

9/26/77 [1]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	<p>From Young to The President (1 page) re: Weekly Summary Of US Mission to the UN Activities/ enclosed in Hatcheson to VP and Cabinet 9/26/77</p> <p><i>opened per RAC, 2/14/13</i></p>	9/23/77	A

FILE LOCATION

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THE PRESIDENT'S SCHEDULE

Monday - September 26, 1977

7:45 Dr. Zbigniew Brzezinski - The Oval Office.

8:15 Mr. Frank Moore - The Oval Office.

8:30 Senior Staff Meeting - The Oval Office.

9:00 Meeting of the Cabinet. (Mr. Jack Watson).
(2 hrs.) The Cabinet Room.

11:00 Mr. Jody Powell - The Oval Office.

12:00 Lunch with Vice President Walter F.
Mondale - Oval Office.

1:00 Senator Robert Griffin. (Mr. Frank Moore).
(15 min.) The Oval Office.

1:30 Mr. Robert Frosch, Administrator, NASA.
(15 min.) (Mr. Jack Watson) - The Oval Office.

2:50 Depart South Grounds via Motorcade
en route Sheraton Park Hotel.

3:00 Brief Remarks at Opening Session of the
Annual Meeting of the International Monetary
Fund and World Bank Group.

3:35 Return to the White House.

THE WHITE HOUSE
WASHINGTON

September 26, 1977

Midge Costanza
Stu Eizenstat
Hamilton Jordan
Bob Lipshutz
Frank Moore
Jack Watson
Hugh Carter

Jody Powell

RE: CABINET SUMMARIES

The attached were returned in the President's
outbox today and are forwarded to you for
your personal information.

Rick Hutcheson

Attachment:

Commerce, GSA, HEW,
Interior, Justice, UN
CEQ, Agriculture, Labor,
Treasury, HUD, DoT, CEA

ADMINISTRATIVELY CONFIDENTIAL WITH ONE
CONFIDENTIAL ATTACHMENT

THE PRESIDENT HAS SEEN.
THE WHITE HOUSE
WASHINGTON

C
/

MEMORANDUM TO: THE PRESIDENT

FROM:

Jack Watson
Jane Frank *JW*

September 24, 1977

RE:

Proposed Agenda

1. Comments on the Bert Lance resignation.
2. Comments on recent and upcoming visits by foreign leaders:
 - Israeli Minister of Foreign Affairs, Moshe Dayan
 - Soviet Minister of Foreign Affairs Gromyko
 - Egyptian Foreign Minister Fahmi
 - Malaysian Prime Minister Hussein
 - Syrian Foreign Minister Khaddam
 - Jordanian Foreign Minister Sharaf
 - Yugoslavian Member of the Presidency Kardelj
3. Announcement of your November trip abroad.
4. Comments from Cabinet members.

CC: The Vice President

THE PRESIDENT HAS SEEN.

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

September 23, 1977

"FYI"

REPORT TO THE PRESIDENT

Progress of Special Economic Assistance Programs

Both the countercyclical Local Public Works (LPW) Program and the Emergency Drought Program administered by the Economic Development Administration (EDA) are proceeding on schedule toward the September 30 project approval deadline. Since mid-July, EDA has processed and approved 7,500 grant awards totaling \$3.6 billion for public facility projects. I expect the final projects of the \$4 billion second round LPW appropriation will be approved before next week's deadline. Current data indicate that for every four Federal dollars being expended on these LPW projects, a fifth dollar is being spent by the local community. EDA has also initiated special efforts to encourage grant recipients to utilize available Federal funds more rapidly. The initial response to this effort has been encouraging.

Under the Emergency Drought Program, EDA has approved projects for approximately \$161 million, only \$14 million short of the program's appropriation. Final project approvals, including some for drought-plagued areas on the East Coast, are expected early next week.

Trade Adjustment Assistance

Chairman Vanik and Ranking Minority Member Frenzel of the House Subcommittee on Trade expressed strong concerns during hearings this week on world steel trade that the Administration has been slow in developing its position on numerous trade issues, especially trade adjustment assistance (TAA). Privately, they reminded us of the April 1 White House release promising TAA legislative proposals, and stressed that a new TAA program should be in place before the Administration presents the results of the current Multilateral Trade Negotiations to the Congress. I have already sent to the White House my memo which contains interagency recommendations on TAA.

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Steel Industry Closures

As you know, recently announced plant closings in the steel industry pose severe problems for those communities whose economies rely heavily on steel.

On Wednesday, Department representatives met with community leaders in Youngstown, Ohio; today, Commerce officials met with members of the Steel Communities Coalition, representing 30 steel-producing communities. We have already received a number of proposals for Federal action ranging from short-term trade and environmental relief to a longer-term rebuilding of this industry. We will continue to work with the affected communities, both on assistance for the immediate human problems under our existing authorities and on the development of possible longer-term Federal assistance.

Most important, because so many Federal agencies (27) are involved, I believe that an interagency task force should be immediately established to deal with steel industry problems as a whole. Your appointment of such a task force would be an important first step in demonstrating the Administration's concern. We will be discussing this proposal and other approaches with your staff in the near future.

Trip to Japan and Korea

I will depart Sunday on an eight-day trip to Japan and Korea. In Japan, I will be meeting with the Prime Minister and selected Cabinet officials. I also expect to obtain agreement on the establishment of a U.S.-Japanese Trade Facilitation Working Group, as proposed by Assistant Secretary of Commerce Frank Weil during the recent sub-cabinet level economic discussions in Tokyo. This new group, with government and business participation by both countries, will seek to promote U.S. exports to Japan and to remove Japanese institutional obstacles to imports. This is a much needed initiative on our part, particularly in view of our large trade deficit with Japan.

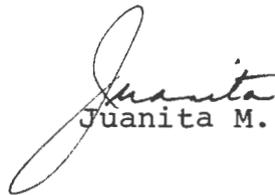
In Korea, I will represent the U.S. at the Eighth Korea-U.S. Commerce Ministers Meeting, where I will press for reductions in Korean import restrictions, stressing the broad U.S. commitment to a reduction of barriers to trade. I will make the same point at meetings with President Park and several of his Ministers. The Koreans are, of course, quite concerned about increasing protectionist pressures in the U.S. With any luck at all, I may find a way to bring Tongsun Park back to the United States.

Congressional Black Caucus Workshops

Under Secretary Harman and I were both very pleased with the warm reception we received as Administration speakers before two different Black Caucus Workshops this morning. In particular, Chairman Parren Mitchell expressed his satisfaction over the progress being made in implementing the 10% minority participation provision of the Local Public Works Program. Referring to a new-found faith in the Department of Commerce, Parren threatened to "... cease being a crotchety old man and start smiling!" On behalf of his many friends present, I implored him not to undergo any personality changes.

Response of Business Leaders to Today's Meeting

Your participation in today's meeting made a most positive impression upon the business leaders present. I believe it will contribute significantly to increasing their support of the Administration's economic policies and tax reform proposals.


Juanita M. Kreps



United States of America
General Services Administration
Washington, D.C. 20405

Administrator

1977 SEP 23
September 23, AM 72 16

MEMORANDUM TO THE PRESIDENT

SUBJECT: Weekly Report of GSA Activities

Contract Awarded to Newark, New Jersey, Firm

During your visit to Newark, New Jersey, you were asked about a Federal contract. I am pleased to advise that after a second round of negotiations, the Newark firm, Art Metal - USA, Inc., was awarded the contract. The current contract is valued at \$7.6 million and represents a reduction of \$948,000 from the earlier bid.

Black Woman to Be GSA General Counsel

Next Friday, September 30, I will swear in Ms. Allie Lattimer as General Counsel of GSA. As a GS-18, Ms. Lattimer will be one of the highest ranking black women in the Federal Government.

JAY SOLOMON
Administrator

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THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D. C. 20201

September 23, 1977

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is my weekly report on significant activities in the Department of Health, Education, and Welfare:

- Regional Appointments: As you know, eight principal regional officials have been announced. One has been cleared by the White House but is awaiting announcement (Chicago). With respect to the last principal regional officer (San Francisco), we are screening the final three candidates and should have a name to the White House within 10 days.
- Vice President's Speech at HEW: The Vice President will inaugurate HEW's Arthur S. Flemming/Wilbur J. Cohen Distinguished Speaker Series on Wednesday, September 28. This will be the first in a series of nine addresses to Department employees on social issues. In creating this series I hope to instill a sense of esprit de corps among HEW employees and to attract outstanding speakers who could provide a new perspective on the daily work of the Department.
- Corporate Executives: On Tuesday night, I will address the National Industrial Conference Board in New York City. The theme of my remarks to this prestigious business group will be that you are profoundly serious about trying to manage the government in a more sensible and efficient manner, and that we at HEW are mindful that the important social programs in the Department will only be credible to the American taxpayers if they have a sense that such programs are being administered with fiscal responsibility and with sound, streamlined procedures. I will also stress that your welfare reform proposal is a marked improvement over the present "system" in many respects, including relative administrative simplicity and the capacity to attack fraud, abuse and error systematically.

- Health Planning: Today the Department published proposed National Health Planning Guidelines, which are required by the Health Planning Act of 1974. These guidelines establish standards on the appropriate supply, distribution, and organization of health services, and are intended to improve the quality of health services, increase efficiency, and control costs. They will be used by local Health Systems Agencies and could have a profound effect on restructuring the delivery of health services in this country. If local health care institutions do not follow the guidelines, the Health Systems Agencies can prevent further expansion of an institution's capacity.

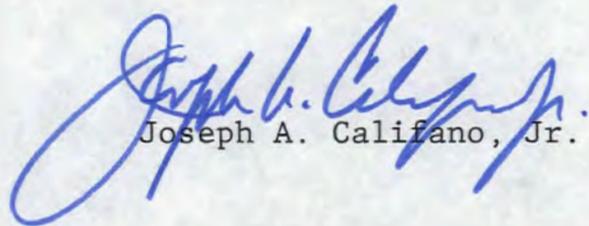
The guidelines -- which complement the Hospital Cost Containment legislation -- underscore your efforts to control medical costs by setting standards for the number of beds and amount of equipment in various hospital departments, as well as for the overall occupancy rate. A National Council on Health Planning and Development, comprised of consumers and providers, convened this morning to review the proposed guidelines.

