9:00  Dr. Zbigniew Brzezinski - The Oval Office.

9:30  Meeting with Vice President Walter F. Mondale, Secretary Cyrus Vance, Assistant Secretary Richard Holbrooke, and Dr. Zbigniew Brzezinski. The Cabinet Room.
THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON
July 30, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz

SUBJECT: Nixon Tapes and Materials

Pursuant to the recent ruling of the United States Supreme Court, and the opinion of the Department of Justice, effective July 29, 1977, I have transferred full possession and control of all Presidential historical materials of the Nixon Administration, which have heretofore remained in the custody of the Counsel to the President, to the Administrator of General Services. These materials are stored in the EOB, and the Secret Service will continue to monitor physical protection of the storage areas until such time as the materials have been removed from the EOB.

The Administrator of General Services has assumed full possession and control of these materials.

The only exception to the above are ten boxes of National Security Council materials, to which I am retaining custody, and which shall be transferred to the custody of the Administrator of General Services at a mutually agreed upon date in the future.
The President has seen.
The White House
Washington

7/20/77
China

Mr. President—

It is a pleasure and an honor to work for you—especially today. This is a difficult decision, but without question the right one.

Dick  

Electrostatic Copy Made for Preservation Purposes
THE PRESIDENT HAS SEEN.
THE WHITE HOUSE
WASHINGTON

ADMINISTRATIVELY CONFIDENTIAL

July 30, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: FRANK MOORE
SUBJECT: Weekly Legislative Report

1. ENERGY

House

-- The House will take up general debate on the energy bill on Monday afternoon and will begin amendments Tuesday at 10:00 a.m. At this time it looks like there will be four major issues that will occur as follows:

* Natural Gas Pricing versus Deregulation -- vote Tuesday

* 5¢ Gasoline Tax -- vote will probably be Wednesday, could be late Tuesday

* Crude Oil Equalization Tax -- vote Wednesday. The issues will be our rebates versus 1) plowback, or 2) income tax reduction, or 3) financing social security program

* Business Use Tax -- vote late Wednesday or Thursday

-- With regard to the gasoline tax, the Leadership, Chairmen Ashley, Johnson, and Howard have agreed to a 5¢ tax with 2½¢ earmarked for mass transit and 2½¢ earmarked for non-Interstate system highways including bridges, coal roads and rail highway crossings. The distribution of the tax was designed to gather votes for the amendment from both urban and rural Members. Because of the frequent changes in the amount of the tax and its distribution, there is a question as to our position on this version. A clear statement to Rostenkowski or Howard will be critical in helping passage.

-- On the issue of "plowback" of crude oil equalization tax, Reps. Jones (D-Okla) and Pat Schroeder have a "modest proposal" that is designed to get the principal adopted in the House. If they are successful, Senator Long will have much less problem expanding the concept in the Senate and final conference version. We have expressed our concerns to the House Leadership and they are helping to mobilize a major effort.

-- At the Friday agency congressional liaison meeting we assigned some names of House Members to other CL staffs. They were given fact sheets on the deregulation and plowback issues and asked to contact Members of their choosing off our targeted list. We will be using our contacts in coordination with the House whip counts to identify unsuspected problems that may require your personal attention -- a few phone calls.
Senate

Deregulation: The Senate Energy Committee will probably take up the natural gas deregulation issue on Monday. Jim Schlesinger’s office reports that they have made up considerable ground and now have nine votes on our side with the other nine Members favoring deregulation. The issue will probably be presented to the Committee in such a way that we will win on a tie vote: the Committee will be working from our bill and, therefore, a majority vote is required to knock out our provision.

Schlesinger Nomination: On Tuesday the Energy and Natural Resources Committee will hold a hearing on the prospective nomination of Jim Schlesinger to be Secretary of Energy. Chairman Jackson took this unusual step to permit the new Department to have a leader from the outset. Otherwise, the prospective nominee could not be confirmed until September.

2. APPROPRIATIONS

Labor/HEW: The House is scheduled to consider the Labor/HEW Appropriations Conference Report bill on Tuesday, starting at 7:00 p.m. OMB reports the conferees' recommendations total $60.2 BILLION, ostensibly $495 million less than the Administration’s request. However, the conference version of the bill reduces funding for certain entitlement programs -- as did the Senate bill -- which will require subsequent appropriations. Taking this into account, the conference version of the bill is actually about $1.8 BILLION over our request, $355 million over the House bill, and $474 million under the Senate bill.

HEW reports that at the Department's urging, the conferees deleted Senate-passed language from the bill prohibiting the Department from using funds to conduct the Elementary and Secondary Education Survey for school year 1977-1978. However, conferees adopted even more restrictive language in the conference report.

Two language provisions were left in disagreement, thus requiring separate votes in each house:

* Abortion -- the conferees propose reinstatement of language to last year's bill: "None of the funds contained in this act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term."

* Busing -- the House will offer motions to concur in the Senate amendments which prohibit forced busing beyond the school nearest a student's home, including situations involving merging, pairing, or clustering of schools.

Foreign Aid: The filibuster has created problems for the Senate consideration of the bill. Unless the Senate can pass and the conferees can agree on a bill by the close of business Wednesday, the House conferees will have to be reappointed. The rules of the House provide that conferees can only serve for 20 days and that
20-day period expires Wednesday night. If conferees have to be reappointed, there is at least a chance that there will be a movement to instruct the new conferees to insist on the House provisions in conference and, as you know, some of the House provisions are very restrictive in nature. Chairman Inouye discussed this with the Senate Leadership.

DOD Appropriations: The conference on the bill will carry over until next week. Defense reports that, generally, the conferees are acting favorably on the request. They have, however, denied consolidation of helicopter pilot training and will have certain other restrictions on DOD activities in the general provisions section of the bill. DOD reports that on the B-1 decision, the House conferees will not agree to the Senate action on deleting B-1 funding in order to bring the issue before the full House for another vote.

HUD/Independent Agencies: The conference bill is pending in the Senate for resolution of the veterans' discharge issue (Beard amendment).

3. SECOND BUDGET RESOLUTION

-- OMB reports the House Budget Committee adopted the following totals for the second concurrent resolution for 1978:

($) in billions

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1/ Adjusts for the accounting differences for the earned income credit which the House continues to treat as outlays, and for the inclusion of housing for the elderly in the House budget totals.

-- The Committee made no changes in the numbers recommended in the Chairman's mark and most functional totals were adopted by voice vote without much discussion. One of the few issues raised was the level of agriculture spending. While Chairman Giaimo was highly critical of both the Congress and the Administration for the amount of spending that he said would result from the current House version of the farm bill, his recommendation reflected the full cost of the House bill. Several committee members wanted to put in a lower number, but Giaimo opposed this on the grounds that it was futile. The final vote on the resolution was 16 to 8 on strict party lines.
The amounts adopted by the Committee reflect:

* Slightly more pessimistic economic assumptions than in the July Mid-Session Review;
* Completed or anticipated congressional action on appropriation bills, with cuts in defense and international largely offset by increases in domestic programs;
* Congressional Budget Office outlay estimates which are significantly below (perhaps as much as $7 BILLION) our mid-Session estimates;
* Sufficient budget authority to accommodate either the proposed federal fund contribution to social security or a tax increase; and
* Assumed enactment of social security benefit reforms and hospital cost containment proposals effective on April 1, 1978.

The amounts provided by the Committee for energy appear to be substantially below the Mid-Session estimate. The Committee includes no allowance for energy and the amounts assumed for the energy subfunction appear to be almost $1 BILLION below the Mid-Session estimate of budget authority and almost $1-1/2 BILLION below the outlay estimate.

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The Senate Budget Committee will start mark-up on Monday.

4. CONGRESSIONAL PUBLIC FINANCING

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The prospect of getting cloture has diminished somewhat since Senators Hathaway and Morgan voted against us on Friday with no assurance that they will be with us on later votes and since Senator Percy, who will join us on Monday or Tuesday, will leave the country after the Tuesday vote. Senators Cranston and Clark, who are the managers of the bill on the floor, are considering substantive modifications aimed at gaining additional votes.

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At least one of the modifications in a preliminary and very sensitive discussion stage would substantially alter the public financing program as originally conceived. Both you and the Vice President will be asked for guidance on this issue in a subsequent confidential memorandum. In addition to the substantive modifications, the Leadership is considering tactical changes on procedural matters to gain additional support. Chief among these is allowing Senator Packwood an up-or-down vote on his tax credit measure. The Packwood bill would raise the tax credit limits for contributions to Senate campaigns from $50 to $75. Moreover, the bill would allow taxpayers to apply for a "quickie refund" immediately after making a contribution.

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Treasury estimates the cost of processing quickie refunds at $6.9 million. In addition, direct revenue loss from the tax credit is estimated to be $14.2 million in 1977 and $21.8 million in 1978. Treasury believes the Packwood proposal would be an administrative nightmare, and would probably recommend a veto. Sponsors of the public financing bill believe they have the votes to defeat Packwood. We are not as certain, but we will be updating our headcount on Monday.
5. CONFERENCES AND SCHEDULING

-- Because of the House schedule (10 a.m. to 7 p.m. on energy, and 7 p.m. to 8 p.m. or later on conference reports), we need to assign our priority to a growing number of conference reports to insure consideration before the recess.

Indian Claims Statute of Limitations: Justice and Interior say it is essential to have this bill enacted before the recess to avoid as many as 30,000 lawsuits being filed in mid-August.

Department of Energy: In the House, the bill was originally scheduled for Friday, but became a scheduling victim as a result of Republican opposition to consideration of the minimum wage bill. The DOE conference bill now needs Rules Committee action (to waive technical points of order) for consideration prior to recess. The earliest possible date for House consideration would be on Tuesday.

-- The Senate will consider the conference report immediately after the House adopts it. A problem could arise if the Senate invokes cloture on the campaign financing bill on Tuesday because, once cloture is invoked, no other legislation can be considered until the pending bill is disposed.

