois; tried civil and criminal cases.
U. S. Government	Chicago, IL	5/76 to Present	Circuit Judge - 7th Circuit; hears appeals from several state area; prepares written opinions.

PROFESSIONAL AND
CIVIC ASSOCIATIONS:

American Bar Association
Illinois Bar Association
Sangamon County Bar Association
Formerly a member of the Federal Bar Association,
National District Attorneys Association,
American Trial Lawyers Association, and
"World Peace Through Law."
Vice President of the Abraham Lincoln Association
Member, Illinois Committee of the National
Committee on Crime and Delinquency (1968-1970)
Board of Directors, Springfield Urban
League (1966-1969).

WRITINGS:

None

POLICE RECORD:

None

THE WHITE HOUSE

WASHINGTON

June 30, 1977

The Vice President
Stu Eizenstat
Hamilton Jordan
Frank Moore
Jody Powell
Jack Watson
Bert Lance

Re: Postal Policy

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

The original letter has been given to Bob Linder for appropriate handling.

Rick Hutcheson

P. S. Please note revised letter.

THE WHITE HOUSE
WASHINGTON

*Note
revised
letter*

ACTION	FYI
<input checked="" type="checkbox"/>	MONDALE
<input type="checkbox"/>	COSTANZA
<input checked="" type="checkbox"/>	EIZENSTAT
<input checked="" type="checkbox"/>	JORDAN
<input type="checkbox"/>	LIPSHUTZ
<input checked="" type="checkbox"/>	MOORE
<input checked="" type="checkbox"/>	POWELL
<input checked="" type="checkbox"/>	WATSON

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	GAMMILL
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<input type="checkbox"/>	HOYT
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	KING

<input type="checkbox"/>	KRAFT
<input checked="" type="checkbox"/>	LANCE
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	B. RAINWATER
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	SCHULTZE
<input type="checkbox"/>	SIEGEL
<input type="checkbox"/>	SMITH
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	WELLS
<input type="checkbox"/>	VOORDE

175011
THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

Electrostatic Copy Made
for Preservation Purposes

June 29, 1977

MEETING WITH REP. JAMES HANLEY

Thursday, June 30, 1977
1:45 p.m. (15 minutes)
The Oval Office

From: Stu Eizenstat *Stu*
Bob Malson

*Susan -
Retyped the
Stu
(attached)*

I. PURPOSE

Rep. Hanley is the Chairman of one of the two key Postal Subcommittees in the House. The hearings on his bill for postal reform have been postponed until mid-July in order to allow time for you to develop your postal policy.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Chairman Hanley (along with Rep. Charles Wilson) have introduced a bill containing various postal reform measures including: (1) Congressional veto over postage rates with shortages to be covered by appropriations; (2) Continuing the public service subsidies scheduled to be phased out in 1979; (3) Continuing six-day delivery; (4) Continuing the operation of rural post offices; and (5) Abolition of the Board of Governors and having the Postmaster General appointed by the President.

B. Participants: Frank Moore, Stu Eizenstat, Bob Malson

C. Press Plan: White House photographer only.

III. TALKING POINTS

A. The Postal Service now receives only 10% of its budget (\$1.7 billion out of \$17 billion) from appropriations. It is the Federal service that will be your greatest asset in balancing the budget by 1981.

B. A reduced first-class postage rate for consumers (See attached memorandum).

C. Whether or not it makes sense to bring the Postmaster General back under the President at this time.

THE WHITE HOUSE

WASHINGTON

June 29, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT
W. BOWMAN CUTLER

SUBJECT: POSTAL POLICY

There are two matters of concern in the postal area which we would like to bring to your attention:

- o Your relationship and involvement in postal matters given certain statutory limitations;
- o A proposal by the Postmaster General to grant rate relief to the general public through the creation of a discounted first-class stamp for use by consumers.

Presidential relationship to the U.S. Postal Service

The Postmaster General has indicated on several occasions recently that he is considering implementing specific postal cost reductions in the near future. These reductions would likely include the following:

- o A five day delivery week;
- o The closing of small post offices.

Recent discussions on postal policy have raised the question as to the extent you wish to become involved in taking positions on these and other postal policy plans.