- Legislative Round-Up:

- Hospital Cost Containment: The Health Subcommittee of Commerce (Rogers) is expected to report its version of the hospital cost containment legislation next week. The Health Subcommittee of Ways and Means (Rostenkowski) may report next week or early the following week. Full Committee action has not been scheduled as yet.
- Medicaid-Medicare Fraud and Abuse: H.R. 3, the anti-fraud and abuse bill, passed the House today by a vote of 362-5. The Senate is expected to pass its version of the bill (S. 143) next week.
- H.R. 7200/Social Security: We are continuing our efforts to persuade members of the Finance Committee to oppose the Chairman when he tries to combine the Social Security measure with H.R. 7200. If the question of combining the two should go to a vote, the outcome is unclear because of the Senators who are unwilling to commit themselves at this point. In the House, the Social Security Subcommittee reported a draft bill which may be taken up by the Ways and Means Committee as early as next Wednesday. We are not satisfied with the provisions of either the Senate or House bills at this point, but

it should be possible to put together a sound bill by picking and choosing from among the provisions of the two measures.

- Welfare Reform: Ray Marshall and I testified separately on Monday and Wednesday before the House Welfare Reform Subcommittee to start the hearings on our Program for Better Jobs and Income. Representatives of Agriculture and Treasury testified on Tuesday. The response was generally favorable, but it is clear that members have many questions and we must conduct an intensified lobbying effort in the next few weeks. The Subcommittee will take testimony from Members of Congress who wish to testify next week and from outside groups between October 26 and November 4.


Joseph A. Califano, Jr.



THE SECRETARY OF THE INTERIOR
WASHINGTON

September 23, 1977

C

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Week of September 19

I am working with the Vice President on Western Policy
and with Jack Watson on your trip West.

Nothing else to bother you with at this time.

Cecil D. Andrus
CECIL D. ANDRUS

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Office of the Attorney General

Washington, D. C. 20530

September 23, 1977

1977 SEP 23 PM 2 54

Re: Principal Activities of the Department of
Justice for the Week of September 19 through 23

1. Meetings and Events

The Attorney General and several other Department officials attended the Third Circuit Judicial Conference in Pennsylvania Monday night. Judge Bell delivered his first major address on organized and white collar crime Tuesday night before the Downtown Executives Association annual meeting in Atlanta. The Attorney General and the Solicitor General held a press conference Monday after the filing of the government's petition seeking leave to file an amicus brief in Bakke. Judge Bell and other departmental officials met Thursday with representatives of the predominantly black National Bar Association. The Attorney General met Tuesday with a delegation from the Japanese Diet studying criminal code recodification. The delegation was accompanied by Ambassador Togo.

2. Legislative Veto

Following the Attorney General's meeting with the President Thursday morning, a detailed legal memo on the subject was sent to Senator Byrd. A proposed policy statement was sent to Mr. Eizenstat and Mr. Lipshutz on Friday for their review.

3. Antitrust Meeting with the Japanese

Antitrust Assistant Attorney General Shenefield, who was confirmed this week, met this week with representatives of the Japanese Fair Trade Commission, the Japanese antitrust enforcement agency. This meeting occurred in the context of the ongoing negotiations with Canada, Great Britain and other nations regarding international antitrust enforcement. The Department is now preparing an agenda and working papers for a late October meeting with British officials to discuss extraterritorial enforcement and the problems occasioned by the uranium cartel investigation.

4. Moorman Confirmed

Assistant Attorney General Jim Moorman, head of the Land and Natural Resources Division, was also confirmed this week.

5. Bert Lance Investigation

Deputy Attorney General Flaherty announced that a three-member review panel has begun a comprehensive review of all matters in the Department of Justice pertaining to Mr. Lance. He has stated that the matter will be pursued expeditiously.

8. Legislative Report

a. Prisoner Transfer -- This week the Senate passed the prisoner transfer legislation designed to permit American prisoners in Mexican and Canadian jails to be returned home to serve their sentences. The House Subcommittee on Immigration has held hearings on the counterpart bill. The bill hopefully will be reported out of subcommittee October 7 and with luck might pass the House this session. The Bureau of Prisons and Criminal Division representatives are geared to implement the transfers so that many of the approximately 500 Americans in Mexican jails could be home by Christmas.

b. Sex Disability -- The Senate on September 16 passed S. 995 amending Title VII of the Civil Rights Act to prohibit sex discrimination on the basis of pregnancy. The House counterpart is due for markup in subcommittee in the next few weeks.

c. Special Prosecutor -- The House Subcommittee on Criminal Justice (Mann) began markup on the special prosecutor bill on September 20. It rejected a proposal to add an Office of Government Crimes. An amendment was offered by Representative Holtzman to mandate the appointment of a special prosecutor to the KCIA investigation but the subcommittee adjourned before a vote could be taken. The subcommittee will resume markup on next Tuesday. The Department is working to combat any such amendment.

d. Associate Attorney General -- The bill creating a Presidentially appointed Office of Associate Attorney General passed the Senate on September 21. The House Judiciary Committee will mark up the bill after consideration during the circuit-splitting hearings next Tuesday. It should then go to the suspension calendar during the week of October 3. Optimistically, it would go to the President within a week thereafter.

e. Diversity -- The diversity bill is expected to move quickly through the House. Hearings begin next Wednesday. It has been introduced in the Senate and will probably be referred to a subcommittee within a few days.

7. The Department's weekly report on appointments is attached.

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EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

September 23, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren
Gus Speth
Marion Edey

B.S.

SUBJECT: CEQ Weekly Status Report

Beverage Container Deposit Legislation: CEQ and EPA have been working closely together in accelerating the progress of the Resource Conservation Committee. We agreed with OMB to address beverage container deposit legislation first, and at a meeting this week the Committee agreed on the design issues involved. The initial drafting of the legislation is beginning, and the Committee recommendation should come to you after public hearings next month.

Wilderness Proposals: The Environmental Message chartered a new course for preservation of this nation's wilderness. The first specific proposal from the Message to be presented to Congress, the Beartooth Absaroka wilderness in Montana and Idaho, was developed by the CEQ, Domestic Council and the Department of Agriculture.

Transfer of CEQ Environmental Impact Statement Duties: Completed and signed formal agreement to transfer CEQ's EIS processing duties and staff positions to EPA in accordance with Executive Office Reorganization Plan (and effective on its Congressional approval).

Energy Appointments: We have communicated confidentially to Jim Schlesinger the increasing concern that Congressional, environmental and other sources have expressed to us regarding two Administration nominees in the energy area: Kent Hansen to be a member of the Nuclear Regulatory Commission and Robert Thorne to be the Assistant Secretary for Energy Technology. Our information is that Hansen will probably face stiff opposition, led by Senators Hart and Glenn, both in Committee and on the floor. Whether a strong fight will be made against Thorne is less clear at this time but is a distinct possibility. Those contacting us have urged that the Administration reconsider these nominations.

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DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

1977 SEP 23 PM 2 54
September 23, 1977

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MEMORANDUM TO THE PRESIDENT

THROUGH Jack Watson
Secretary to the Cabinet

SUBJECT: Weekly Report

TRAVEL. The Secretary is in Colorado, Missouri and Kansas conducting open forums with the public, and information sessions with ASCS employees and committees.

He reports that 2,000 -- of the 5,000 expected -- protesting farmers attended a rally in Pueblo, Colorado. They represent a group threatening to "strike" in December unless prices reach 100 percent of parity. The Secretary says they demonstrated more anger than usual but the chance "to tear into a Secretary" seemed to relieve their frustrations.

MONEY. In addition to the White House requests for FY 1978 supplemental appropriations, it is likely that the Senate will add \$17 million for the Soil Conservation Service to complete rehabilitation work required as a result of floods, fires and other natural disasters.

SUPPLIES. Soybean stocks are down 58 percent from last year, the smallest carryover of U.S. stocks since 1973.

The global carryover of wheat and course grains is now 185 million tons -- down one million tons from the August estimate but 14 million tons above the 1976/77 level.

FmHA - ASCS. Attached are the weekly status reports on FmHA and ASCS appointments.

Sarah Weddington
SARAH WEDDINGTON
Acting Secretary

Attachments-2

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U. S. DEPARTMENT OF LABOR
OFFICE OF THE SECRETARY
WASHINGTON

C

September 23, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, RAY MARSHALL *Ray*

SUBJECT: MAJOR DEPARTMENTAL ACTIVITIES, SEPTEMBER 17-23

EAST COAST LONGSHOREMEN

There is the danger of a longshoremen's strike affecting East and Gulf Coast ports when the current contract between the International Longshoremen's Association (ILA) and the various shipping associations expires on September 30. The key shipping association in the negotiations is the Council of North Atlantic Shipping Associations (CONASA) which covers East Coast ports from Norfolk to Boston.

Negotiations are continuing and there is some possibility that a settlement will be reached before the September 30 deadline. The key issue in the dispute is what the union calls "job security." What this represents is the ILA's concern over the long-term financial health of the fund which provides a guaranteed annual income for union members regardless of the demand for longshoremen. The ILA is concerned that the financial health of this fund was jeopardized by a recent National Labor Relations Board (NLRB) decision which set aside work preservation rules in the handling of container ships. (This NLRB decision triggered a five-day longshoremen's strike in June). There are other issues involved in the negotiations, but the question of the guaranteed annual income is the one likely to trigger a strike.

There continues to be a strong likelihood that an ILA strike would not affect all shipping in East and Gulf Coast ports. Instead, it is probable that the strike would be targeted at the major container lines since they

were the ones involved in the NLRB decision. In the event of a total shutdown of all East and Gulf Coast ports, some shipping would be moved to West Coast and Canadian ports. However, these facilities can absorb only a limited portion of East Coast shipping.

Since 1948, only one contract settlement in the shipping industry (1974) was reached without a strike. A longshoremen's strike generally triggers strong pressure from Congress and the business community for a Taft-Hartley injunction. Every longshoremen's strike (except the one this June) since 1948 has been settled by the use of a Taft-Hartley injunction.

I am concerned that any public discussion of a Taft-Hartley injunction at this point would be both premature and damaging to the ongoing negotiations. Since both sides are used to government intervention in bargaining situations, there is the continuing danger that one side in the negotiations may hold back in hope of Federal action. The five-day ILA strike in June in protest over the NLRB decision was settled without a Taft-Hartley injunction. I am hopeful that one will not be required in this situation. In any case, shipping strikes generally have limited economic impact for the first 10 days to two weeks. As a result, we still have some time before we will have to make a decision on a Taft-Hartley injunction.

The Federal Mediation and Conciliation Service (FMCS) is involved in trying to facilitate negotiations between the two parties. If a Taft-Hartley injunction becomes necessary I will advise you immediately.

WELFARE REFORM

I have prepared a paper, ~~which is attached~~, on the relationship between the jobs component of welfare reform and the Administration's employment strategy. On September 23, I issued this statement to the press and sent it to Members of Congress.

STEEL INDUSTRY

A joint Labor and Commerce Department team are currently in Youngstown, Ohio, to assess what can be done to ease the economic impact of the decision by the Youngstown Sheet and Tube Company to shut down a large plant there and lay-off 5,000 workers.