Clean Air: The Senate made a counter offer on Friday which the House is studying. The conference committee will reconvene Monday night at 7 p.m. You may have spoken with John Dingell since this was written. He may be ready for compromise, but due to the personalities involved, it may take your direct participation. Dingell can cooperate with the President for the good of the country more readily than simply giving in to Muskie.

State Department Authorization: The Senate passed the bill on Thursday. There is some House opposition to the McGovern amendment which requires the Secretary of State to recommend waivers for visas to members of proscribed organizations, but defeating the entire conference report will be difficult for those opposed to the amendment.

International Financial Institutions: The bill faces a tough House fight over conference dilution of House restrictions.

National Science Foundation: Conference report filed.


6. PANAMA

-- White House liaison will join State liaison in briefing key Senators about the economic package on Monday and Tuesday. The initial flurry of comment concerning the sealevel canal issue has now died down, but Senator Gravel will be keeping the fires burning after he returns from his trip to Panama in early August.
There is substantial confusion in Congress about the role a sealevel canal plays in the current treaty negotiations. In Senator Allen's Judiciary Subcommittee hearings on the constitutionality of treaty negotiations, Senator Hatch asked if the sealevel canal had been discussed in the negotiations. Treasury witness Russell Monk said it had been discussed only peripherally.

7. ARMS TRANSFERS

State reports the following:

AWACS -- Round Two: Barring a) more surprises which cast doubt on the wisdom of the sale and b) a firm decision to sell F-15s to Saudi Arabia, we can probably defeat resolutions to bar the sale of AWACS to Iran. We are preparing a fresh brief which will hopefully answer most of the criticisms made during Round One, and believe we will have the support of a majority of the Senate Foreign Relations Committee and the acquiescence, at least, of Senator Byrd when the proposal is resubmitted.

Resubmitting the proposal on September 7 means that it will not be consumated until Fiscal 78. This will not only reduce the base from which the President's arms restraint policy must be calculated in Fiscal 78 by $1.2 BILLION but unexpectedly commit $1.2 BILLION in Fiscal 78 funds to the AWACS sale. One option is to resubmit the AWACS proposal earlier, in which case the base will become an issue in the debate and vote on AWACS. A more desirable option, I believe, is simply to treat the AWACS sale as an exception when the base figure for Fiscal 78 is announced, frankly stating that Congress' desire to delay consideration of the sale unexpectedly created a constraint which could damage US national interests, Israel's chances to purchase arms, etc. Either option will raise some questions about the credibility of the Administration's restraint policy, but the latter is more direct and less likely to affect the vote on AWACS.

Arms for Egypt: We have found support from key Members and a lack of the usual opposition to our proposal to sell 14 C-130s and other non-lethal equipment to Egypt. Support comes from Senators Javits and Humphrey and HRC Subcommittee Chairman Hamilton, plus several others on the House Committee. A willingness not to oppose the sale has been expressed by pro-Israel Members including Senator Stone and Reps, Rosenthal, Mikva and Bingham. There is a general recognition of the need for us to show support to President Sadat, and appreciation that this non-lethal package is the most acceptable way to show that support in the military field. In light of Begin's opposition to the sale, however, we can expect criticism and perhaps some damaging rhetoric, but we do not expect effective opposition to be mounted under Section 36(b).

8. FARM BILL

The Agriculture Department is pleased with the food stamp section of the bill and fairly confident that the few problem amendments can be dealt with in conference.

The de la Garza amendment (establishing a price support program of 55 to 64 percent of parity) will have to be dealt with in conference. Agriculture believes that we do not have the votes at present to drop the amendment. Secretary Bergland told me it was dead.

- 6 -
met Friday with Chairman Foley and Chairman Talmadge to arrive at a common strategy on this matter and other high-priority Administration amendments. Highest priority will be given to insuring that the House figures on the wheat and feed grain sections of the bill prevail.

9. MINIMUM WAGE

-- The House minimum wage bill has been delayed on the floor because of Republican conservatives' efforts to "filibuster" the farm bill. The rule was adopted and it is possible that the bill could be taken up and completed next week depending on the energy situation.

-- The Labor Department believes a delay in consideration of the bill could be very damaging if it extends until after the recess because of the intense pressure from small business. Even now, Labor points out, there is substantial danger that there will be an amendment adopted to allow payment of a subminimum wage for young people, 18 years and younger. The vote on indexing could also be very close. With Administration support of the amendment to delete changes in the tip credit, that vote looks good. Labor emphasizes that if the bill is not finished prior to the recess, a massive effort will be necessary in September if the Administration position is to prevail.

-- Labor expects Senate Committee mark-up and floor action in September.

10. CLINCH RIVER BREEDER

-- The House vote on the issue may occur the second week after Congress reconvenes in September. There is not much current discussion among Members on the breeder vote since most of their attention is on the energy package.

-- There will be a strategy meeting next Wednesday morning at 8:30 a.m. in the White House mess with White House staff, Rep. George Brown (D-Cal) and about 20 other Members. Rep. Brown is the prime sponsor of the amendment to strike the Committee authorized funding down to the Administration's level of $33 million. The vote count now does not look encouraging. Many Members are still undecided and we will need the help of the Leadership to win. Speaker O'Neill has said he will help, but we also need the active support of Majority Leader Wright.

11. MISCELLANEOUS INTELLIGENCE FROM THE HILL

-- Commerce reports the New York delegation is somewhat disgruntled about lack of Executive coordination of aid to New York

-- Rave reviews for the White House picnics.

-- Many Members of the House (Jim Lloyd, Tsongas, Mazzoli, Conte, Mikva among others) have expressed their concern to congressional liaison staff about being "left out on a limb" on water projects.

-- Commerce Subcommittee Chairman Paul Rogers would like very much to mark-up health cost containment, however it will be very difficult because of his clean air conference time conflicts.

-- This week's announcement from ERDA about "lost" nuclear materials could be a major news event with substantial repercussions. Senate Armed Services Committee staff are most concerned. Hill rumors say enough material for 500 nuclear bombs is unaccounted for. Udall will hold hearings in the House.
FLOOR ACTIVITIES FOR WEEK OF AUGUST 1

House

-- The House is scheduled to be in session from 10 a.m. to 8:00 p.m. each day next week (except on Monday when the House will convene at noon). The Leadership hopes to consider the National Energy Act until 7:00 p.m. each day and reserve 7 p.m. to 8 p.m. for conference reports.

-- Next Tuesday evening, the House has scheduled the Labor/HEW Appropriations Conference Report and may stay in longer than 8 p.m. to conclude consideration.

Senate

-- The Senate will have its 2nd cloture vote on the public financing bill on Monday and will have cloture votes on succeeding days until 1) cloture is invoked or 2) proponents of the bill relent. Therefore, the entire week could be consumed by consideration of this legislation.

-- Before cloture is invoked on the campaign financing bill, the Senate could consider the DOE conference report (after the House adopts it) and the nomination of Jim Schlesinger (after the DOE bill is signed and the formal nomination is received by the Senate).

-- If the campaign financing bill is disposed of, the Leadership would like to act on Jackson's coal conversion bill, sufficient time permitting.
THE WHITE HOUSE
WASHINGTON
July 30, 1977

Bert Lance

The attached was returned in the President's outbox and is forwarded to you for your information. The signed original has been forwarded to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

RE: ESTABLISHMENT OF THE WORKPLACE SAFETY AND HEALTH PROTECTION TASK FORCE
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MEMORANDUM FOR THE PRESIDENT

FROM: Bert Lance

SUBJECT: Announcement of the Establishment of the Workplace Safety and Health Protection Task Force

On June 6, 1977, you directed Secretary Marshall and me to proceed to study OSHA reform via a jointly chaired interagency task force. Secretary Marshall and I have reached consensus on the charter of the task force effort and have also received both Charlie Schultze's and Stu Eizenstat's concurrence. Executive Office of the President participation would be supervised by the President's Reorganization Project, and we are looking for an outside, respected consultant to serve as Executive Director.

The task force's objective would be to improve the effectiveness of our efforts to protect the health and safety of American workers and to complement and supplement internal OSHA reform initiatives already announced by OSHA Assistant Secretary, Eula Bingham. Specifically, the task force would address:

- incentive-oriented approaches such as economic aid and tax incentives to employers, improved education and information services, changes in worker's compensation and liability laws, and deterrent penalty structures;

- ways to improve workplace safety and health efforts of all Federal agencies including those affecting Federal employees; and

- evaluation of the government-wide administrative structure including duplication, overlap and gaps in Federal agency jurisdiction.
Bert Lance

The attached was returned in the President's outbox and is forwarded to you for your information. The signed original has been forwarded to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

RE: ESTABLISHMENT OF THE WORKPLACE SAFETY AND HEALTH PROTECTION TASK FORCE
THE WHITE HOUSE
WASHINGTON

July 29, 1977

Stu Eizenstat
Frank Moore

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

Rick Hutcheson

cc: Jack Watson

RE: CALL TO SENATOR EASTLAND
I have frequently expressed my commitment to review and reform Federal efforts to protect the health and safety of American workers.

The Secretary of Labor, Ray Marshall, and the Assistant Secretary for Occupational Safety and Health, Eula Bingham, have already moved vigorously to make our approach to occupational safety and health more sensible and effective. On May 19, 1977, the Labor Department announced a program to redirect the resources of the Occupational Safety and Health Administration (OSHA) away from trivial problems and toward more serious hazards to safety and health.

In another step towards common sense priorities, the Department of Labor announced on July 19 a program to reduce OSHA paperwork and streamline its recordkeeping requirements. The nation's 3.4 million small businesses will be exempt from filling out complicated job health and safety forms, and the paperwork for 1.5 million larger employers will be cut in half. Over the coming weeks, the Administration will take additional steps to reduce unnecessary burdens and allow OSHA to concentrate on the most serious hazards.

To complement these internal changes at OSHA, I have asked Ray Marshall and Bert Lance to head an interagency task force that will consider ways to strengthen the Federal role in protecting workplace safety and health. This task force will report to me with its first recommendations for action by April 30, 1978.
The task force's first recommendations will be reported to you April 30, 1978.