The 1970 Postal Reorganization Act created a quasi-independent government-owned corporation which was to have exclusive control over management decisions. The Board of Governors consists of nine presidentially appointed members plus the Postmaster General and Deputy Postmaster General. (The presidential appointees select the Postmaster General and the Deputy.) The eleven members of the Board exercise the power of the Postal Service and are authorized

to use revenue from mail and services, borrowings, and Federal appropriations to finance postal operations and capital expenses. Only the Federal subsidy levels, set by formula to cover liabilities of the former Post Office Department, public service costs, and revenue forgone for carrying certain classes of mail at free and reduced rates, are submitted annually to OMB for your approval. The 1978 Budget includes \$1.7 billion for these purposes while the total Postal Service budget for 1978 is estimated at \$16.6 billion. Thus, existing legislation sharply limits your control over the postal budget. Your taking a position on major postal policy questions would be likely to have significant influence with postal officials, but final decisions rest with the Board of Governors.

Rate relief for consumers

The Postmaster General is scheduled to submit his overall proposal for a rate increase to the Board on July 6. Under the proposal, the rate for first class mail would increase from 13¢ to 16¢.

If you wish, the Postmaster General will request that the Board of Governors file for a different first-class rate -- 16¢ for a first-class stamp with six day delivery and a new discounted first-class postage rate of 2 stamps for 25¢ (12½¢ each) for use by consumers only and not by businesses.

- o Postmaster General Bailar does not choose to seek the consumer rate on his own because he believes that his charter, the Postal Reorganization Act, gives him a more restricted range of policy options than is available to elected officials.
- o This memorandum was delayed one week in order to allow time for postal officials to meet with our staffs to review the Postal Service's anticipated expenditures, income sources and safeguards against cross-rate and intra-rate subsidies. Cross-rate subsidies are in violation of the PRA. Intra-rate subsidies should be avoided whenever possible in order to minimize opposition by those who might feel that they were bearing an unfair share of the overall costs.

- o The Postal Service has assured us that there would be no cross-rate subsidy and no intra-rate subsidy as well. There would have to be a continuing assessment of the cost picture by the Postal Service to hold down costs.
- o In our judgment, the Postal Service has offered you a dividend for the public. As a bonus, the Postal Service claims that business users would not subsidize the new rate. The anticipated first-class postage rate would be 16¢ for 6 day delivery without the consumer stamp.

The consumer stamp would not require additional Federal subsidies. Postal officials estimate that existing procedures for estimating rates up to the nearest whole number or tenth of a cent would result in an annual revenue surplus of \$300 million. For example, these officials indicate that cost allocation calculations for the next rate filing require a 15.6 cent first class rate. If rates are set at 16¢, a \$300 million surplus results. If consumers are given the benefit of this surplus, the consumer stamp can be sold for 12½¢.

The Postal Service's primary aim in proposing the rate break for the general public is to create a calmer, more cautious atmosphere in the Congress and in the public for discussions on the nature and desirability of any new legislation. The Postmaster General realizes that strong sentiment exists in the Congress for bringing the Service back under the control of the Congress and the President. He also feels that you might be receptive to this plan which would bring rate relief to the public which generates only 20% of the first-class mail but the 95% of the complaints and pressure for postal reform. In addition, the plan would not require additional funds from the Federal treasury.

We believe the plan has merit. However, we also feel that you should be aware that a precedent will be set by your involvement, albeit only an endorsement on behalf of the public. This may invite other classes of mail users, particularly those in the private sector dissatisfied with their rate levels, to seek your intervention in their behalf despite the fact that the 1978 Budget includes \$711 million in subsidy for various mailers.

The pros and cons of your agreeing to the Postmaster General's proposal for rate relief are summarized below:

Pros and Cons of Presidential Involvement

Pros

- o By adopting the consumer stamp, the Congress may not be subjected to as much pressure from the public and private sectors to finding quick, short-term legislative solution to postal problems -- e.g., more Federal subsidy.
- o By adopting the consumer stamp, the President would be able to support rate relief for the public without requesting additional funds from the Treasury to support this relief.
- o By adopting the consumer stamp, the public may be more receptive to reasonable service changes and efforts to reduce costs as long as reliable dependable service is maintained.
- o By adopting the consumer stamp, the public would be less sympathetic to any excessive demands of the postal labor workforce during the 1978 collective bargaining negotiations.

Cons

- o By endorsing the consumer stamp, a precedent will be set by Presidential involvement, although only through endorsement, in the postal rate process. This may invite other mail users, dissatisfied with postal rate levels, to seek future intervention by the President.
- o By endorsing the consumer stamp, although subsidized through revenue foregone provisions of the Reorganization Act, some second, third, and fourth class mail users will not view the consumer any more deserving a rate break than themselves, and therefore voice strong opposition. Some may consider the consumer less deserving, since a significant portion of postal costs are benefits to the mail recipients -- e.g., door-to-door service.
- o By endorsing the consumer stamp, the relief may be shortlived, if the 1978 labor negotiations result in high wage increases for postal employees.