THE SECRETARY OF THE TREASURY
WASHINGTON 20220

F.Y.I.

September 23, 1977

C

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. TAX REFORM

The final version of the tax reform package will, as you requested, reach you today. We will do all we can to make it possible to send the proposals to Congress by week after next.

2. ENERGY

The Senate Finance Committee has postponed a decision on the crude oil equalization tax and rebate until Monday, September 26. Some Committee members seem interested in rebating a portion of the tax to low and middle income taxpayers and using another portion of the tax revenues to encourage energy development. Interest has also been expressed in a phase-out of the crude oil tax. The staff of the Joint Committee on Taxation and Treasury staff will work out proposals relating to the crude oil tax and rebate, and make a presentation to the Finance Committee on the 26th.

3. INTERNATIONAL FINANCIAL INSTITUTIONS

The Senate Wednesday agreed to the House amendments on the IFI Authorization Conference Report, clearing the way for your signature.

The Foreign Assistance Appropriations Conference begins this morning at 10 o'clock. Treasury is coordinating the execution of strategy for the IFI appropriations, including personal meetings with over 120 Congressmen in anticipation of the Conference being finished today and a floor vote occurring soon afterwards.

We are working with the White House on your remarks for the annual IMF/IBRD meetings next week.

4. DEBT CEILING EXTENSION

The House rejected the temporary debt-ceiling extension proposal by a vote of 180 to 201. Ways and Means will begin work on a new bill Monday, and House action on the new bill is anticipated by the end of next week. I testified Thursday before a Senate Finance subcommittee on this matter.

5. STEEL

The EPG Steering Committee has asked Treasury to coordinate inter-agency work on steel problems. This week saw not only announced closure of the Youngstown plant and a call by the United Steelworkers for higher import tariffs, but filing by U.S. Steel of an anti-dumping petition against a broad range of Japanese steel products. U.S. Steel has indicated that they are also considering filing a petition against British Steel Corporation.

6. U.S.-U.K. TAX TREATY

The Senate Foreign Relations Committee will begin consideration of the tax treaty on September 28. Treasury is mounting an effort with the Committee to insure ratification, of importance to the business community.

7. NEW YORK CITY

New York City borrowed \$250 million from Treasury this week, raising its total borrowing since July 1 to \$1.1 billion. The City will borrow another \$700-\$800 million before its annual short term borrowing program is completed in mid-January. We have been working closely with City officials to raise \$250 or more of this remaining need from the public or private note markets, rather than from Treasury. The Seasonal Financing Act requires that NYC borrow on its own, if at all possible, this year. There are legal obstacles (including a possible need for new state legislation) to the City's re-entry into the market, which we are striving to overcome.



W. Michael Blumenthal

THE WHITE HOUSE
WASHINGTON

September 26, 1977

Secretary Harris

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

Rick Hutcheson

RE: ALMA, GEORGIA CONTINUES
ENVIRONMENTAL DISPUTE
INVESTIGATION OF ROCKDALE
APARTMENTS, ATLANTA, GEORGIA

THE WHITE HOUSE
WASHINGTON

cc *Harriet*



THE UNDER SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

September 23, 1977

cc Pat
J

MEMORANDUM FOR: The President

SUBJECT: Weekly Report of Major Departmental
Activities

The following are brief descriptions of significant activities at the Department of Housing and Urban Development.

good
Conference Committee Impasse May End. The Conference deadlock on the Housing and Community Development Act of 1977 may end with an acceptable compromise on the Williams-Brooke impaction formula. Both sides tentatively have agreed to new language that would make impaction the primary selection factor of a total of ten factors proposed for the Urban Development Action Grant program. The Conference Committee is scheduled to reconvene on Monday afternoon, September 26.

HUD Expands Equal Opportunity Role. Effective October 1, the Executive Order 11246 contract compliance functions of four agencies will be consolidated within this Department. HUD will assume the positions and budgets formerly allotted to EDA, HEW, and VA. The Department has completed all planning for the move, including a training program beginning on October 17 for the 67 people being transferred to HUD.

This consolidation move is intended to strengthen management of the government's contract compliance functions by reducing from 16 to 11 the number of government agencies charged with enforcing affirmative action requirements of Federal contractors. It also will reduce the number of individual agencies responsible for reviewing the performance of a single large contractor, who may be working on Federal contracts from several agencies at one time.

Alma, Georgia Continues Environmental Dispute. The Department has just received a letter from attorneys representing the City of Alma/Bacon County, Georgia, concerning HUD's denial of release of block grant funds for the development of Lake Alma. The letter formally requests a review of HUD's action pursuant to the Administrative Procedure Act and the block grant legislation, demands a hearing, questions the authority of HUD to deny the release of funds, and indicates that Alma/Bacon will proceed to file an appropriate petition with the U. S. Court of Appeals for the Fifth Circuit.

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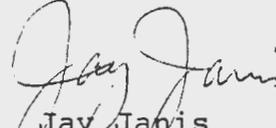
Investigation of Rockdale Apartments, Atlanta, Georgia. Last December, as a result of complaints by Congressman Elliott H. Levitas, HUD's Inspector General began a full investigation of the construction and subsequent acquisition and demolition by HUD of the Rockdale Apartments, a 325-unit lower income housing project in Atlanta. Congressman Levitas was concerned because the project had been demolished less than six years after construction.

The results of the investigation were provided to the U. S. Attorney, Atlanta, on June 13, 1977 for prosecutive consideration. In keeping with Departmental practice involving possible criminal charges, the report was not distributed within HUD. However, on September 14 the Department was informed, by letter from the U. S. Attorney, that certain Federal criminal statutes had been violated. Prosecution was not possible because the statute of limitations had expired.

ok
I have ordered a complete review of the investigative files to determine appropriate administrative action against HUD employees and debarment of contract architects who may be guilty of improper conduct. Moreover, I have requested a thorough review of Departmental procedures to seek ways of preventing such abuses in the future. Congressman Levitas and Landon Butler have been briefed on the report and our proposed actions.

Energy Conservation and Utilities. The Department has executed a grant contract with the National Institute of Building Science for technical assistance in the development of energy conservation standards. The first task of this Congressionally-established Institute will be to monitor activities of states relating to the development of standards for energy conservation.

URPG Redlining Task Force Proceeds on Schedule. The staff has developed recommendations on the work program and budget and the criteria for selecting project consultants. The Redlining Task Force, which has representatives from 25 agencies, met on September 15 to make assignments to complete work on the staff's recommendations.


Jay Janis

THE WHITE HOUSE
WASHINGTON

September 26, 1977

Secretary Adams

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

Rick Hutcheson

RE: 55 MPH SPEED LIMIT

THE WHITE HOUSE
WASHINGTON

cc Adams



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

Jack
J

September 23, 1977

MEMORANDUM FOR THE PRESIDENT

THROUGH: Jack Watson

SUBJECT: DOT Issues for Presidential Review

Bob *Edaw*

Controversial Highway/Environmental Issues

Information

In the last few months, I have been attempting to settle by administrative decision a number of controversial highway projects. I have reported each of these to you, and you have directed me to proceed with Administration positions on projects such as Westway Highway in New York City and I-66 in Northern Virginia.

I have issued a decision refusing to approve Highway-3 in Honolulu and have coordinated with the Department of Interior to be certain the Interstate-10 highway in Mississippi was constructed to avoid destroying the Sandhill Crane habitat.

I am concerned that the Council on Environmental Quality at the request of the Environmental Protection Agency has indicated publicly its intention to reopen all the environmental issues affecting the Westway project in a Corps of Engineers' proceeding involving filling part of the Hudson River, a necessary part of the project.

There are two more controversial projects which must be promptly resolved. Overton Park in Memphis, Tennessee, and Southern Tier Expressway in New York. Concerned Governors and Senators have been calling me and some are now attempting to reach the White House.

All four projects were designed before passage of the National Environmental Protection Act of 1972 (NEPA). I have required all projects started after the enactment of NEPA in 1972 to meet all applicable requirements and have tried on the other projects to correct them to the greatest degree possible to meet NEPA standards.

I am meeting on Monday with Doug Costle, EPA, Charles Warren, CEQ, Cec Andrus, and Jack Watson to discuss with them my great concern that once the Administration has made a decision, it should be Administration policy and should be left alone, and that on projects started before NEPA, we are trying to reach a compromise solution or not construct them. This position is absolutely necessary if we are to carry out your instructions that Federal red tape and delays be eliminated.

After my meeting on Monday, I propose to forward to you under separate cover my proposed decision on Overton Park.

Amtrak Heavy Maintenance Facility

Information

On Friday, September 16, I met with over two dozen representatives of Northeastern States to discuss location of a proposed heavy rail repair facility for the Boston-to-Washington Corridor. I heard presentations from Boston and Wilmington which are competing for the proposed \$30 million facility. The speakers included Governors Dukakis and du Pont, Senators Roth and Biden of Delaware, Senators Brooke and Kennedy of Massachusetts, and Congressional representatives from Massachusetts, Pennsylvania, New Jersey, and Delaware. Speaker O'Neill, a strong proponent of the Boston location, was represented by a number of House members. Most present, especially Senator Kennedy, were pleased with what he termed the Department's "open and unprecedented manner" in making the decision. I have now released all DOT engineering studies on the project and have agreed to allow Wilmington and Boston time to respond in writing to the studies before making a decision. Boston's response has been received and Wilmington should respond by Tuesday, September 27. I expect to announce a decision after that.

Panama Canal Hearings

Information

The Department of Transportation has been asked to testify on September 30 before the Senate Committee on Foreign Relations on the transportation implications of the Panama Canal Treaty.

I will appear before the Committee. My staff is coordinating the prepared testimony with the State Department and Zbig.

Development of a National Transportation Policy

Information

Last week I met with the Chairmen of the Transportation related Subcommittees of the House and Senate to present and

discuss the DOT options paper for highway and mass transit legislation which the Department will use as a basis for developing a bill to be introduced early next year. We have kept Jack Watson, Stu Eizenstat, and OMB staff informed about the options paper and legislative alternatives. On September 20, I appeared at the House Surface Transportation Subcommittee to discuss this paper and planned legislation in general, and I am scheduled to appear before Senator Bentsen's Transportation Subcommittee on October 7.

Concorde/SST

Information

Pursuant to our discussions, the Concorde/SST decision was announced on Friday, September 23, at 11:30 a.m.

55 MPH Speed Limit

Information

In response to your note of September 22, I am preparing a brief mailgram to the States on highway speed limit compliance.

I would like to suggest that these be sent October 4, so I can announce this action when I address the 7,000 International Association of Chiefs of Police in Los Angeles. Since our meeting at the White House with General Davis, I have requested that he travel throughout the United States and report to me on compliance. That trip will also have been completed and his report available to you by October 4.