Secretary Marshall and I hope to make public the establishment of the task force later next week following informal contacts with key Members of Congress and a meeting with representatives of interest groups. To formally announce the task force, I recommend that you approve the attached Memorandum for the Heads of Executive Departments and Agencies, which we will submit to the Federal Register at that time.

Attachment
In addition to the Secretary of Labor and the Director of the Office of Management and Budget, this interagency group on worker safety and health protection will include the Departments of Commerce, Health, Education and Welfare and the Council of Economic Advisers, the Domestic Policy Staff, and the Small Business Administration. From time to time, I expect other departments and agencies to participate actively.

I want to be sure that federal programs actually do reduce threats to the health and safety of American workers, and that they help employers make the necessary adjustments. The inquiry will concentrate upon:

- Exploration of incentives that might supplement regulations. These might include improved education and information services, economic aid and tax incentives to help employers improve workplace safety, changes in workers' compensation and liability laws and deterrent penalty structures.

- Evaluation of the government-wide administration of Federal workplace safety and health activities. This will include investigation of duplication, overlap and gaps in Federal agency jurisdiction.

- Review of other ways to improve the safety and health of all Federal agencies, including those programs that affect Federal employees.

As you know, improvement of Federal health and safety protection measures is a matter of intense concern to the American people. This effort will be part of our larger program of looking at innovative approaches to many regulatory issues. It will help shape our reform program in other regulatory areas and will, I am confident, be one of this Administration's most valuable accomplishments.

You may be asked to contribute time, resources, and staff to this effort. I know I can count on your assistance.

In order to inform all affected parties that this review is underway, I have directed that this memorandum be published in the Federal Register.

[Signature]
THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON
July 30, 1977

TO: THE PRESIDENT
FROM: JIM FREE

SUBJECT: Clean Air Conference

Rep. John Dingell called today very upset over the ways things were going in the Clean Air Conference. Friday afternoon the Senate conferees made a proposal that is not acceptable to Rep. Dingell. He plans to make his counter proposals Monday evening and wants to speak with you either today or tomorrow. He claims to be non-negotiable in some areas of the auto emissions package that the Senate appears to be softening on. Dingell says that the 3.4 CO standard desired by EPA and Muskie/Baker is not needed and a 9 grams per mile is sufficient with a possible reduction to the 7 grams per mile by 1982. He also cannot accept a 1.0 NOX standard until 1982 with a provision of a waiver up on innovative technology that does not impair health. Dingell's staff person, Bob Howard, was on the phone with the Congressman and outlined their auto numbers as follows:

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<th></th>
<th>HC</th>
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<td>1978-79</td>
<td>1.5</td>
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<td>80-81</td>
<td>4.1</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>82</td>
<td>4.1</td>
<td>(7)</td>
<td>1.0*</td>
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Rep. Dingell is very upset at our people for what he claims is their mishandling of the situation. They claim that Dingell's compromise is no compromise and that he is being unreasonable. Below are the Senate, House and Administration/EPA original proposals:

<table>
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<tr>
<th>Senate Bill</th>
<th>HC</th>
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<th>NOX</th>
<th>*10% of cars sold must meet 1980 standards +limited waiver available for new technology</th>
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<td>1980 and on</td>
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<td>3.4</td>
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<tr>
<th>House bill</th>
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<td>82</td>
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<th>EPA proposal</th>
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Rep. Dingell will be either at his office (225-4071) or at his home (821-2531). If you call Dingell, you should probably also call Rep. Paul Rogers and Senator Muskie since this proposition has become a three person situation with all three taking it personally.
THE WHITE HOUSE
WASHINGTON
July 30, 1977

Frank Moore

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

Rick Hutcheson

RE: MEETING WITH SENATOR TED STEVENS

cc: Tim Kraft
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| CLOUGH | POSTON |
| FALLOWS | PRESS |
| FIRST LADY | SCHLESINGER |
| HARDEN | SCHNEIDERS |
| HUTCHESON | STRAUSS |
| JAGODA | VOORDE |
| KING | WARREN |
THE WHITE HOUSE
WASHINGTON
July 29, 1977

MEMORANDUM FOR THE PRESIDENT
FROM: FRANK MOORE

Senator Ted Stevens (R-Alaska), Minority Whip, is requesting a meeting with you prior to your decision on the route of the Alaska pipeline. Stevens is moderate on many issues and has been helpful to us on some occasions.

I don't know the timing of the decision but we might want to offer Stevens a time when you will be in the office during the August recess. If he is unable to get back from Alaska, we have made the offer.

Incidentally, both Stevens and Gravel are pushing for the El Paso route.
THE WHITE HOUSE  
WASHINGTON  
July 30, 1977  

Frank Moore  

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

Rick Hutcheson  

RE:  TOPIC FOR MEETING WITH CONGRESSMAN ULLMAN AND SENATOR LONG
THE WHITE HOUSE
WASHINGTON

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

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MEMORANDUM FOR THE PRESIDENT
FROM: FRANK MOORE J. M.

There is some confusion about the subject of the meetings next week with Congressman Ullman and Senator Long. Originally, it was thought that they were on tax reform at the request of Secretary Blumenthal.

Secretary Califano believes they are to discuss welfare reform. Secretary Califano is on his way to see Senator Long at this moment.

Could you please clarify this.

__ Welfare
____________ Tax Reform
________________ Both

Long said Welfare.
I prefer, on tax, Cabinet first. Then Long & Ullman.

Electrostatic Copy Made
for Preservation Purposes
THE WHITE HOUSE
WASHINGTON
July 30, 1977

Frank Moore

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

Rick Hutcheson
RE: CONGRESSIONAL LIASON OFFICE VACATION
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MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

From past experience I have learned that immediately after the Congress goes into recess, the Hill shuts down, staff leaves town and a complete vacuum exists for about one week. Business on the Hill slowly begins to pick-up the 2nd and 3rd weeks, with business as usual by the 4th week.

Consequently, we have scheduled everyone in the Congressional Liaison office to have some time off during this recess. We have arranged to have the House and Senate covered at all times with both hill people and support people. During the 2 weeks preceding the return of Congress, we will be at full strength. I plan to use this time for badly needed meetings with Stu's staff and for visits on the Hill with middle-level Members.

With your approval, I plan to take off the first 5 days of the recess (August 8-12). I will, of course, be talking to my office daily and they will be able to reach me at all times.
Hamilton Jordan

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

Rick Hutcheson

RE: INTERNATIONAL TRADE COMMISSION
THE WHITE HOUSE
WASHINGTON

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

ENROLLED BILL:
- AGENCY REPORT
- CAB DECISION
- EXECUTIVE ORDER

LOG IN/TO PRESIDENT TODAY
- FOR STAFFING

IMmediate Turnaround
- FOR INFORMATION
We have one vacancy on the International Trade Commission, a Democratic seat. This agency is composed of six Commissioners, and at present there is a Republican majority. Because we thought the Commission might be a candidate for reorganization, we did not propose a candidate earlier; however, it now appears it will take some time before the Reorganization Study looks at the Commission, and in the meantime there will be some very important cases which will come before the Commission in the near future. We would not want to have these decisions made by a Commission dominated by a Republican majority.

A profile on the ITC is attached. This group works very closely with Bob Strauss and Bob has urged that we move on this appointment. We are also under considerable Congressional pressure to make an appointment. We have identified two candidates, William R. Alberger, Administrative Assistant to Congressman Al Ullman, and Paula Stern, Legislative Assistant to Senator Gaylord Nelson. Biographical material and comments on both are attached.
The U.S. International Trade Commission (ITC) is an independent agency of the federal government that is concerned with trade and tariffs for goods entering the United States.

It is a six member board, only 3 of which can belong to any one political party. Commissioners are appointed by the President with the advice and consent of the Senate.

The ITC has responsibility for:

Investigations relating to the customs laws of the U.S. and foreign countries, the volume of importation compared to domestic production and consumption, and competition between U.S. and foreign goods.

Advising the President concerning domestic economic effects of modification of duties and other barriers to trade.

Advising the President on any proposed preferential removal of the duty on imports from designated developing countries.

Monitoring East-West trade.

Conducting investigations of dumping of foreign goods.

Conducting hearings upon a petition on behalf of an industry, a firm, or a group of workers who complain about foreign goods competing with and adversely affecting domestically produced goods.

Commissioners are appointed for terms of 9 years and are not eligible for reappointment.
BILL ALBERGER

Comments:

Daniel Minchew, Chairman, International Trade Commission: He is an extremely bright, hard working person. He is a low profile type and would make an excellent commissioner. I would welcome his appointment.

Bob Strauss: I have met Alberger and was impressed by him. He is intelligent and knowledgeable about the affairs of the ITC, and, of course, has good experience and relations on the Hill. Since my office works so closely with the ITC, it is important to have someone there compatible with our views. Alberger will be a definite asset to the Commission, and I recommend his appointment.

Congressman Charles Vanik: He is an outstanding public servant. His service in the Congress on the Ways and Means Committee has been of the highest caliber and has given him experience on the issues of international trade management policy. He is highly qualified, professional, and a person of great integrity. I can think of no one more qualified to be a member of the ITC.

Congressman Al Ullman: I recommend him very strongly for the ITC. In addition, he has the support of many of the Members of the House. He would be a credit to the Commission, his qualifications are strong, and he is expert in the area of international trade policy. I personally feel strongly about this appointment and have Senator Long's assurance that he will support Bill for the ITC.

Congressman Dan Rostenkowski: I completely endorse Bill Alberger for the ITC. It would be a good appointment and he is completely qualified for the job.

Joe Karth, American League for Industrial Security Assistance: He is extremely bright, hard working, and would make an excellent commissioner.
PAULA STERN

Comments:

Charlie Ferris, Chief Counsel to Tip O'Neill:

She is highly qualified, has a great deal of common sense, and would be an excellent appointment.

Jane Frank:

She is mature, competent, bright and well-respected. One of the most highly educated people in the field.