- o By endorsing the consumer stamp, the Postal Service may have difficulties enforcing this program, since it would be largely self-enforcing. (The Postal Service would require that the consumer have a residential return address on the envelope. The stamps would be sold in books of 8 for \$1.00 with a per person limitation of 3 books.)

We recommend that you support the Postmaster General's proposal but only with a commitment from the Postal Service to consider cost reducing measures which do not result in sacrificing reasonable service levels.

Decision:

Approve _____ (Recommended -- letter attached)

Disapprove _____

Discuss with me _____

White House / OMB Action

With your approval, we will work together with postal officials on the details of carrying out the consumer stamp proposal. A general memorandum discussing overall postal problems and emerging issues and legislation will follow.

THE WHITE HOUSE

WASHINGTON

June 30, 1977

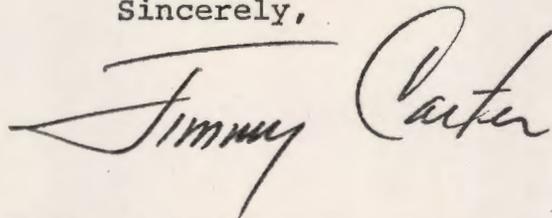
To Postmaster General Benjamin Bailar

At our meeting earlier this month you indicated that you expected to ask the Governors' approval to file for a rate increase as soon as possible. In evaluating the Postal Service's present situation and given my perceptions of the desires and concerns of the American people, I believe that as a matter of national policy it would be in the public interest to pursue the concept of a citizen rate first-class postage for use by consumers. I understand that it might be possible to have a lower rate of postage to use in such correspondence.

I also understand that the consumer stamp would not be used by businesses in their outgoing mail but could be used by consumers in corresponding with businesses.

If you believe this concept appears feasible and is consistent with the intent of the Postal Reorganization Act including your efforts to control costs, I would appreciate it if you would brief Stu Eizenstat and Bert Lance on the details.

Sincerely,

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

The Honorable Benjamin F. Bailar
The Postmaster General
United States Postal Service
Washington, D.C. 20260

THE WHITE HOUSE
WASHINGTON

To Benjamin F. Bailar

At our meeting earlier this month you indicated that you expected to ask the Governors' approval to file for a rate increase as soon as possible. In evaluating the Postal Service's present situation and given my perceptions of the desires and concerns of the American people, I believe that as a matter of national policy it would be in the public interest to pursue the concept of a citizen rate first-class postage for use by consumers. I understand that it might be possible to have a lower rate of postage to use in paying bills, sending greeting cards, and in general correspondence with families and friends.

I also understand that the consumer stamp would not be used by businesses in their outgoing mail but could be used by consumers in corresponding with businesses.

If you believe this concept appears feasible and is consistent with the intent of the Postal Reorganization Act including your efforts to control costs, I would appreciate it if you would brief Stu Eizenstat and Bert Lance on the details.

Sincerely,

Honorable Benjamin F. Bailar
Postmaster General
United States Postal Service
Washington, D.C. 20260

THE WHITE HOUSE

WASHINGTON

Date: June 30, 1977

MEMORANDUM

FOR ACTION:

Hamilton Jordan
Bob Lipshutz
Frank Moore
Jack Watson *nc*

FOR INFORMATION:

The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Eizenstat/Cutter's memo 6/29/77 re Postal Policy

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

TIME:

IMMEDIATE

DAY:

TURNAROUND

DATE:

ACTION REQUESTED:

Your comments

Other:

NOTE: This goes to the President at 11:00 today -- please call in comments by that time -- no extensions.

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

*This goes to The Press at
11:00 today - please
call in comments by that
time - no extensions*

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

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

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

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

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

THE WHITE HOUSE

WASHINGTON

Date: June 30, 1977

MEMORANDUM

FOR ACTION:

Hamilton Jordan
Bob Lipshutz
Frank Moore
Jack Watson

FOR INFORMATION:

The Vice President

HLA
SL

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Eizenstat/Cutter's memo 6/29/77 re Postal Policy

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: IMMEDIATE
DAY: TURNAROUND
DATE:

ACTION REQUESTED:

Your comments

Other:

NOTE: This goes to the President at 11:00 today -- please call in comments by that time -- no extensions.

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.