If you wish to send the mailgram earlier than that date, please let me know and I will immediately forward to you the appropriate materials for the various governors.

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THE WHITE HOUSE
WASHINGTON

September 26, 1977

Charles Schultze

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

Rick Hutcheson

RE: HUMPHREY-HAWKINS
ENERGY AND TRADE
STEEL

THE WHITE HOUSE
WASHINGTON

cc Schulz

THE WHITE HOUSE
WASHINGTON

*eyes
only*

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

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

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

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

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

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THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

Charlie J

1977 SEP 23 PM 4 12

September 23, 1977

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*

Subject: CEA Weekly Report

Moynihan Letter. Stu Eizenstat and I have completed and signed the letter to Senator Moynihan on his report on New York's economic situation. We offered to deliver the letter to him this morning, but he asked that we not do so until Monday. He is giving a speech Sunday in which he apparently will mention the letter, but he assured me that he would not unfairly criticize the Administration for failing to deliver it.

Humphrey-Hawkins. We have had extremely fruitful negotiations thus far with the staff for Humphrey and Hawkins. Only a few areas of disagreement separate us, although those issues are of considerable importance. At this stage, we have two options remaining. One is to compromise with Humphrey and Hawkins to reach complete agreement. The other is to agree on the bulk of the bill and agree to disagree, and so testify, on the remainder. Such a course is not unusual. We will discuss which option is preferable at a meeting tomorrow of Stu, Secretaries Blumenthal, Kreps, Marshall, and me.

ok to me first

Energy and Trade. I have been working with Jim Schlesinger, Mike Blumenthal and others on an inquiry into the impact of oil imports on the balance of trade. We are preparing a memo for you outlining the situation and developing options for your response.

Expedite

Steel. I will be sending you shortly a memo on a possible meeting with leaders from business and labor in the steel industry. In that memo, I will summarize the efforts that are now being made within the Administration to come to grips with "the steel problem." One thing that is quite clear is that the industry's difficulties should not be treated solely as an international trade problem.

*Continue
to discuss &
conclude*

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

9
/

MINUTES OF THE CABINET MEETING

Monday, September 26, 1977

The twenty-eighth meeting of the Cabinet was called to order by the President at 9:01 a.m., Monday, September 26, 1977. All Cabinet members were present except Mr. Blumenthal, who was represented by Treasury Under Secretary Robert Carswell; Ms. Kreps, represented by Commerce Under Secretary Sidney Harman; Dr. Schlesinger; Ambassador Strauss, represented by STR General Counsel Richard Rivers; Mr. Vance, represented by Deputy Secretary of State Warren Christopher; Ambassador Young, represented by Deputy Permanent Representative to the U.N. James Leonard; and Zbigniew Brzezinski, represented by Deputy Assistant to the President for National Security Affairs David Aaron. Other persons present were:

Joe Aragon	Bob Lipshutz
Landon Butler	Dick Moe
Hugh Carter	Frank Moore
Doug Costle	Richard Pettigrew
Midge Costanza	Frank Press
Stu Eizenstat	Charles Schultze
Jane Frank	Jay Solomon
Rex Granum	Stansfield Turner
Richard Harden	Charles Warren
John Kester	Jack Watson

The President asked for comments from the Cabinet, beginning with the Secretary of Defense:

1. Dr. Brown said that the Senate hearings on the Panama Canal treaties will begin this morning, with Mr. Vance as lead witness. Dr. Brown and the Joint Chiefs of Staff will testify on the treaties in the House today and in the Senate tomorrow. He described various activities of DOD spokespersons on behalf of the treaties last week.

-- The President said that he may hold a fireside chat on the treaties as early as next week.

-- Dr. Brown said that the Senate and House authorizing committees have rescinded funds in the FY '78 budget for the B-1 bomber, but that they have not yet taken action on proposed additions for the cruise missile and other bombers. The Senate and House Appropriations Committees have not yet marked up the appropriations bills, but action is expected on these bills before the recess. The situation with regard to funds for the B-1 in the FY '77 supplemental is more difficult; the House Defense Appropriation Subcommittee will not approve rescission, but the full Appropriations Committee, as well as the full House, are expected to reverse that action.

-- Dr. Brown said that both the British and the Germans are pushing for more U.S. Military purchases (the Germans are interested in standardizing their equipment). Dr. Brown believes that the U.S. should accommodate these requests.

2. Dr. Harman said that Ms. Kreps is on an eight-day visit to Japan and Korea. He commended the excellent groundwork for her visit by Ambassador Strauss and said that Ms. Kreps hopes to promote a more even-handed and open trade policy in that region.

-- Dr. Harman described the President's meeting last Friday with ten business leaders as a "timely and sanguine event." He said that those who attended were generally supportive of the outlines of the Administration's proposed tax package and in overall agreement with the Administration's economic and business forecasts. All of the business leaders present expressed their eagerness to work with the Administration in every way possible, and all agreed on the value of regular, brief, informal meetings with the President. They also suggested that it would be helpful for the President to give an "Economic State of the Union" address to the country sometime soon.

-- The Inter-agency Committee for Minority Business Enterprise, which Dr. Harman chairs, met on September 12 to discuss doubling procurement from minority enterprise during the next two years. Dr. Harman said that the President's attendance at that meeting had "galvanized" the group.

-- Dr. Harman noted the Commerce Department's interest in participating in an interagency task force to consider the problems developing in the steel industry.

3. Mr. Adams said that he will meet with Messrs. Andrus, Costle and Warren immediately after the Cabinet meeting to discuss impending decisions on various controversial highway projects and problems related to those decisions.

-- The President noted that Mr. Adams has been "superb in taking the heat off the rest of us" in making one difficult decision after another on seatbelts, airbags, the Concorde, aircraft noise, and other controversial subjects. He said that once such controversial decisions are made, it is important to move on and not look back.

-- Mr. Adams said that he met over the weekend with Georgia Governor George Busbee and the Transportation Committee of the National Governors' Conference to discuss options for a national transportation policy.

5. The President expressed his complete confidence in Acting OMB Director James McIntyre and said that Mr. McIntyre has full authority to speak for him in fulfilling the responsibilities of that office. He said that Mr. McIntyre had done a superb job as "my OMB Director in Georgia." (The President excused himself to take a telephone call from Senator Robert Byrd.)

-- Mr. McIntyre thanked the Cabinet for submitting their FY '79 budgets on schedule. He said that the zero based budgeting process had worked during this first year of its application "with various degrees of success, but that the overall response was good."

6. Mr. Rivers said that Ambassador Strauss, who is still in Europe, had held a series of successful meetings, including a meeting with French Prime Minister Barre. In Brussels, Ambassador Strauss had reached a tentative agreement with the Commission of European Communities to use the Swiss formula as a working hypothesis for a tariff cut. The Swiss formula provides for an average 44% depth of cut. Mr. Strauss will return to Washington this week.

-- Ambassador Strauss would also like to participate in any task force that is set up on the steel situation.

7. Ms. Harris briefly described her trip last week to the Soviet Union, where she and some of her staff attended a joint meeting on housing construction. She also met for one hour with Chairman Kosygin and was pleased with the tone and substance of their talks. Some of her staff remained in Leningrad for further meetings.

-- She thanked the President for calling Senator McIntyre and for breaking the logjam on the HUD Authorization Conference Report. The House Senate Conference meets this afternoon on the legislation, and she predicted that a favorable compromise would result.

8. Mr. Bergland visited Kansas and Colorado last week where he discussed the wheat crop and wheat prices with several thousand farmers. He said that this year's wheat harvest will yield a heavy crop.

9. Mr. Carswell said that Mr. Blumenthal is at the first session of the International Monetary Fund (IMF) meeting in Washington. 131 countries are represented by high-level officials, and 65 of them will hold bilateral discussions with Mr. Blumenthal this week. The President will address the group briefly this afternoon.

-- The International Financial Institutions (IFI) legislation is still in difficulty on the Hill. As of Friday, a Senate/House conference on the bill was deadlocked, and Mr. Carswell said that the Administration was not likely to prevail on many significant amendments.

-- The Economic Policy Group (EPG) is undertaking to set up a task force on steel and to work out appropriate participation by the Cabinet.

-- The President said that he had asked Messrs. Watson and Eizenstat to coordinate the Administration's action on steel. He, the Vice President, and Messrs. Bell, Carswell, Schultze and Rivers, discussed the situation in the steel industry and the need for a very careful look at the issues involved.

10. Mr. Marshall said that negotiations in the coal industry are likely to avoid a strike. He plans to follow the President's suggestion of holding a conference on coal well after December 6, when the existing contract expires and after a new contract is negotiated.

-- He predicted that a Longshoremen's agreement will not be reached before the existing contract expires at the end of this month. Although a strike will cause inconvenience, it will not be catastrophic and, at this point, Mr. Marshall is not recommending that the Administration seek an injunction.

-- The iron ore strike is now in its ninth week with no settlement in sight. Mr. Marshall said that the strike threatens to undermine the experimental labor agreement that has kept peace in that industry for some time.

-- The Department of Labor is ahead of schedule in implementing the Youth Employment Bill. The U.S. will chair an Organization for Economic Cooperation and Development (OECD) conference in mid-December on youth unemployment. Planning sessions for that conference will take place in mid-October.

-- He testified along with Mr. Califano last week on welfare reform. Despite press accounts, Mr. Marshall believes that testimony went well; he noted that the Committee was interested in the relationship between our welfare policy and our overall economic policy.

11. Ambassador Leonard said that Ambassador Young had remained in New York today to lobby the joint US/UK position on Rhodesia. The Security Council will meet tomorrow on that subject. Even if no serious problems develop, Ambassador Leonard said that adoption of the US/UK proposal would be merely a first step in a transition to majority rule in that country.

-- Negotiations on Namibia are not going well, but Mr. Leonard said that we need to assess the situation further before commenting on or reacting to it.

-- Ambassador Young is looking forward to the President's visit next week to the U.N. Mr. Leonard said that the entire U.N. community will be listening closely to what the President has to say, but that the "Carter honeymoon with the U.N. is not over." The President asked for additional suggestions on his remarks from Ambassador Young.

-- Several Cabinet members asked what steps the U.S. might take to assure the transfer of rule in Rhodesia. Mr. Leonard said that we would support a U.N. peace-keeping force in the area and would consider economic sanctions on South Africa if it attempted to frustrate the transition.

12. The President said that Dr. Brzezinski is in Europe (England, France and Germany) discussing issues of importance to Mr. Vance and him.