Daniel Minchew, Chairman, International Trade Commission:

She is bright and capable and would make an excellent commissioner.

Ray Calamiro, Deputy Assistant A.G., Legislative Affairs, Dept. of Justice:

Worked with her two years on Senator Nelson's staff. A real professional and an extraordinary person. Very capable.
Resume of WILLIAM R. ALBERGER
Administrative Assistant to

3235 South Utah Street, Arlington, Virginia 22205. (703) 820-7911, home;

Professional Interest: A position enabling me to use my educational
background and professional experience in law,
business and government affairs.

Qualifications: Juris Doctor degree, Masters degree in
Business Administration. Professional
experience in legislation and administration
for the United States House of Representatives
and Senate; and administrative experience in
industry and higher education.

EDUCATION
Juris Doctor (concentration in international law), Georgetown University Law
Masters degree in Business Administration, University of Iowa, Iowa City, Iowa,
January 1971.
Bachelor of Arts degree in Mathematics, Willamette University, Salem, Oregon,
May 1967.

EXPERIENCE
Administrative Assistant to U.S. Representative Al Ullman of Oregon, Chairman of
the House Ways and Means Committee, February 1975-present. Duties: Top office
position, supervision of staff of 12-17 employees, chief advisor to the Congress
man on Oregon issues, legislative work, liaison with Ways and Means Committee
staff and Joint Committee on Internal Revenue Taxation staff.

Legislative Assistant to U.S. Representative Al Ullman of Oregon, March 1972-
January 1975. Duties: Drafting legislation, floor statements, testimony,
newsletters and questionnaires; advising Congressman on legislation; working with
House committees on legislation sponsored by the Congressman.

Special Assistant to U.S. Senator Robert Packwood of Oregon, part-time while
attending law school, September 1969-December 1971. Duties: Legislative work in
foreign affairs, armed services, judiciary; constituent mail; computer work for
mailing lists.

Administrative Assistant to Dean of Graduate School, University of Iowa, 1967-69.
Duties: Managing Fulbright Conferences for Foreign Professors; assisting with
research grant applications, statistical analyses.

Actuarial Science Trainee, Standard Insurance Company, Portland, Oregon, summers
and vacations, 1964-68.
MARRIAGES AND ACTIVITIES

Member, District of Columbia Bar.
Member, American Bar Association.
Proposed and outlined a new course on international human rights at the Georgetown University Law Center; the course was added to the curriculum in 1972.
Winner of award for Outstanding Sigma Chi Man, Northwest Province, 1957.
Willamette University student body president 1955-56; first vice-president 1956-57.
Member of Phi Eta Sigma, freshman scholastic honorary; Omicron Delta Kappa, upperclass leadership and scholastic honorary; Varsity Rally Squad; Sigma Chi.

REFERENCES

U.S. Rep. Al Ullman
Second District, Oregon
2207 Rayburn Building
Washington, D.C. 20515

Loren Cox, Professional Staff Member
House Ways and Means Committee
1104-A Longworth Building
Washington, D.C. 20515

Professor John Wolff
Georgetown University Law Center
600 New Jersey Avenue NW
Washington, D.C. 20001

Richard Page, Vice President
Standard Insurance Company
P.O. Box 711
Portland, Oregon 97207

Alvin H. Scaff (Former Dean, University of Iowa Graduate School)
1801 Madison Avenue
Greensboro, North Carolina 27403

Additional references available upon request.
PAULA STERN
3314 Ross Place, N.W.
Washington, D. C. 20008
202-224-5323 (office)
202-956-7893 (home)

INTERESTS
Foreign Policy - the Middle East
Foreign Economic Policy - U.S.-Soviet trade in the general context of U.S. - U.S.S.R. relations

EMPLOYMENT
Senior Legislative Assistant to U.S. Senator Gaylord Nelson - February 1976 to Present: responsible for foreign, defense, and international trade matters


Staff Writer, The New Republic Magazine - Summer 1969: wrote articles on contemporary political, economic, and social issues

Intern, office of U.S. Congressman George Grider - Summer 1966: projects included a report on the extent and impact of federal spending in the Ninth Congressional District (Memphis) of Tennessee

EDUCATION

Graduate Level

The Fletcher School of Law and Diplomacy


Master of Arts in International Affairs (M.A.), June 1970

Harvard University

Master of Arts in Regional Studies - the Middle East, June 1969

Master's Paper on Israeli Political Development
The American University of Cairo (Egypt), Summer 1968
Department of State sponsored study of Arabic

Undergraduate Level

Goucher College
Bachelor of Arts (B.A.) Political Science major, June 1967

Brandeis University - Jacob Hiatt Institute,
Jerusalem, Israel (junior year abroad), 1965 to 1966

High School and Grammar School

Public Schools, Memphis, Tennessee

HONORS

JOURNALISTIC The Alicia Patterson Foundation Award to travel and report
for one year from the Middle East and North Africa - 1970-1971

ACADEMIC The Fletcher School of Law and Diplomacy - Scholarship 1969-1970
Harvard University - National Defense Foreign Language Fellow-
ship - 1967-1969

PUBLICATIONS (see supplemental list of titles attached)

The Atlantic Monthly
The New Republic
The New York Times
The Washington Post
The Washington Star-News
The Progressive Magazine
The Middle East Journal
Reprints in 12 separate books

Photography

The New York Times
The Washington Post

TEACHING EXPERIENCE

Adjunct Associate Professor, Urban and Policy Sciences Program, State University
of New York at Stony Brook (The Averell Harriman School),
September 1974 to January 1975.

Occasional lecturer to classes at the National War College, Harvard University,
and American University
LANGUAGES

French
Hebrew
Modern Literary Arabic
Eastern Colloquial Arabic
North African Colloquial Arabic

SPECIAL TRAVEL

The Arab World, Israel - two years of study and reporting accumulated over four separate trips

Japan - U.S.-Japan Trade Seminar, December 1972

Belgium, Denmark - European Economic Community Trade Seminar, July, 1974

PERSONAL BACKGROUND

Raised in Memphis, Tennessee

Hobbies - tennis and ballet

Age - 31

Married - Dr. Paul A. London, Director, New England Economic Research Office

REFERENCES

Richard Holbrooke, 1524 Corcoran Street, Washington, D. C. 20035
Harry Huge, 1730 Rhode Island Avenue, N.W., Washington, D. C. 20036
U.S. Senator Gaylord Nelson, 221 Russell Senate Office Building, Washington, D. C. 20510
Professor Brownlee Sands Corrin, Goucher College, Baltimore, Maryland, 02124
"The Womanly Image: Character Assassination Through the Ages" (reprinted in 11 separate books) March, 1970

"Israel: A Profile" Spring, 1973

"The Kibbutz Experience" Autumn, 1974

"Bond Doggle" May 6, 1967

"When's it Going to be Ladies Day?" July 5, 1969

"Child's Play" July 26, 1969

"Confronting the Pentagon in Micronesia" August 30, 1969

"Revolution is Not Just for the Single" November 21, 1970

"Too High a Price" October, 1973

"Mini-Skirted Soldiers" November 7, 1971

"Sinai Desert: Plenty of Open Space" November 28, 1971

"Egypt and Soviet Policy" January 13, 1975

"Ethnic Groups: Shaping the Course of American Foreign Policy" January 10, 1976

"Chisholm" June 11, 1973

"Russians and Americans: Talking About SALT" July 1, 1973

"Lib Lagging Israel" July 2, 1973

"Israel: No Room at the Top" November 16, 1973

"Six Women in Economics" January 31, 1974
Summary

Both candidates are well qualified. Frank Moore and I strongly recommend Alberger over Stern for the following reasons:

1) He is well qualified

2) He has the strong personal backing of Ullman. As Ullman will tell you, this is the only recommendation that he has made to us. He feels very strongly about it. A good working relationship with Ullman on a number of issues is important to us (welfare reform, tax reform, etc.).

3) Strauss' high recommendation. As our principal person on trade issues, it is important that Strauss have someone at ITC whose views are compatible with ours, and Strauss is convinced Alberger is that person.

Interview Alberger

Interview Stern

Other
THE WHITE HOUSE
WASHINGTON
July 30, 1977
Secretary Califano
Secretary Marshall
Midge Costanza
Stu Eizenstat

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

Rick Hutcheson

cc: Jack Watson

RE: WELFARE REFORM/IMPACT ON WOMEN
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| Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day | |

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|        | SCHNEIDERS |
|        | STRAUSS |
|        | VOORDE |
|        | WARREN |
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

July 29, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: MARGARET COSTANZA

SUBJECT: Welfare Reform/Impact on Women

The Women's Coalition for Appointment's Task Force on Welfare Reform has a list of questions regarding the proposed welfare reform package and how it impacts on women. I wanted to bring it to your attention. It is attached to this memorandum.

Because welfare recipients represent 90% of the female heads of families, it is seen by this group as a women's issue of special concern. They feel that this fact should be highlighted. They also felt that in your press release or your address to Congress, it would be helpful if you stressed the fact that women who choose to stay home and raise their children are not lazy, shiftless people who do not want to work. Household management is, in fact, very demanding, rewarding work. Most want jobs outside the home to supplement the family income but if the jobs are not available and you want to encourage more parently attention to children, these women should be given a new respect and dignity. It is important to say that welfare reform costs money, it isn't poor women who don't want to work. Furthermore, they felt that if you stressed that single parent households are complete family units it would help remove the stigma that currently exists. As we all know, it is the genuine love and stability that makes the real difference. The nuclear family is not the only model.

Finally, they raised certain points that they hoped would be changed before the final package is ready for Congress.

1. Since most women want to work, they should have equal access to all jobs and not be tracked by the primary and secondary wage earner concept.

2. Day care must be available to make equal opportunity a reality. At this point, no decent provisions for day care were made available in the welfare reform package. CETA jobs for child care workers is not sufficient--who will pay for the rent, telephone, and educational costs?

3. They wish to stress the need for non-profit community-based CETA programs that will humanize and decentralize the process.