13. Mr. Schultze said that the Bureau of Census figures for August on trade show an increase in the deficit for that month of \$2.6 billion. This translates to an annual rate of increase of \$32 - \$35 billion, and is approximately the same monthly figure as for July and June. Although some special factors, such as the coal strike, contributed to the situation, the increase is more a reflection of our sluggish exports than anything else. Mr. Schultze pointed out that other industrialized countries of the world, notably Germany and Japan, are experiencing similar problems, as well as increasing unemployment, and are likely to miss the growth targets which were set at the International Economic Summit meeting in May.

He also identified another "cloud on the horizon," namely, continued sluggishness in U.S. business investment and the inability to sustain an expansion which is now largely consumer-led. He underscored the need for a workable, long-range energy program to reduce oil imports.

-- The President again emphasized the need to cut down on U.S. energy consumption. He also noted that, in order for other countries to be able to buy our goods, their economies must become stronger.

-- The President said that during the next several days, he would be studying lengthy memoranda on proposed tax reform options, and that, thereafter, he would meet with various members of the Cabinet and others who have expressed special concerns about the package.

-- In response to a question from Mr. Bergland, Mr. Schultze emphasized that the trade deficit is not catastrophic, especially when it is set off against income from foreign investment. He noted a number of "largely psychological factors" and said that the U.S. remains an excellent place for foreign investment.

-- Mr. Adams warned that a Senate proposal to import and store fuel may be economically unsound in terms of the trade deficit.

-- Mr. Schultze said that the lobbying efforts of an industry/consumer coalition to scuttle the wellhead tax in the Senate last week completely ignored the fact that the U.S. has the lowest energy prices in the world.

-- The President said that he will hold a press conference this week and make a strong statement on the energy legislation. He said that Senator Byrd had just

called to assure the President that the Senate would move expeditiously on the legislation.

14. Mr. Califano said that he is moving forward with "Project Match," an effort to check federal employment against the welfare roles. He asked for the cooperation of all the Cabinet Secretaries in running the checks in their respective departments.

-- The Medicaid/Medicare fraud legislation passed the House last week, and the Senate will begin consideration of the bill on Thursday. He predicted that a bill on the subject will be enacted before the recess.

-- Mr. Califano gave several examples of various onerous amendments to H.R. 7200, particularly those proposed by Senator Long. The President asked him to give some details on the amendments to Stu Eizenstat for use by the President at this week's press conference.

-- Mr. Califano visited Canada last week to study its health care system. He noted that the percentage of GNP spent on health care in Canada has declined to 7%, whereas it has increased to 9% in this country and will reach 10% in FY '79 if the hospital cost containment legislation does not pass.

-- He testified this morning on age discrimination before the U.S. Commission on Civil Rights. An amendment to the Civil Rights laws on this subject will become effective in January of 1979, and HEW must draft regulations for the new provisions. He asked all Cabinet Secretaries to review all age-sensitive programs in their departments carefully so that we can avoid the kind of controversy we experienced with the recent issuance of regulations on the handicapped.

-- HEW will announce shortly a fundamental reorganization of the Public Health Service. The plan has the support of Congressman Paul Rogers and Senator Edward Kennedy.

-- Mr. Califano commended the superb testimony last week of Assistant Secretary of Agriculture Carole Foreman on the welfare reform package.

16. Mr. Andrus met last week with Black Caucus Chairman Parren Mitchell concerning Interior's program for minority contracting. Mr. Andrus has set goals for

minority contracting for his various programs and has told his program heads that if the funds are not spent for this purpose, they will be impounded within the agency.

-- The Alaska lands proposal is doing well in the House but is facing some trouble in the Senate. Mr. Andrus pointed out that the lands in Alaska which are closed to mineral extraction are approximately one-half the size of the State of Texas, compared with those which are open to extraction, which are larger than the State of Texas.

17. Mr. Christopher said that considerable progress was made last week in meetings with Soviet Foreign Minister Gromyko on SALT II. Intensive negotiations will not take place between Messrs. Vance and Gromyko in New York and between our arms negotiator Paul Warnke and his counterpart in Geneva. Mr. Christopher said that the subject remains very sensitive.

-- He said that the Israelis had accepted a pan-Arab delegation (including Palestinians) for the Geneva talks but that the conditions they attached were not ones that had been agreed to by the U.S.

-- A series of foreign visits will take place this week, including visits by the Syrian and Jordanian Foreign Ministers.

-- A cease-fire has been agreed to by all sides in Southern Lebanon. Although Israeli troops were removed from the area this morning, the situation continues to be "very aggravated and difficult."

-- Mr. Vance leaves for New York today for a two-week visit. He will hold approximately 60 bilateral meetings, including meetings with Soviet Foreign Minister Gromyko and the Arab and Israeli Foreign Ministers.

-- The President said that he met for three hours last week with Mr. Gromyko, and that the meeting had a cordial and positive tone. A broad range of issues was discussed, and he noted that the Soviet press emphasized the discussion of a possible visit by President Brezhnev to the United States.

-- The President said that the United States has agreed to abide by the terms of the SALT I agreement pending negotiations on SALT II. He plans to talk with Senators Robert Byrd and Jackson on the subject.

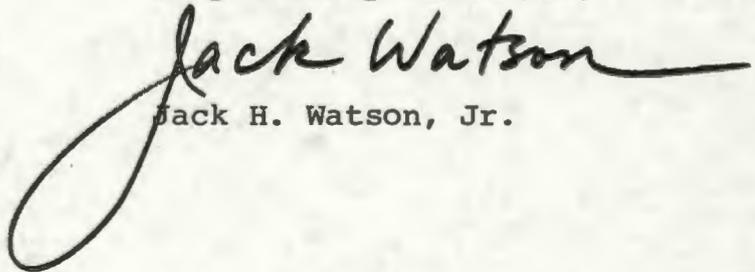
-- The President will visit four continents in late November--a trip that he, the Vice President, and Messrs. Vance and Brzezinski have been planning for five months. He said that the visits should be helpful and substantive.

-- He said that the United States is making progress in various international negotiations, with the possible exception of Namibia. European nations have been surprisingly forthcoming and cooperative on the non-proliferation and arms-sales issues. The U.S. plans to implement a schedule for reducing arms sales and is also attempting to persuade countries to reduce their orders.

-- He has decided to hold a Cabinet meeting on Monday, October 10, despite the fact that it is Columbus Day. Congress will still be in session, and the President believes that a meeting will be helpful to the President and Vice President and to the Cabinet.

The meeting was adjourned by the President at 10:41 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jack H. Watson, Jr.". The signature is written in black ink and is positioned above the typed name. The signature is fluid and somewhat stylized, with a large loop at the beginning of the first letter 'J'.

Jack H. Watson, Jr.

~~CONFIDENTIAL~~

TO: President Carter
THROUGH: Jack Watson
FROM: USUN - Ambassador Young
SUBJECT: Weekly Summary of U.S. Mission to the U.N. Activities
September 15 - 23

September 23, 1977

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1. 32ND GENERAL ASSEMBLY OPENS SEPTEMBER 20: The commencement of the 32nd GA, including election of officers and admission of two new members, Vietnam and Djibouti, was marred only by the thorny legal and financial problem raised by Democratic Kampuchea's (Cambodia) refusal to acknowledge their responsibility to pay a small portion of their accrued assessment which stems from the Lon Nol era. A workable interim solution to the problem is expected when the Kampuchean Foreign Minister arrives next week. Amb. Young's speech welcoming Djibouti and Vietnam was warmly received.
2. CLOSING OF THE RESUMED 31ST GENERAL ASSEMBLY, SEPT. 19: The outcome of the session was a statement from the Rapporteur quoting the text of the Group of 77 (Developing Countries) draft resolution on the results of the Paris Conference on International Economic Cooperation (CIEC), but noting that no agreement could be reached. No further action on or consideration of the issue was recommended. This solution demonstrated that the Group of 77 was willing to drop its resolution rather than provoke a vote and thereby overtly renew confrontation on economic questions.
3. RHODESIA IN THE SECURITY COUNCIL: Ambs. Young and Richard (UK) met Sept. 21 with Frontline Foreign Ministers and Ambassadors plus Nigerians to discuss Security Council consideration of the first phase of the UK/US proposal. However, as the Frontline Presidents are meeting Sept. 22 in Maputo to discuss the issue, any decisions from the Africans will come after the results of that meeting are known. It now appears the Security Council will not meet on the proposal before the week of Sept. 26.
4. NAMIBIA: Amb. McHenry and other Group of Five members are in Pretoria for the third round of talks with South Africa; no firm evaluation is yet available. A Sept. 19 meeting with the Secretary General revealed that the UN Secretariat's contingency plans for UN role in Namibia include only the civilian aspects. Waldheim does not intend to develop the military role until he has a clear Security Council mandate.
5. BILATERALS have been held with the Canadians (9/15), and the Soviets (9/16), on the issues before this General Assembly.
6. AMB. YOUNG'S OTHER MEETINGS: Angolan UN Ambassador de Figueiredo (9/11); Commonwealth Secretary General Sonny Ramphal (9/15); South African Ambassador Sole (9/16); Nicaraguan Deputy Foreign Minister Harry Bodan Shields (9/16); Finnish UN Ambassador Pastinen (9/21); Liberian UN Ambassador (9/21); Djibouti President Gouled (9/22); Nepalese UN Ambassador Upadhyay (9/22); Upper Voltan UN Ambassador Mensah (9/22); Informal dinner with the Soviets (9/22).

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Per: Rac Project

ESDN; NLC-126-9-17-1-3

BY: KS NARA DATE 2/13/13

World Bank/IMF Joint Speech
9/26/77

?

I AM GLAD TO WELCOME YOU TO WASHINGTON AS YOU BEGIN
YOUR ANNUAL MEETING.

**ABSENCE OF DISAGREEMENT
COMPLETE HARMONY**

⊆ THESE MEETINGS PROVIDE AN OPPORTUNITY FOR THE LEADERS
OF THE WORLD'S FINANCIAL INSTITUTIONS, PUBLIC AND PRIVATE,
TO CONSIDER THE ECONOMIC PROBLEMS -- AND THE OPPORTUNITIES --
THAT OUR NATIONS SHARE, **AND THROUGH**

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? THE BANK AND THE FUND ARE ~~THE INSTITUTIONS THROUGH~~
~~WHICH WE HOPE~~ TO MEET THE CHALLENGES TO OUR SHARED WELL-BEING.

? THE TWO GREATEST CHALLENGES WE FACE ARE TO RESTORE AND
MAINTAIN
STEADY, NON-INFLATIONARY EXPANSION TO THE WORLD ECONOMY;
AND TO INCREASE THE PACE OF GROWTH IN THE DEVELOPING COUNTRIES,
WITH ^{THE} ~~ITS~~ BENEFITS, ^{OF THAT GROWTH} MORE WIDELY SHARED.