4. Stronger provisions for training, particularly credited training, are needed.

5. Finally, they say that monitoring built into the program is essential to insure quality, sensitive delivery at the local level.
The Women's Coalition Task Force was represented by:

Lupe Anguiano, Women's Political Caucus
May Miller, Women's Lobby
Leslie Gladstone, Women's Equity Action League
Catherine Day-Germany, Legal Services Corporation
Sally Laird, League of Women Voters
Mary Jane Patterson, United Presbyterians
Carmen Delgado Votaw, National Conference of Puerto Rican Women, convener
COALITION FOR WOMEN'S APPOINTMENTS

AGENDA AND DISCUSSION POINTS

Date:    July 28, 1977
Time:    1:00 P.M.
Place:   Situation Room, WW

1. **FOCUS OF WELFARE REFORM PLAN**

   Why isn't the proposed plan geared to helping welfare recipients, especially women, to become self-sufficient?

   Why doesn't the proposed plan focus on the needs of women in general, on the needs of women heads of household, and women who care for children or disabled adults?

   At what stage is the proposal now? Have the 4-page tentative HEW proposal and the DOL briefing paper been superseded?

2. **TWO-TIERED STRUCTURE**

   How has the filing unit been defined? Is proposal biased toward the nuclear family?

   Has the age of children who would qualify single parent families for benefits in the income support tier been determined?

   How will work requirements be determined? Will a uniform system be devised to eliminate disparities among States?

   What criteria will the Department of Labor use to determine disability?

3. **UNIFORMITY OF SYSTEM**

   Will the system eliminate disparities and inequities among states by proposing uniform rules and regulations?

   How will means tests be determined?

   How will inequities between AFDC and SSI be reconciled?

   How will the "hold harmless" principle be applied?

4. **EMPLOYMENT AND TRAINING**

   How will the built-in inequities between private and public sector jobs be dealt with? Why does the plan focus on job placement for one family member?
How is the job guarantee framed? Is it discriminatory toward women who care for children?

Has consideration been given to using employment statistics about women who are in general the most deprived, instead of the 5.6% unemployment figure? Are AFDC women included in the unemployment figures?

Will efforts be made to coordinate the use of funds for vocational training and career development within the welfare plan?

Why are there no affirmative action proposals in the plan? How does the plan deal with sex bias in placement, training or vocational counselling? Will all vocational and training programs be open to women? Will there be any attempt to attract women to non-traditional jobs? Will there be monitoring and reporting requirements regarding sex bias?

Will there be requirements for staff handling placement and counselling to be familiar with sex bias? Will there be programs to sensitize people to the problems?

Will there be an overall assessment of the personnel involved in welfare offices to eliminate "double dippers" and to insure that sensitive and qualified staff runs the programs with respect for human dignity?

5. CHILD CARE

How will child care be provided for? Is a work expense disregard provision included in the plan? Has the possibility of a tax refundable system been considered? Will jobs pay enough to cover child care expenses?

Title XX approach

6. COST

Is the President firm in his request that the plan be within the same existing budgetary limits?

What is the rationale for including in the family aggregate income older persons' income? Won't the meager income of aged women and their longer life span make them be perceived as a burden to their families in a society that resists caring for the elderly?

Consolidation and location of all services under one roof. Other factors.
THE WHITE HOUSE
WASHINGTON

July 29, 1977

The Vice President
Stu Eizenstat
Hamilton Jordan
Jack Watson

The attached is for your information.

Rick Hutcheson

RE: WELFARE REFORM/IMPACT ON WOMEN
Joan Mondale campaigns for arts, craft

By JULIA SWEENEY
Staff Writer

SAN ANTONIO — The spreading hacienda of 13th generation San Antonians, the Marshall Steves, was shushhke with preparation yesterday for a visit from Mrs. Walter Mondale, wife of the vice president of the United States.

"Shall we open the champagne?" a white-coated waiter asked Steves, who was showing an out-of-town guest his air-conditioned squash court.

"Of course," Steves said, "Why not?"

Prominent guests are nothing new to Patsy and Marshall Steves. Their million-dollar house which was designed by architect O'Neill Ford, was finished in 1964 just before HestisFair. For the next few years it was the home away from home for many famous visitors, both foreign and domestic, courtesy of their close friend, Mrs. Lyndon Johnson, whose husband was President at the time.

"Our friends didn't even get to see the house until we had been in it for four years" Mrs. Steves said.

It was Mrs. Johnson again who asked Patsy Steves to be hostess to Joan Mondale during her Texas visit with local artists and craftpersons. The Steves' home was the perfect setting for an arts and crafts display. Palatial in dimensions, the house has hand-carved doors, colorful Mexican tile floors, and antique Mexican columns, which led architect Ford to call it "the first ruin ever designed."

Liz Carpenter, Mrs. Johnson's press secretary in White House days now back in Texas teaching and writing a column for The Dallas Times Herald, was running the show at the Steves before the arrival of Mrs. Mondale and her entourage. Liz hustled around introducing guests to the 16 artists who were there with their wares.

Mrs. Mondale arrived a little early wearing a blue and white cotton print dress and navy Giac shoes. She stands very straight and speaks in a soft voice, continually smiling.

Time magazine has said "What Lady Bird Johnson did for flowers and trees, Joan Mondale may do for art."

Mrs. Mondale began her non-political Texas tour in Houston on Monday, speaking before a meeting of the American Society of Industrial Designers.

The "arts advocate" of the Carter administration, Mrs. Mondale's subject was the use of local arts and crafts in

Joan Mondale, wife of the vice president, is doing for art what Lady Bird Johnson did for beautification.
THE WHITE HOUSE
WASHINGTON

July 30, 1977

Gretchen Poston

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

Rick Hutcheson

cc: Bob Linder
    Bob Lipshutz
    Zbig Brzezinski

RE: LETTER TO AMBASSADOR SEVILLA-SACASA
THE WHITE HOUSE
WASHINGTON
July 30, 1977

To Ambassador Sevilla-Sacasa

Rosalynn and I send you our congratulations on this day as you celebrate 34 years of distinguished service as Ambassador of Nicaragua.

Your country is fortunate to have a public servant of your exemplary character, and we join your many friends in a salute to continued success.

Sincerely,

[Signature]

His Excellency
Dr. Guillermo Sevilla-Sacasa
The Ambassador of Nicaragua
THE WHITE HOUSE
WASHINGTON
July 30, 1977

Hamilton Jordan
Bob Lipshutz
Mike Cardozo

The attached is forwarded to you for your information. The signed original has been forwarded to Bob Linder for appropriate action.

Rick Hutcheson

RE: INTERIM APPOINTMENT TO VACANCY ON FEDERAL HOME LOAN BOARD
Mr. President:

Hamilton concurs.

Rick (wds)
MEMORANDUM FOR THE PRESIDENT

From Robert Lipshutz

Subject: Interim Appointment to Vacancy on Federal Home Loan Bank Board

The Federal Home Loan Bank Board has three members; two members constitute a quorum. There is presently one Board vacancy. At midnight, July 30, 1977, the extended term of Grady Perry, Jr. will expire. Upon the expiration of the Perry term there will be only one Board member. McKinney has been nominated and confirmed for the Perry seat.

Bob McKinney would like to have up to two weeks to put his affairs in order before he is sworn in as Chairman. His confirmation hearings required so much time over the past month that his disengagement from his professional and business activities has not taken place at the speed he had anticipated.

To maintain a quorum, we have requested a joint House-Senate resolution extending Grady Perry in the same seat until August 15, 1977, or the swearing in of Robert McKinney, whichever first occurs. We expect to obtain the joint House-Senate resolution late Monday, August 1, or early Tuesday.

In the interim, it is desirable to have a quorum on the Board. The Vacancy Act, 5 U.S.C. 3347, permits you to designate an officer of the Executive department who has been confirmed with the advice and consent of the Senate to some other position, to perform the duties of the vacant office until a successor is appointed. Accordingly, I recommend that you designate Robert Carswell, Deputy Secretary of Treasury, to serve as a member of the Federal Home Loan Bank Board until the joint resolution of the House-Senate is obtained, presumably late Monday or Tuesday morning. Mr. Carswell is willing to serve in this capacity and may continue to perform his responsibilities at Treasury at the same time.

Robert McKinney has advised that he prefers that a designation be made under the Vacancy Act, rather than allow the Board to be without a quorum for two or more days.

If you approve please sign the attached Order.
THE WHITE HOUSE
WASHINGTON
July 30, 1977

Bob Lipshutz

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

Rick Hutcheson

cc: Stu Eizenstat

RE: CONGRESSIONAL VETO
THE WHITE HOUSE
WASHINGTON

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Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day.
MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ

SUBJECT: Congressional veto

Attached is a report of the Attorney General's meeting with House Speaker O'Neill and Senator Byrd regarding the Congressional veto which arose in H.R. 186.

I will keep you advised of the progress in our review of the whole issue of Congressional vetoes.

cc: Stu Eizenstat
    Frank Moore
    Hamilton Jordan
    Bert Lance
Office of the Attorney General
Washington, D.C. 20530
July 28, 1977

MEMORANDUM TO: The President

FROM: The Attorney General

At your request I met yesterday with House Speaker O'Neill and Senate Majority Leader Byrd to discuss with them the "legislative veto" question as it arose in H.R. 186. As I stated to you upon returning, my conclusion was that it will not be necessary for you to veto this bill, but instead rely on stating your objections to it and expect some cooperation from the Congress in minimizing such provisions in the future.

I explained to O'Neill and Byrd your position that provisions of this sort are in many instances unconstitutional and that you felt justified in vetoing H.R. 186 on this ground. I explained further, though, that you would prefer not to veto this bill or any of the others with such a provision already passed by the Congress and awaiting your signature. I said you would instead prefer to sign the bill and state your objections to it, provided that the Congress will in the future greatly limit the instances where bills contained such legislative vetoes. Limitation will depend on the subject matter of the legislation as governed by the law pertaining to the legislative veto.