- 4 -

..... OUR RATE OF INFLATION, WHILE STILL TOO HIGH FOR OUR
IS MODERATING
LIKING, ~~HAS MODERATED~~ AND IS BELOW THAT IN MOST OTHER COUNTRIES.

..... WE WILL MEET OUR ECONOMIC GROWTH TARGETS FOR THIS YEAR --
WE WILL MAINTAIN A VIGOROUS NON-INFLATIONARY GROWTH NEXT YEAR --
AND I AM COMMITTED TO TAKE SUCH ACTIONS AS ARE NECESSARY TO
INSURE THAT ~~OUTCOME~~ **THIS PREDICTION COMES TRUE.**

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..... WE WILL DO SO PRINCIPALLY BECAUSE IT IS GOOD FOR OUR
OWN COUNTRY, BUT ALSO BECAUSE IT CONTRIBUTES TO THE ECONOMIC
HEALTH OF THE REST OF THE WORLD.

STRONG
ECONOMIC GROWTH IN THE UNITED STATES, A SLOWING PACE OF
GROWTH IN OTHER COUNTRIES, AND EXCESSIVE ~~(A SHARP INCREASE IN)~~ U.S. OIL
HAVE IMPORTS ~~HAS~~ LED TO A RISE THIS YEAR IN THE U.S. TRADE DEFICIT,
HAS WHICH HAS CONTINUED INTO AUGUST ~~[ACCORDING TO FIGURES RELEASED~~
~~THIS MORNING.]~~

P WITH RESPECT TO OIL IMPORTS, I HAVE PROPOSED TO THE CONGRESS A COMPREHENSIVE ENERGY PROGRAM, WHICH IN THE YEARS AHEAD WILL REDUCE OUR OIL IMPORTS SUBSTANTIALLY. TO LESS THAN HALF THE PREVIOUS PROJECTIONS. WE KNOW THAT IT IS CRITICAL THAT THE CONGRESS ENACT STRONG, EFFECTIVE ENERGY MEASURES. THE U.S. MUST HAVE A CREDIBLE PROGRAM TO LIMIT THE GROWTH OF OIL CONSUMPTION AND TO REDUCE OIL IMPORTS.

I URGE ALL NATIONS, AND ESPECIALLY THE MAJOR INDUSTRIAL COUNTRIES, ² TO REDUCE ENERGY WASTE AND TO PURSUE ECONOMIC GROWTH AND STABILIZATION POLICIES, LEADING TO AN EXPANDING NON-INFLATIONARY WORLD ECONOMY, GROWING INTERNATIONAL TRADE AND AN IMPROVED PATTERN OF WORLD TRADE BALANCES.

² THE IMF HAS PLAYED A VITAL ROLE IN KEEPING THE INTERNATIONAL MONETARY SYSTEM FLEXIBLE AND EFFECTIVE.

I AM PARTICULARLY GRATEFUL FOR THE ENLIGHTENED FISCAL DISCIPLINE WHICH THE

FUND AND THE BANK ENCOURAGE THROUGH THEIR LOANS.

..... THE PRESENT SYSTEM IS WORKING WELL.

..... THE UNITED STATES HAS RATIFIED THE AMENDMENTS TO THE ARTICLE OF AGREEMENT OF THE FUND.

..... WE HOPE THAT OTHER MEMBERS WILL DO THE SAME, SO AS TO INCREASE THE FUND'S RESOURCES AND STRENGTHEN ITS CAPACITY FOR SURVEILLANCE OF EXCHANGE RATE POLICIES AND OVERSIGHT OF MONETARY AGREEMENTS.

2 THE NEW IMF SUPPLEMENTARY CREDIT FACILITY ADDS AN
IMPORTANT ELEMENT TO THE IMF'S CAPABILITIES.
..... IT HAS MY COUNTRY'S SUPPORT.
..... THE UNITED STATES WILL ALSO JOIN OTHERS IN WORKING
TOWARD ADEQUATE INCREASES IN IMF QUOTAS, DURING THE
SEVENTH SPECIAL REVIEW OF THE QUOTAS.

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- 10 -

THE UNITED STATES REMAINS FIRMLY COMMITTED TO POLICIES
THAT WILL PROMOTE FREER AND WIDER TRADE. MY COUNTRY JOINS OTHERS
IN PLEDGING TO SEEK SUBSTANTIVE PROGRESS IN MULTINATIONAL TRADE
NEGOTIATIONS BY THE END OF THE YEAR.

RESTORING HEALTH TO THE WORLD ECONOMY WILL HELP US TOWARD
WHAT WE ALL RECOGNIZE AS A VITAL HUMAN OBLIGATION -- ASSISTING
POOR COUNTRIES IN THE TASK OF HUMAN DEVELOPMENT.

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2
IF THE ROUGHLY ONE BILLION PEOPLE WHO NOW LIVE IN
EXTREME POVERTY
[UTTER DEGRADATION] ARE TO HAVE THEIR CHANCE, EVERY NATION MUST
TAKE MORE EFFECTIVE ACTION.

..... THE UNITED STATES IS READY TO JOIN SUCH AN
INTERNATIONAL CAMPAIGN.

..... THE STUDY OF WORLD DEVELOPMENT ISSUES NOW BEING
UNDERTAKEN BY THE BANK AND THE FUND SHOULD PROVIDE A
FRAMEWORK IN WHICH ALL NATIONS CAN EXPAND ^{our} ~~THEIR~~ EFFORTS
TOWARD COMMON DEVELOPMENT EFFORTS.

OF COURSE,
THE DEVELOPING COUNTRIES ARE ULTIMATELY RESPONSIBLE
FOR THEIR OWN GROWTH.

ONLY THEY CAN MOBILIZE THE SKILLS AND RESOURCES
NECESSARY FOR DEVELOPMENT; ONLY THEY CAN BE SURE THAT THE
BENEFITS OF GROWTH EXTEND TO THOSE WHO NEED THEM MOST.

BUT THE INDUSTRIALIZED COUNTRIES MUST PROVIDE MORE
OUTSIDE CAPITAL. *I AM GLAD TO REPORT THAT*

THE U.S. CONGRESS HAS AUTHORIZED MORE THAN TWICE AS
MUCH MONEY FOR THE WORLD BANK AND THE REGIONAL DEVELOPMENT
BANKS THIS YEAR AS LAST YEAR.

- 14 -

I HOPE THAT NEGOTIATIONS FOR A MAJOR GENERAL CAPITAL
INCREASE WILL PERMIT THE WORLD BANK TO INCREASE THE LEVEL
OF ITS LENDING IN REAL TERMS.

P
ALL THIS WILL TAKE TIME: OUR GOALS WILL NOT BE ACHIEVED
OVERNIGHT. PERSEVERANCE WILL BE THE KEY TO SUCCESS.
THE UNITED STATES IS PREPARED TO STAY THE COURSE.

#

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON
September 26, 1977

Jim Fallows

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

Rick Hutcheson

RE: WORLD BANK/IMF SPEECH

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

September 26, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: CHARLES SCHULTZE
STU EIZENSTAT

Stu

SUBJECT: World Bank/IMF Speech

Attached is an abbreviated version of the World Bank/IMF Speech, together with language on the points which you raised with both of us -- trade imbalances, reduced oil consumption and meeting our growth prospects.

The language on trade imbalances is written so that it will not appear we are over reacting or that we are overly concerned with today's figures.

I am glad to welcome you to Washington as you begin your annual meeting.

These meetings provide an opportunity for the leaders of the world's financial institutions, public and private, to consider the economic problems -- and the opportunities -- that our nations share.

The Bank and the Fund are the institutions through which we hope to meet the challenges to our shared well-being.

The two greatest challenges we face are to restore steady, non-inflationary expansion to the world economy; and to increase the pace of growth in the developing countries, with its benefits more widely shared.

The health of the international economic system depends on the health of our domestic economies. Just as none of us can prosper without a stable system, so the system will not be sound unless we act responsibly at home.

The U.S. economy is healthy and growing. Our rate of inflation, while still too high for our liking, has moderated and is below that in most other countries. We will meet our economic growth targets for this year -- we will maintain a vigorous non-inflationary growth next year -- and I am committed to take such actions as are necessary to insure that outcome. We will do so principally because it is good for our own country, but also because it contributes to the economic health of the rest of the world.

Economic growth in the United States, a slowing pace of growth in other countries and a sharp increase in U.S. oil imports has led to a rise this year in the U.S. trade deficit, which continued into August according to figures released this morning.

With respect to oil imports, I have proposed to the Congress a comprehensive energy program, which in the years ahead will reduce our oil imports substantially. It is critical that the Congress enact strong, effective energy measures. The U.S. must have a credible program to limit the growth of oil consumption and reduce oil imports.

I urge all nations, and especially the major industrial countries to pursue economic growth and stabilization policies, leading to an expanding non-inflationary world economy, growing international trade and an improved pattern of world trade balances.

The IMF has played a vital role in keeping the international monetary system flexible and effective. The present system is working well. The United States has ratified the amendments to the Articles of Agreement of the Fund. We hope that other members will do the same, so as to increase the Fund's resources and strengthen its capacity for surveillance of exchange rate policies and oversight of monetary agreements.

The new IMF supplementary credit facility adds an important element to the IMF's capabilities. It has my country's support. The United States will also join others in working toward adequate increases in IMF quotas, during the Seventh Special Review of the quotas.

The United States remains firmly committed to policies that will promote freer and wider trade. My country joins others in pledging to seek substantive progress in multinational trade negotiations by the end of the year.

Restoring health to the world economy will help us toward what we all recognize as a vital human obligation -- assisting poor countries in the task of human development.

If the roughly one billion people who now live in utter degradation are to have their chance, every nation must take more effective action. The United States is ready to join such an international campaign. The Study of World Development Issues now being undertaken by the Bank and the Fund should provide a framework in which all nations can expand their efforts toward common development efforts.

The developing countries are ultimately responsible for their own growth. Only they can mobilize the skills and resources necessary for development; only they can be sure that the benefits of growth extend to those who need them most. But the industrialized countries must provide

more outside capital. The U.S. Congress has authorized more than twice as much money for the World Bank and the regional development banks this year as last. I hope that negotiations for a major General Capital Increase will permit the World Bank to increase the level of its lending in real terms.

All this will take time: our goals will not be achieved overnight. Perseverance will be the key to success. The United States is prepared to stay the course.

THE WHITE HOUSE

WASHINGTON

September 20, 1977

Charlie E
✓ Ste -
Abbreviate - Focus
today on trade imbalance in U.S.