Speaker O'Neill was very understanding and expressed his willingness to cooperate in helping to minimize the number of legislative vetoes which are passed by the House. He expressed a strong desire that H.R. 186 not be vetoed. He had no objection to a statement by the President accompanying the signature of H.R. 186 expressing the Administration's reservations to the legislative veto.

Senate Majority Leader Byrd said he had no objection to the President making such a statement -- nor, for that matter, did he wish to express a strenuous objection to a veto of H.R. 186. He said he could not commit himself to
limiting the number of legislative veto provisions in Senate-considered bills, but suggested that the problem be discussed between the President and Senate leaders at an opportune time. He did say that legislative veto provisions in legislation is an escalating problem.

Both Byrd and O'Neill will await a policy statement on the issue presented.
MEMORANDUM

THE WHITE HOUSE
WASHINGTON
1 August 1977

TO: THE ATTORNEY GENERAL
FROM: RICK HUTCHESON
SUBJECT: Your Memo of July 28, 1977 Concerning A Meeting with House Speaker O'Neill and Senator Byrd

The President commented, "prepare policy statement."

cc: Bob Lipshutz
THE WHITE HOUSE
WASHINGTON
July 30, 1977
Stu Eizenstat
Peter Bourne

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

Rick Hutcheson

RE: PRESIDENTIAL MESSAGE ON DRUG ABUSE
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MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT
PETER G. BOURNE
SUBJECT: Presidential Message on Drug Abuse

We have met to discuss the Drug Message and have incorporated your comments. The changes and the issues on which you sought clarification are discussed below:

1) On Page 2 you raised a question mark next to the sentence "My goals are to discourage all drug abuse in America -- including the abuse of alcohol and tobacco -- and to reduce to a minimum the harm it causes when it does occur." Peter feels strongly that this should be in the Message and we have toned down the language so that it now talks about discouraging the "excessive use of alcohol and tobacco."

2) On Page 3 you asked for an update of the assurances you have received from the President of Colombia. A sentence has been added indicating further progress since those assurances were received.

3) On Page 4 of the earlier draft you put a question mark next to the following sentence: "To this end, I am directing the Administrator of the Agency for International Development to include such measures as crop and income substitution in its development programs for countries which contribute to the illicit drug market." This sentence has been changed so that it refers to "those countries where drugs are grown illicitly." This is a more precise reference.

4) Signing of the Psychotropics Convention. On Page 5 of the draft message you asked whether the Convention on Psychotropic Substances had been signed. The United States Government signed the Psychotropics Convention on February 21, 1971. Signature of a treaty reflects a government’s intention to press for ratification, but is not in itself legally binding. A treaty only comes into
full force and effect upon ratification. We have worked with Congressman Paul Rogers to overcome the opposition to the Convention which has existed for five years. Congressmen Rogers and Tim Lee Carter will co-sponsor enabling legislation once the Message is published.

5) On Page 7 the change has been made in the language regarding the Magistrates legislation to match the Senate bill as you indicated.

6) On Page 8 of the draft you asked what would be Constitutional with respect to denying pre-trial release to certain persons charged with trafficking in drugs.

The Constitutionality of legislation prohibiting pre-trial release of defendants is an open and highly controversial question. At present only the District of Columbia has a preventive detention statute. The statute has not yet been tested in the courts, in part because prosecutors here have used it only very sparingly.

The Justice Department is now reviewing the necessity for and Constitutionality of preventive detention in the narcotics area. We would prefer to reserve final judgment until we see the Justice Department's conclusions. Because of the uncertainty in this area, we have phrased the Message so that it directs the Attorney General to study the "necessity for and Constitutionality of" denial of pre-trial release.

7) The Tax Reform Act of 1976. On Page 9 of the draft message you asked how Justice and Treasury feel about proposed changes in the Tax Reform Act of 1976. Two issues are involved:

a) Administrative summons. This only affects the Treasury Department. Under the Act, a taxpayer can make it difficult for the government to reach financial records kept by a third party (e.g., bank). Since the March 1 effective date, the IRS has been collecting data to determine the impact of the law on its investigations. If the expected problems are found to exist, Treasury would support legislation to limit the right of the taxpayer to protect this information.

b) Disclosure. The Act makes confidential tax returns and return information with certain limited exceptions. In the past, this information has been used
effectively to investigate narcotic traffickers as well as others committing sophisticated crimes such as white collar crime and organized racketeering. The Treasury Department believes that the Congressional intent was to protect the privacy of taxpayers and that disclosure should be limited, even at the expense of allowing some criminals to escape. The Justice Department would like to see the Act amended since they feel it seriously affects their ability to investigate a crime. Justice and Treasury are working to draft regulations which would permit access to needed information, while meeting the statutory privacy requirements. It is expected that the regulations will be finalized within the month.

8) On Page 10 of the draft message you suggested that we change the word "criminal" to "felon" in the section on marijuana. Decriminalization makes the offense a civil violation rather than a criminal offense, and does not change it from a felony to a misdemeanor. We suggest, therefore, retention of the word "criminal."

All of the other stylistic changes you recommend have been incorporated as well as a few others. We have further modified the section on marijuana so that it is clear that Federal penalties for trafficking marijuana remain in force, and makes somewhat clearer that state penalties for possession remain in force.
PRESIDENTIAL MESSAGE ON DRUG ABUSE

Drug abuse continues to be a serious social problem in America. The lives of hundreds of thousands of people are blighted by their dependence on drugs. Many communities remain unsafe because of drug-related street crime, and the immense profits made in the illicit drug traffic help support the power and influence of organized crime. Among young American men aged 18-24 years, drugs are the fourth most common cause of death: only automobile accidents, homicides, and suicides rank higher. The estimated cost of drug abuse in America exceeds 15 billion dollars each year. Among some minority groups, the incidence of addiction and the harm it inflicts are disproportionate.

Drug addiction, which in recent years was viewed as a problem peculiar to America, now affects people throughout the world. We can no longer concern ourselves merely with keeping illicit drugs out of the United States, but we must join with other nations to deal with this global problem by combatting drug traffickers and sharing our knowledge and resources to help treat addiction wherever it occurs. We must set realistic objectives, giving our foremost attention domestically to those drugs that pose the greatest threat to health, and to our ability to reduce crime. Since heroin, barbiturates and other sedative/hypnotic drugs account for 90 percent of the deaths from drug abuse, they should receive our principal emphasis.

My goals are to discourage all drug abuse in America - and also discourage the excessive use of alcohol and tobacco - and to reduce to a minimum the harm drug abuse causes when it does occur. To achieve these goals with the resources available, effective management and direction are essential. Because the federal effort is currently divided among more than twenty different, and often competing, agencies, I have directed my staff to coordinate Federal action and to formulate a comprehensive national policy. This will end the long-standing fragmentation among our international programs, drug law enforcement, treatment and rehabilitation, prevention, and regulatory activities. I will also seek the counsel and active involvement of members of the Cabinet and heads of major independent agencies on all drug abuse policy questions, through a revitalized Strategy Council on Drug Abuse. My staff will examine the functions of the various agencies involved in this field and will recommend to me whatever organizational changes are appropriate.
International Cooperation

For certain drugs originally derived from plant sources outside the United States, especially heroin and cocaine, diplomatic agreements against cultivation and trafficking are indispensable. Turkey -- once virtually the sole source of heroin supply in this country -- is now gone from the illicit market as the result of such an agreement. The enormous profits generated by the illicit drug traffic distort the economies of many smaller countries, aggravating inflation and draining tax revenues; they also engender corruption and corrode political stability. We must work closely with other governments to assist them in their efforts to eradicate the cultivation of drugs, and to develop legitimate alternative sources of income for the impoverished farmers who have for generations raised and sold crops such as opium.

We have made significant progress in the last few months. In February, I discussed with President Lopez-Portillo of Mexico my deep concern about the illegal cultivation of opium in his country. Under his strong leadership, the eradication program has been intensified and is producing dramatic results, significantly reducing the availability of heroin in many American cities. In addition, President Ne Win of Burma and Prime Minister Thanin of Thailand have shown a resolute determination to control drug cultivation and trafficking in their countries. Most recently I have received strong assurances from President Lopez-Michelsen of Colombia that he plans to give the problem of drug trafficking his highest priority. We are establishing a commission made up of government officials from our two countries to coordinate a stepped up effort to deal with the major international trafficking of cocaine and marihuana between our two countries, and the devastating economic impact of that traffic.

As a result of these efforts and those of the Drug Enforcement Administration, the purity of heroin in our country has dropped in the last six months to 4.9%, the lowest level in 4 years.

There is, however, more that we can do:

(1) I am directing the Secretary of State to give greater emphasis to the international narcotics control program and to reiterate to foreign governments our strong desire to curtail production of, and traffic in, illicit drugs.
(2) To this end, I am directing the Administrator of the Agency for International Development to include such measures as crop and income substitution in its development programs for those countries where drugs are grown illicitly. I expect the Secretary of State to continue to call on other agencies and departments, such as the Drug Enforcement Administration, the U.S. Customs Service, the U.S. Department of Agriculture, and the National Institute on Drug Abuse, to assist in the international narcotics control program according to the special expertise of each.

(3) I am directing the intelligence community to emphasize the collection and analysis of information relating to international drug trafficking.

(4) I strongly support the work of the United Nations Fund for Drug Abuse Control (UNFDAC), the United Nations Commission on Narcotic Drugs, the International Narcotics Control Board, the World Health Organization, and other organizations working within the framework of the United Nations in their efforts to help drug-producing countries find alternate crops, improve drug control measures, and make treatment resources available.

(5) I am instructing the United States representatives to the loan committees of the Regional Development Banks and other international financial institutions to use their votes and influence to encourage well designed rural development and income substitution projects in countries which now produce dangerous drugs, and to ensure that assistance is not used to foster the growth of crops like opium and coca.

(6) Because of the need to improve international controls over dangerous drugs which have legitimate medical uses, like barbiturates and amphetamines, I urge the Congress to adopt legislation implementing the Convention on Psychotropic Substances, and I urge the Senate to ratify this treaty promptly.