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS *Jim*

SUBJECT: World Bank/IMF Speech

J
Return to me by 1:30

Here is a draft of some brief remarks for the IMF/World Bank annual meeting next Monday morning. The draft is based on material from Anthony Solomon and Henry Owen; both of them have seen and okayed this version.

cc.: Z. Brzezinski

DRAFT
9/20/77

Greetings to IMF-IBRD Annual Meeting, September 26

I am glad to welcome you to Washington as you begin your annual meeting.

These meetings provide an opportunity for the leaders of the world's financial institutions, public and private, to consider the economic problems -- and the opportunities -- that our nations share. ~~(No gatherings are more important than these in determining the stability of international relations and the chance for prosperity and growth.)~~ The Bank and the Fund ~~(the products of our hope for a fair and stable economic order after World War II)~~ are the institutions through which we hope to meet the challenges to our shared well-being.

The two greatest challenges we face are to restore steady, non-inflationary expansion to the world economy; ~~(including a sustainable pattern of international payments,~~ and to ~~make~~ ^{increase the pace of} growth in the developing countries ~~factor~~, with

its benefits more widely shared. [~~I know these issues will dominate your discussions, and I would like to mention briefly my nation's philosophy on each.~~]

The health of the international economic system depends on the health of our domestic economies. Just as none of us can prosper without a stable system, so the system will not be sound unless we act responsibly at home. [~~All nations,~~

insert

→ Insert 71

~~but especially the major industrial countries, must follow suitable growth and stabilization policies. [The United States will do its part; we should meet our growth target for 1977 and maintain a vigorous growth rate for 1978.]~~

~~While each of us takes responsible action at home, we must also create healthy international conditions, with an effective international monetary system and open world trade.~~

The IMF has played a vital role in keeping the international monetary system flexible and effective. The present system is working well ~~in the wake of the Jamaica agreements.~~

The United States has ratified the amendments to the Articles of Agreement of the Fund. We hope that other members will do the same, so as to increase the Fund's resources and strengthen its capacity for surveillance of exchange rate policies and oversight of monetary agreements.

The new IMF supplementary credit facility, ~~in which my~~ ^{therefore adds an} ~~important element to the IMF's capital base. It will have my own, has~~ ^{my country's support.} ~~country will participate~~ ^{will provide additional resources} ~~to countries whose balance of payment needs may be large~~ ~~in relation to their quotas in the Fund, and which are~~ ~~willing to act to correct their payment problems.~~] The United States will join others in working ^{also} ~~to agree on~~ ^{towards} adequate increases in IMF quotas ¹ ~~),~~ during the Seventh Special Review of the quotas.

~~[An open world trading system will help to create jobs and limit inflation throughout the world.]~~

The United States remains firmly committed to policies that will promote *freer and*

wider trade. ~~My~~ My country joins others in pledging to seek

substantive progress in multinational trade negotiations

by the end of the year. ~~Rapid progress will help all our~~

~~countries resist protectionist pressures.]~~

~~[It will be easier to achieve both these goals -- sound international financial arrangements and widening world trade -- if we can maintain a better balance between the global supply and demand in energy. The main industrial oil-importing countries have pledged to limit energy consumption~~

~~and increase their production. The United States is launching~~

~~an ambitious program to correct our own domestic energy~~

~~balance; I am confident that its effects will be substantial~~

~~and I hope that all oil importing nations will cooperate toward~~

~~the same end.~~

stay

Restoring health to the world economy will help us toward what we all recognize as a vital human obligation -- assisting poor countries in the task of human development.

(~~For the first time in history, this is not a question of means; acting together, we have the resources to see that no one need starve, and that everyone has an opportunity for literacy, health, and housing.~~ But if the roughly one billion people who now live in utter degradation are to have their chance, every nation ~~represented here~~ must take more effective action ~~and so must the socialist nations who are not here with us today~~) The United States is ready to join such an international campaign. The Study of World Development Issues now being undertaken by the Bank and the Fund should provide a framework in which all nations ~~— developed and developing alike~~ can expand their efforts toward common development efforts.

The developing countries are ultimately responsible for their own growth. Only they can mobilize the skills and resources necessary for development; only they can be sure that the benefits of growth extend to those who need them most. But the industrialized countries must provide more outside capital. The US Congress has authorized more than twice as much money for the World Bank and the regional development banks this year as last. I hope that negotiations for a major General Capital Increase will permit the World Bank to increase the level of its lending in real terms. [The

~~growing resources of the World Bank group can help us fight the global war against hunger and in the effort to increase energy production in the developing countries. Replenishment of the regional banks will be another weapon in this~~

~~fight.~~]

[Whether the Bank and Fund succeed in these tasks
will depend on the support that each of our countries
provides. The United States recognizes the importance of
both promoting a healthy world economy and mounting an attack
on poverty; we recognize, too, the special responsibilities
that a nation of our size and resources must bear. We are
prepared to discharge these responsibilities, by joining
other nations, and institutions, like the Bank and Fund,
to build a fair and stable international order.]

§ All this will take time: our goals will not be achieved
overnight. [There will be delays and setbacks along the way;
far-sighted strategies and new forms of international coopera-
tion will be required to overcome them. In this long struggle,
we must judge success by their long-term effects, and not
by whether they make catchy headlines.] Perseverance will be the
key to success. The United States is prepared to stay the
course.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

September 20, 1977

*Charlie &
Sta -
Abbreviate - focus
today on trade
imbalance in
U.S.*

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS

Jim

SUBJECT: World Bank/IMF Speech

*J
Return to me by
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cc.: Z. Brzezinski

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DRAFT
9/20/77

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The two greatest challenges we face are to restore steady, non-inflationary expansion to the world economy, including a sustainable pattern of international payments; and to make growth in the developing countries faster, with

its benefits more widely shared. I know these issues will dominate your discussions, and I would like to mention briefly my nation's philosophy on each.

The health of the international economic system depends on the health of our domestic economies. Just as none of us can prosper without a stable system, so the system will not be sound unless we act responsibly at home. All nations, but especially the major industrial countries, must follow suitable growth and stabilization policies. The United States will do its part; we should meet our growth target for 1977 and maintain a vigorous growth rate for 1978.

While each of us takes responsible action at home, we must also create healthy international conditions, with an effective international monetary system and open world trade.

The IMF has played a vital role in keeping the international monetary system flexible and effective. The present system is working well in the wake of the Jamaica agreements. The United States has ratified the amendments to the Articles of Agreement of the Fund. We hope that other members will do the same, so as to increase the Fund's resources and strengthen its capacity for surveillance of exchange rate policies and oversight of monetary agreements.

The new IMF supplementary credit facility, in which my country will participate, will provide additional resources to countries whose balance of payment needs may be large in relation to their quotas in the Fund, and which are willing to act to correct their payment problems. The United States will join others in working to agree on adequate increases in IMF quotas, during the Seventh Special Review of the quotas.

An open world trading system will help to create jobs and limit inflation throughout the world. The United States remains firmly committed to policies that will promote wider trade. My country joins others in pledging to seek substantive progress in multinational trade negotiations by the end of the year. Rapid progress will help all our countries resist protectionist pressures.

It will be easier to achieve both these goals -- sound international financial arrangements and widening world trade -- if we can maintain a better balance between the global supply and demand in energy. The main industrial oil-importing countries have pledged to limit energy consumption and increase their production. The United States is launching an ambitious program to correct our own domestic energy balance; I am confident that its effects will be substantial and I hope that all oil-importing nations will cooperate toward the same end.

Restoring health to the world economy will help us toward what we all recognize as a vital human obligation -- assisting poor countries in the task of human development.

For the first time in history, this is not a question of means; acting together, we have the resources to see that no one need starve, and that everyone has an opportunity for literacy, health, and housing. But if the roughly one billion people who now live in utter degradation are to have their chance, every nation represented here must take more effective action -- and so must the socialist nations who are not here with us today. The United States is ready to join such an international campaign. The Study of World Development Issues now being undertaken by the Bank and the Fund should provide a framework in which all nations -- developed and developing alike -- can expand their efforts toward common development efforts.

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Whether the Bank and Fund succeed in these tasks will depend on the support that each of our countries provides. The United States recognizes the importance of both promoting a healthy world economy and mounting an attack on poverty; we recognize, too, the special responsibilities that a nation of our size and resources must bear. We are prepared to discharge these responsibilities, by joining other nations, and institutions like the Bank and Fund, to build a fair and stable international order.

All this will take time: our goals will not be achieved overnight. There will be delays and setbacks along the way; far-sighted strategies and new forms of international cooperation will be required to overcome them. In this long struggle, we must judge our actions by their long-term effects, and not by whether they make catchy headlines. Perseverance will be the key to success. The United States is prepared to stay the course.

2:50 p.m.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

ANNUAL MEETING

INTERNATIONAL MONETARY FUND

Monday - September 26, 1977

From: Tim Kraft

SEQUENCE

2:50 p.m.

You board motorcade on South Grounds and depart en route Sheraton Park Hotel.

3:00 p.m.

Motorcade arrives Sheraton Park Hotel.

PRESS POOL COVERAGE
CLOSED ARRIVAL

You proceed via elevator to the Concourse of States corridor.

You will be met at the Concourse of States Corridor by:

Secretary Michael Blumenthal, Governor of the United States
Chairman George Colley, Chairman of the Board of Governors of IMF-World Bank
Mr. Robert S. McNamara, President of the World Bank
Mr. H. Johannes Witteveen, Managing Director of IMF
Mr. Dana E. Brantley, Deputy Secretary, IMF-World Bank

OFFICIAL PHOTO COVERAGE

You and your greeters proceed to offstage announcement area.

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2.

MONDAY - SEPTEMBER 26, 1977 - Continued

3:07 p.m.	Announcement. Escorted by your greeters, you proceed to dais and take your seat.
3:08 p.m.	Introduction of Secretary Blumenthal by Chairman Colley.
3:09 p.m.	Introduction of you by Secretary Blumenthal.
3:10 p.m.	PRESIDENTIAL REMARKS. FULL PRESS COVERAGE ATTENDANCE: 5,000
3:25 p.m.	Your remarks conclude. Escorted by your greeters, depart dais en route motorcade for boarding.
3:30 p.m.	Motorcade departs Sheraton Park Hotel en route South Grounds.
3:40 p.m.	Arrive South Grounds.

#

1 30 p.m.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

September 23, 1977

①

MEMORANDUM TO: The President
FROM : Frank Press *FP*
SUBJECT : Meeting with NASA Administrator, Bob Frosch
Monday, September 26 at 1:30 p.m. (15 mins.)

We have arranged a meeting between you and Bob Frosch on September 26 to discuss the civilian space program as outlined in memorandum at Tab A. Per your request, along with OMB, I have undertaken an interagency policy review that will address the major civilian policy issues over the next decade.