(7) In my communications with foreign leaders, I will emphasize international cooperation among drug law enforcement agencies, so that intelligence and technical expertise can be shared. I will encourage them to send law enforcement officials to work with us to stop the flow of drugs through other countries. This kind of cooperation has already begun in Bangkok among French, German, British, Dutch, American and Thai officials.
I will, in addition, promote the international sharing of knowledge and expertise in the treatment of drug abuse. We will make a special effort to share our experience, especially with those nations which have serious drug problems and which are working with us in the effort to control drug sources and prevent drug abuse. Our program will encompass training, research and technical assistance projects, including providing American experts as consultants.

**Law Enforcement**

We must vigorously enforce our laws against those who traffic in drugs, so that the attraction of large profits is outweighed by the risk of detection and the likelihood of conviction. The Federal Government's job is to deter, and where possible prevent entirely, illegal importation and major trafficking of controlled substances. Often large-scale financiers of the illegal drug trade never come into direct contact with drugs. Through the cooperative efforts of the various agencies involved, we will attack the financial resources of these traffickers who provide the capital needed to support the smuggling of drugs into the country. Drug traffickers must understand that they face swift, certain, and severe punishment; and our law enforcement and judicial systems must have the resources to make this prospect a very real threat. We must allocate our resources intelligently, revise our penalty structure where necessary to concentrate on the actions (and the drugs) that are most dangerous, and improve the administration of justice.

Therefore:

- I am directing the Attorney General to intensify investigations of the link between organized crime and the drug traffic, and to recommend appropriate measures to be taken against these organizations.

- I am directing the Department of Justice in conjunction with the Departments of State and Treasury to study arrangements with other countries, consistent with Constitutional principles, to revoke the passports of known major traffickers, and to freeze assets accumulated in the illegal drug traffic.

- To ease the burden on the United States District Courts, which must hear major drug cases, I support legislation widening the jurisdiction of U.S. Magistrates under certain circumstances to include misdemeanor offenses which carry sentences of up to one year.
In 18 United States Attorneys' Offices, special units devoted to the prosecution of major drug traffickers exist. The Department of Justice is now expanding this program to include additional units.

I support legislation raising from $2,500 to $10,000 the value of property which can be seized and forfeited from drug violators by administrative action, including cash within the definition of seizable property. Amounts above this figure will continue to require court proceedings.

I am directing my staff to recommend to me the appropriate Federal drug law enforcement role in the light of currently available resources -- state, local and Federal. For nearly a decade, Federal support of state and local enforcement activity has steadily expanded. The time is ripe to evaluate the results of this effort, to determine whether federal participation should be altered, and to determine the proper division of responsibility between Federal and local officials. The Office of Drug Abuse Policy has already begun the first phase of this review, which includes consideration of border security and drug trafficking intelligence.

I am directing the Attorney General to study the necessity for and constitutionality of proposals which would deny pre-trial release to certain persons charged with trafficking in drugs posing the greatest threat to health, and to give me his recommendations within 90 days. At the present time, some persons charged with major drug offenses can use their immense wealth to post bail and escape justice. If enactment of such proposals appears to be necessary, and constitutional their application should be tightly restricted and they should include a provision granting the accused an expedited trial.

I am directing the Attorney General to review the adequacy of the penalties for major trafficking offenses and to give me his recommendations within 90 days.
I also have considered requesting changes in the Tax Reform Act of 1976. Some of its provisions -- such as those for disclosure and summoning -- were designed to protect the privacy of citizens but may also impede unnecessarily the investigation of narcotics trafficking cases. I am asking the appropriate Federal agencies to determine the difficulties these provisions present to effective law enforcement. If it appears they can be amended to improve law enforcement without infringing upon legitimate privacy interests, I will submit legislation to the Congress.

**Marijuana**

Marijuana continues to be an emotional and controversial issue. After four decades, efforts to discourage its use with stringent laws have still not been successful. More than 45 million Americans have tried marijuana and an estimated 11 million are regular users.

Penalties against possession of a drug should not be more damaging to an individual than the use of the drug itself; and where they are, they should be changed. Nowhere is this more clear than in the laws against possession of marijuana in private for personal use. We can, and should, continue to discourage the use of marijuana, but this can be done without defining the smoker as a criminal. States which have already removed criminal penalties for marijuana use, like Oregon and California, have not noted any significant increase in marijuana smoking. The National Commission on Marijuana and Drug Abuse concluded five years ago that marijuana use should be decriminalized, and I believe it is time to implement those basic recommendations.

Therefore, I support legislation amending Federal law to eliminate all Federal penalties for the possession of up to one ounce of marijuana. This decriminalization is not legalization. It means only that a state could impose a fine for possession rather than a criminal penalty. Federal penalties for trafficking would remain in force and the states would remain free to adopt whatever laws they wish concerning the marijuana smoker.

I am especially concerned about the increasing levels of marijuana use, which may be particularly destructive to our youth. While there is certain evidence to date
showing that the medical damage from marihuana use may be limited, we should be concerned that chronic intoxication with marihuana or any other drug may deplete productivity, causing people to lose interest in their social environment, their future, and other more constructive ways of filling their free time. In addition, driving while under the influence of marihuana can be very hazardous. I am, therefore, directing the Department of Transportation to expedite its study of the effects of marihuana use on the coordination and reflexes needed for safe driving.

Drug Treatment

My immediate objective will be to widen the scope and improve the effectiveness of Federal drug treatment programs. In conception and in practice, they have been too narrow. Drug addiction can be cured; but we must not only treat the immediate effects of the drugs, we must also provide adequate rehabilitation, including job training, to help the addict regain a productive role in society. In the past, Federal programs have given disproportionate attention to the heroin addict while neglecting those who are dependent on other drugs.

To improve the quality of Federal drug treatment, I am recommending these steps:

. In recognition of the devastating effects that certain nonopiate drugs can have if abused, I am directing the Secretary of Health, Education, and Welfare to expand resources devoted to care for abusers of barbiturates, amphetamines, and multiple drugs used in combination, including alcohol.

. To help drug abusers return to productive lives, I am directing the Secretary of Labor to identify all Federal employment assistance programs which can help former drug abusers and to give me, within 120 days, his recommendations for increasing the access of drug abusers to them.

. A sustained effort must be made to identify the reasons that people turn to drugs, including alcohol and cigarettes. We should seek more effective ways to make people aware of the health problems associated with such substances (particularly cigarettes and alcohol) and to respond in more constructive ways to the human and psychological needs they satisfy.
Drug Research

In the past, there has been no serious attempt to coordinate Federal research on opiates and alcohol despite the many similarities in the effects of these two drugs. A joint Federal research center might not only save money, but also lead to greater scientific understanding of addiction problems. Therefore I am directing the Secretary of Health, Education, and Welfare to study the feasibility of making the Addiction Research Center responsible for coordinated research on a variety of drugs, including opiates, alcohol, and tobacco.

Administrative Action

Improved treatment and prevention programs should be accompanied by appropriate changes in Federal regulations, administrative practices, and enforcement, among which are these:

First, I am recommending a conscious and deliberate increase in attention throughout the Federal Government to the problems related to the abuse of drugs that come originally from legitimate medical sources. Of particular concern are barbiturates, which despite their recognized medical use, are responsible for many deaths and are frequently used in suicide attempts. The withdrawal reaction of patients addicted to barbiturates can be more difficult and more dangerous than that associated with heroin withdrawal. They are frequently oversold, overprescribed, and overused.

Therefore, I will:

-- Instruct the Secretary of Health, Education, and Welfare to undertake a study of barbiturates and other sedative/hypnotic drugs to determine the conditions under which they can be most safely used.

-- Instruct the Secretary of Defense, the Secretary of Health, Education, and Welfare, and the Administrator, Veterans' Affairs to review the prescribing practices of physicians under their jurisdiction, and to discourage the medical use of barbiturates and sedative/hypnotics except in cases where it is unmistakably justified.
Continue the program, already begun at my direction, by which the Drug Enforcement Administration has instructed its regional offices and regulatory task forces to give priority attention to barbiturate cases. DEA has also begun to investigate the "street" market in order to determine the source of illegal supplies so that suitable Federal action may be taken. In the near future, DEA will conduct a special accelerated audit of the 120 companies lawfully manufacturing barbiturates in this country and will also notify foreign governments of our desire to see them control their barbiturate exports strictly.

Second, I am directing the Secretary of Health, Education, and Welfare to review those sedative/hypnotic drugs particularly subject to abuse to determine whether any should be removed from the market, taking into consideration not only their safety to the individual but also the dangers they pose to the public at large.

Third, I support legislation giving the Food & Drug Administration the authority to apply standards of safety and efficacy to all drugs, by repealing those laws which exempt a variety of drugs because they were placed on the market before a certain date. A number of barbiturates fit into this category.

Fourth, Some physicians still knowingly overprescribe a wide variety of drugs. Although, as a result of careful education, physicians have voluntarily reduced their prescriptions for barbiturates by 73 percent during the last five years, a few are continuing to misprescribe these and other drugs deliberately. I am directing the Attorney General, in full cooperation with State officials, to begin a concerted drive to identify and prosecute these violators.

No government can completely protect its citizens from all harm -- not by legislation, or by regulation, or by medicine, or by advice. Drugs cannot be forced out of existence; they will be with us for as long as people find in them the relief or satisfaction they desire. But the harm caused by drug abuse can be reduced. We cannot talk in absolutes -- that drug abuse will cease, that no more illegal drugs will cross our borders -- because if we are honest with ourselves we know that is beyond our power.
But we can bring together the resources of the Federal Government intelligently to protect our society and help those who suffer. The sufferers include the overwhelming majority of the public who never abuse drugs but for whom drug abuse poses the threat of broken families, a lost child or fear to walk the streets at night. Beyond that, we must understand why people seek the experience of drugs, and address ourselves to those reasons. For it is ultimately the strength of the American people, of our values and our society, that will determine whether we can put an end to drug abuse.
MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz

SUBJECT: War Powers Resolution

In response to your inquiry on my July 14 memorandum regarding this matter, please be advised that you have the same right of Presidential veto in this legislation as with other legislation, should you be dissatisfied with any Congressional action.

The Department of State is monitoring this legislation in the Congress. The Legal Adviser for the Department of State testified on Friday, July 15. He sent me a copy of his testimony and it is in accordance with your wishes and those of Secretary Vance, Dr. Brzezinski, and the Department of Justice.
THE WHITE HOUSE
WASHINGTON
July 30, 1977

Jim Schlesinger

The attached was returned in the President's outbox and is forwarded to you for your information. The signed original has been forwarded to Bob Linder for appropriate handling.

Rick Hutcherson

RE: INSULATION OF LOCAL GOV'T BUILDINGS

cc: Bob Linder
MEMORANDUM FOR: THE PRESIDENT
FROM: JIM SCHLESINGER
SUBJECT: Insulation for Local Government Buildings

Stu Eizenstat and I met with Congresswoman Barbara Mikulski on an amendment she is proposing for insulation of buildings at a cost of $320 million. She considers this program a logical outgrowth of the $900 million program in your energy plan to provide insulation for schools and hospitals.

We argued that the Local Public Works Program would authorize $2 billion each for fiscal years '77 and '78 and should provide adequate funds for insulating public buildings. During the conversation, it was clear that there are two gaps in that program:

- no money is available for energy audits or technical assistance for local governments; and

- funds would not be available in fiscal year '79.

Therefore, I propose that the Administration not object to a more limited program of $65 million for energy audits and technical assistance for fiscal years '78 and '79. These funds would help local governments identify energy conservation needs and assist them in developing insulation programs. Funds for insulation would be available from the Local Public Works Program. If that program is terminated in fiscal year '79, other financing arrangements could be explored.

In addition, I recommend that you sign the attached memorandum to Secretary Kreps directing her to strengthen Commerce Department efforts to provide funds to local governments for insulation.

(SEE STAFF COMMENTS ON NEXT PAGE)
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

INFORMATION 29 July 1977

TO: THE PRESIDENT
FROM: RICK HUTCHESON
SUBJECT: Staff Comments on Schlesinger Memo

OMB: On programmatic merits, OMB does not see the need for the new grant program proposed by Mikulski. The following activities can be undertaken without her program:

- schools and hospitals owned by local governments can be insulated under the National Energy Plan
- the insulation of public buildings can be funded under the Federal program for local public works
- states can provide local governments with technical assistance about energy conservation measures
- local buildings can be given energy audits using manuals developed by FEA

If it is desirable to support the $65 million proposal for non-programmatic reasons, the Administration should support only a discretionary authorization at this time.

COMMERCE (and OMB) object to the proposed memorandum from the President to Secretary Kreps, as the LPW program is already well under way. An attempt to introduce a new requirement into the LPW system at this time might delay the program to the extent that it would not be possible to obligate the $4 billion by the September 30 deadline, which would be embarrassing to the Administration.

Commerce says that EDA has been encouraging applicants for LPW funds to conserve energy through increased insulation, and estimates that $200 million will be spent for energy-related construction.

EIZENSTAT: concurs with Schlesinger
MEMORANDUM FOR
THE SECRETARY OF COMMERCE

As part of my energy program, the Commerce Department procedures under the Local Public Works Program were changed to place emphasis on use of these funds for energy conservation projects. Although this program has been generally successful, I would like to see an even greater use of these funds for insulation of public buildings. Would you please give this matter your personal attention and assure that the highest priority is given to energy conservation projects.

I would appreciate a report from you on efforts to strengthen this program.

P.S. Please talk to Mr. Miller about this. No need to disrupt your program, of course.
Date: July 26, 1977

FOR ACTION:
Stu Eizenstat
Frank Moore
Jack Watson
Bert Lance
Jim Fallows

FOR INFORMATION:
The Vice President
Charlie Schultze

FROM: Rick Hutcheson, Staff Secretary


YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:
TIME: 12:00 NOON
DAY: Thursday
DATE: July 28, 1977

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)
Date: July 26, 1977

FOR ACTION: Secretary Kreps

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Schlesinger's memo dated 7/25/77 re Insulation for Local Government Buildings

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:
TIME: 12:00 NOON
DAY: Thursday
DATE: July 28, 1977

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
MEMORANDUM FOR: RICK HUTCHESON
FROM: BOWMAN CUTTER
SUBJECT: Insulation for Local Government Buildings

On programmatic merits, we do not see the need for the new grant program proposed by Congresswoman Mikulski for insulation of local government buildings. Without such a program, the following activities can still be undertaken:

- States can provide technical assistance to local governments about energy conservation measures. (State energy offices can use part of the Federal Energy Administration grants--funded at $74 million in FY 1978--for such technical assistance as part of a wide range of energy conservation activities.)

- Many local buildings can be given energy audits (1 to 3 days per audit) by their building managers using manuals developed by the Federal Energy Administration and/or the State energy offices.

- Planning and engineering work, when needed to design unique energy measures appropriate for complex buildings, and the insulation of public buildings can be funded under the Federal program for local public works. To the extent that local governments have given priority to energy measures for their buildings in response to Commerce Department emphasis on energy uses of $4 billion in FY 1977 funds allocated for local public works, this program will help achieve the insulation of local government buildings. (In view of the fact that these funds have already been allocated to States and localities, we believe the proposed Presidential memo to Secretary Kreps is not timely and therefore should not be sent.)

- Schools and hospitals owned by local governments, as well as other schools and hospitals, can be insulated under your proposed National Energy Plan. (Your legislation would authorize $900 million over 3 years.)

If the above-mentioned activities are inadequate to meet local needs, the local governments should be willing to support energy conservation activities which save them both fuel and money on a cost-effective basis. Therefore, we believe the Mikulski proposal is unnecessary.
If it is desirable to support this $65 million proposal for non-programmatic reasons, we urge the Administration support only a discretionary authorization for the program at this time. Budgetary flexibility should be assured so we can decide the desired appropriation level, if any, at a later date.

It should be kept in mind that an Executive Office review of the State role in energy is just getting underway. Based upon the findings of this review, the Administration might choose to avoid new categorical grant programs such as the Mikulsky proposal.
MEMORANDUM FOR RICK HUTCHESON

SUBJECT: Schlesinger's Memo on Insulation for Local Government Buildings

FROM: Robert T. Hall

As we discussed, I do not believe it would be appropriate for the President to send Secretary Kreps the memorandum proposed by Jim Schlesinger.

That memo, which urges greater emphasis on using Local Public Works (LPW) funds for insulation of public buildings, comes at a time when the LPW Program is well under way. Of the approximately 8,000 project applications that must be approved under this program by September 30, 1977, almost 5,000 have already been received by EDA's Regional Offices. These applications contain reports from architects and engineers certifying that plans and specifications for the projects are completed or far enough along to enable the project to go to bids and begin construction within 90 days of project approval. As a result, any effort to place greater emphasis on insulation in these projects would in many cases require revision of already completed plans and specifications. In some instances, this would also require local communities to expend additional monies for such modifications.

More importantly, an attempt to introduce a new requirement into the LPW system at this time might delay the program to the extent that it would not be possible to obligate the $4 billion by the September 30 deadline. This, of course, would be an embarrassment to the President, Secretary Kreps, and the entire Administration.

As I indicated in my earlier memorandum, EDA has taken a number of steps to encourage applicants for LPW funds to conserve energy through use of increased insulation and
other techniques. We are estimating that our efforts in this regard will result in the expenditure of approximately $200 million in LPW funds for energy-related construction costs. However, it must be remembered that the LPW projects are being proposed at the local level on the basis of priorities and needs determined by the area -- not by the Federal government. Consequently, the degree to which energy conservation is built into LPW projects ultimately depends on local perceptions of its importance.

Although it would not be appropriate to call for greater emphasis on the use of LPW funds for energy conservation projects, it would be appropriate for the President to request such a commitment from EDA's regular programs. Through these programs, public facilities can be weatherized; solar energy devices can be included in public buildings; energy impact areas (i.e., boomtowns) can be assisted; and a number of other activities designed to conserve energy can be undertaken. EDA could and should increase its efforts in these areas.
July 28, 1977

MEMORANDUM FOR RICK HUTCHESON

SUBJECT: Energy Conservation In The Local Public Works Program

This is in response to your office's memorandum to Secretary Kreps, concerning EDA's commitment to energy conservation in the Local Public Works (LPW) Program. EDA is very much aware of the Administration's goals, and I believe the policies of the LPW program fully address those goals.

Applicants have been strongly encouraged to design projects or revise existing plans to conserve energy through use of increased insulation, storm windows, solar reflectors and other energy-saving construction techniques. Application forms specifically request information on how energy conservation goals will be met.

If an applicant redesigns a project to increase energy savings, any increased costs will be considered eligible project costs and, hence, reimbursable.

Finally, in the event that EDA must select between projects from two eligible applicants competing for the same planning allocation, EDA will use energy conservation as one of the criteria by which such selection will be made.

This agency strongly supports the need for increased and effective energy conservation, and I believe the LPW program reflects that support.

ROBERT T. HALL
Assistant Secretary
for Economic Development
THE WHITE HOUSE
WASHINGTON

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

ENROLLED BILL
AGENCY REPORT
CAB DECISION
EXECUTIVE ORDER

Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day.
**THE WHITE HOUSE**
**WASHINGTON**
**SECRETARY TO**
**Doc (60 ref. form)**

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Date: July 26, 1977

FOR ACTION:
Stu Eizenstat
Frank Moore
Jack Watson
Bert Lance
Jim Fallows

FOR INFORMATION:
The Vice President
Charlie Schultze

FROM: Rick Hutcheson, Staff Secretary


YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:
TIME: 12:00 NOON
DAY: Thursday
DATE: July 28, 1977

ACTION REQUESTED:
X Your comments
Other:

STAFF RESPONSE:
X 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)
WASHINGTON

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We think keeps should be asked about this before it is transmitted to the President. wart. frank

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