For your consideration at Tab B is a background paper we have prepared on the emerging civilian space policy issues for your Administration--both near and long-term.

OMB and NSC Staff concur.

Attachments

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Handwritten scribbles

TAB A

THE WHITE HOUSE
WASHINGTON
August 30, 1977

*Frank -
I agree - use
this suggested
procedure
JC*

MEMORANDUM TO THE PRESIDENT
FROM: Frank Press *FP*
RE: Administration Space Policy

Congress, aerospace workers, NASA, the public are awaiting your guidance regarding civil space programs. The NASA Administrator, Bob Frosch, is in the difficult position of being unable to articulate Administration policy in the absence of guidelines from you.

The budgetary process, over the next five months, is the best way for you to assess your options and to reach decisions on NASA programs. However, without posing a threat to your budget, it is possible to set positive and distinctive Carter Administration guidelines based on views you have already stated:

- ° Defer large-scale new technology (e.g. space stations) in order to understand the potential and effectively exploit the remarkable technology already developed
- ° Enter a phase of employing space for the good of mankind - mineral exploration, environmental monitoring, agricultural assessment, weather and climate forecasting, communication, land use decision-making
- ° NASA technology in aid of developing countries
- ° Balanced program of space applications (e.g. LANDSAT, cost effective use of shuttle for civil and DOD programs) and space science

A meeting with Dr. Frosch in September, involving a positive, general, private statement from you along the above lines will improve NASA morale and signal that you believe a constructive space program is possible within your budgetary constraints. He could then respond with greater assurance to inquiries about NASA's future. Bob is reviewing the NASA organization, particularly the ten field centers, questioning the reason for existence of each facility.

I sense a resurging national interest as evidenced by:

- ° front page and network coverage of the Shuttle and Voyager
- ° Congressional support of NASA budgets (e.g. the recent overwhelming House vote for the Jupiter Orbiter Probe, overruling the Appropriations Committee)

- ° 60,000 viewers of Shuttle glide in the California desert
- ° over 8 million visitors per year to Air and Space Museum (three and four times the number of visitors to the White House and the Washington Monument, respectively)
- ° large national following of the Star Wars, Star-Trek films
- ° Governor Jerry Brown has moved to establish a position as a leading advocate of space programs. Motivated, of course, by aerospace jobs in California, he also speaks of growing national interest.

NASA represents the best of American technology. Fiscally sound programs that meet your criteria can excite the imagination of the American people and give them pride of achievement. NASA's programs also give the U.S. a highly favorable image abroad.

TAB B

1 September 1977

TO: THE PRESIDENT
FROM: RICK HUTCHESON *Rick*
SUBJECT: Comments on Frank Press Memo

Jordan, Eizenstat and McIntyre concur with Press. Watson has no comment.

Congressional liaison observes that the California congressional delegation strongly opposes cutbacks in the space program.

McIntyre agrees with the broad guidelines for NASA suggested by Press, but suggests that the President's guidance be provided on a private basis at present. Other OMB comments:

- it is possible to reduce Federal funding of NASA for the next 4-5 years, and at the same time increase the applications of space technology to practical and scientific objectives;
- however, successful technology development raises difficult issues with respect to Federal vs. private sector roles;
- the idea of using NASA technology to aid developing countries may be an example of "a solution in search of a problem"; and finally,
- "the President's flexibility on Space Shuttle options should be preserved in recognition of the questions he has raised about the system's cost-effectiveness."

Eizenstat concurs with the guidelines suggested by Press, but doubts that the budget process is the best way to decide space issues. He suggests that the President consider an interagency review, perhaps headed by Frank Press, on the future of NASA -- given the absence of an Administration space policy at this time.

Kraft concurs with a meeting between the President and Dr. Frosch in late September.

THE PRESIDENT'S MEETING WITH
NASA ADMINISTRATOR ROBERT FROSCH

BACKGROUND AND TRENDS IN NASA PROGRAMS

The United States space program in the 1960's was directed at improving the relative position of the US vis-a-vis the Soviet Union in terms of space technological advancement and national security. The US space program was paced by the political requirement to achieve a manned lunar landing within the decade; cost was not a major concern. The space program was successful in achieving its essentially political objectives. At the same time, many scientific and practical benefits have emerged.

The civilian space program has been significantly reduced in size since Apollo (from \$5.9B in FY 1966 to \$3.9B in FY 1978) and significantly redirected toward science and practical space applications. NASA's program emphasis is now on:

- o Obtaining benefits in space in an orderly and systematic way including practical applications (advanced weather and earth resources satellites) and scientific returns (through planetary probes and orbiting scientific satellites).

- o Aeronautical R&D--particularly development of advanced technology for more fuel-efficient future air transports.

- o The reusable Space Shuttle, which now accounts for roughly half of total NASA resource requirements.

Congress, the aerospace lobby, NASA and the public are awaiting the guidance your Administration will give to the civil space program. NASA Administrator, Bob Frosch, wants to take new civil space program initiatives that are in accord with your interests and concerns.

Per your request, Frank Press, along with OMB, have undertaken an interagency policy review that will address the major civilian policy issues, develop options and assess the implications of various choices. This review will be completed by the time you consider the NASA budget later this year.

Overall NASA is well managed and has achieved notable technical success. Bob Frosch's previous positions are complementary to the NASA requirements. He has served in senior positions in Defense as Assistant Secretary of Defense for Naval R&D, as the Assistant Executive Director of the UN Environmental

Program in Nairobi, and most recently at the Woods Hole Oceanographic Institution. I have every confidence Bob Frosch will be a credit to your Administration in formulating a sound civilian space program, however, he would welcome some encouragement to carry back to NASA.

POLICY ISSUES FOR YOUR ADMINISTRATION

There are both near and long-term policy issues which your Administration has a key role in articulating. They will shape the nation's 1980's space policy. In the near-term a major NASA issue involves the completion of the Space Shuttle development program and the establishment of an appropriate fleet size of operational Space Shuttle orbiters:

-- NASA and DOD are jointly developing information to support the budget review process based on your questions in the NASA FY 1979 budget preview.

-- The Shuttle development program is at its peak level and there is some risk that the program may incur cost over-runs and potential schedule delays (more information will be provided in the NASA budget review).

The key long-term policy issues are:

(1) Post-Shuttle development -- There are two elements; a) the utilization of the Shuttle in earth applications, space science, and military missions and its cost effectiveness; b) whether or not any new large space engineering ventures should be planned. A space station and solar power satellite are long-term possibilities. Either would involve a major "Apollo-like" commitment of \$ billions over a decade.

(2) Direction of NASA aeronautical research and technology development program -- There is a need to determine an appropriate overall NASA effort in aeronautics R&D and to determine what relationship should exist between this effort and the private sector and military programs.

(3) Civil Applications of Space Technologies (LANDSAT and Communications R&D)-- Communications and weather satellite technology have been the first successful civil applications of space technology. Earth sensing for environmental monitoring and resource exploration will be the challenge of the 1980's. How can an orderly transition from experimentation to operations best proceed?

(4) Potential for re-sizing NASA's large field center complex -- As Shuttle developments near completion, should active consideration be given to rescoping and reducing the agency's large field center complex (ten field centers throughout the US)?

1:00 p.m.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

September 23, 1977

MEETING WITH SENATOR ROBERT GRIFFIN

Monday, September 26, 1977

1:00 p.m. (15 minutes)

Oval Office

From: Frank Moore *F.M.*

I. PURPOSE

To meet with Senator Griffin and to discuss matters of mutual interest.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: This meeting was scheduled pursuant to your request.

B. Participants: The President
Senator Griffin
Frank Moore

C. Press Plan: White House Photo

III. TALKING POINTS

As appropriate.

THE WHITE HOUSE
WASHINGTON

September 26, 1977

Bert Lance

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

Rick Hutcheson

cc: Hugh Carter

RE: WEEKLY MAIL REPORT

THE WHITE HOUSE
WASHINGTON

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

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

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

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

		KRAFT
		LINDER
		MITCHELL
		MOE
		PETERSON
		PETTIGREW
		POSTON
		PRESS
		SCHLESINGER
		SCHNEIDERS
		STRAUSS
		VOORDE
		WARREN

THE PRESIDENT HAS SEEN.

cc: Lance
J

THE WHITE HOUSE
WASHINGTON

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Week Ending 9/23/77

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*
SUBJECT: Weekly Mail Report (Per Your Request)

Below are statistics on Presidential and First Family:

<u>INCOMING</u>	<u>WEEK ENDING 9/16</u>	<u>WEEK ENDING 9/23</u>
Presidential	32,355	41,530
First Lady	1,210	1,415
Amy	255	220
<u>Other First Family</u>	<u>50</u>	<u>50</u>
TOTAL	33,870	43,215

BACKLOG

Presidential	8,240	11,915
First Lady	120	85
Amy	0	0
<u>Other</u>	<u>0</u>	<u>0</u>
TOTAL	8,360	12,000

DISTRIBUTION OF PRESIDENTIAL MAIL ANALYZED

Agency Referrals	42%	29%
WH Correspondence	28%	39%
Direct File	17%	19%
White House Staff	10%	7%
<u>Other</u>	<u>3%</u>	<u>6%</u>
TOTAL	100%	100%

NOT INCLUDED ABOVE

Form Letters and Post Cards	21,631	14,521
Mail Addressed to WH Staff	17,207	18,105

cc: Senior Staff

MAJOR ISSUES IN
CURRENT PRESIDENTIAL ADULT MAIL
Week Ending 9/23/77

ISSUES	PRO	CON	COMMENT ONLY	NUMBER OF LETTERS
Support for Bert Lance (1)	60%	40%	0	8,216 !
Support for Panama Canal Treaties	19%	80%	1%	1,240
Support for Separate Cabinet Level Department of Education	97%	3%	0	538
Support for Palestine Liberation Organization Representation at Peace Talks	6%	94%	0	484
Support for Neutron Bomb	1%	99%	0	401
Support for Tougher Restrictions on Steel Imports	97%	3%	0	346
Support for Black Lung Bill HR-4544	100%	0	0	338
Support for University Affirmative Action Appeal Against Bakke Stand	71%	25%	4%	261
Support for Transfer of Head Start Program to Office of Education	97%	3%	0	229
Support for International Food Reserve/Weaver Bill	98%	0	2%	228
Suggestions re: Tax Reform Package	0	0	100%	197
			TOTAL	12,478

(1) SUPPORT FOR BERT LANCE (60% Pro)

All of these letters both pro and con are dated prior to the President's (9/21) press conference and the announcement of Bert Lance's resignation.

However, about 300 Mailgrams and telegrams followed the press conference, and the messages are supportive of President Carter and Mr. Lance by a three-to-one ratio.