

11/9/77 [1]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Brzezinski to The President (2pp.) re: Meeting with the Congressional Black Caucus / enclosed in Moore to the President 11/8/77	11/8/77	A

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Hand-writing File 11/9/77 [1] BOX 58

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
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THE PRESIDENT'S SCHEDULE

Wednesday - November 9, 1977

- 8:15 Dr. Zbigniew Brzezinski - The Oval Office.
- 9:00 Signing Ceremony for (1) S. 717, Federal Mine Safety and Health Amendments Act of 1977, and (2) H.J. Res. 6010, Air Cargo Deregulation Bill.
The Roosevelt Room.
- 9:30 Meeting with the Congressional Black Caucus.
(30 min.) (Mr. Frank Moore) - The Cabinet Room.
- 10:00 Statement on Anti-redlining Regulations
(2 min.) Promulgated by the Home Loan Bank Board.
(Mr. Stuart Eizenstat) - White House Press Room.
- 10:15 Mr. Jody Powell - The Oval Office.
- 10:45 Arrival Ceremony for The Right Honorable Robert D. Muldoon, C.H., Prime Minister of New Zealand, and Mrs. Muldoon - South Grounds.
- 11:15 Meeting with Prime Minister Robert D. Muldoon.
(30 min.) (Dr. Zbigniew Brzezinski) - The Oval Office
and the Cabinet Room.
- 12:00 Luncheon with Prime Minister Robert D. Muldoon.
(60 min.) First Floor Family Dining Room.
- 2:00 Congressman James Corman. (Mr. Frank Moore).
(20 min.) The Oval Office.
- 2:30 Meeting on National Health Insurance Policy.
(60 min.) (Mr. Stuart Eizenstat) - The Cabinet Room.

9:30 AM

THE WHITE HOUSE
WASHINGTON

C

November 8, 1977

MEETING WITH THE CONGRESSIONAL BLACK CAUCUS

Wednesday, November 9, 1977

The Cabinet Room

9:30 a.m. (30 minutes)

From: Frank Moore *J.M*

I. PURPOSE

To discuss the South African situation with the Congressional Black Caucus.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background: Although the Caucus is meeting with you on the South African situation, there might be additional points of discussion: urban policy and full employment (Humphrey-Hawkins).

Urban policy: The Urban Policy Planning Group is continuing to work towards the development of an urban policy, which will be announced in March of next year. You also might want to mention your announcement with Pat Harris and Robert McKinney on the new red-lining regulations.

Humphrey Hawkins: Rep. Mitchell called to say that he understands that you have reached a final decision on Humphrey-Hawkins. It is only fair to say, however, in light of the fact that nothing can be done this session, that he would like for Secretary Marshall and OMB to get together and expand and/or accelerate existing unemployment programs.

Because of the interest of several other Members in the South African situation, Rep. Mitchell invited Andy Maguire, Paul Tsongas, Tom Downey, and Ed Markey to attend the meeting. However, only Andy Maguire is likely to attend.

Participants: The President, Members of Congress on the attached list, Frank Moore, Valerie Pinson, Zbigniew Brzezinski, Richard Moose and Edward Lanpher of the State Department, Barbara Williams and Derrick Humphries of the Black Caucus staff.

Press Plan: Brief national press coverage at the beginning of the meeting.

<u>MEMBER</u>	<u>DISTRICT DATA</u>	<u>WHEN ELECTED</u>	<u>1976%</u>	<u>COMMITTEE ASSIGNMENT</u>	<u>SUPPORT %AGE</u>
John Conyers (D-Mich-1)	Major City: Detroit 92% central city; 8% suburban 41% white collar; 42% blue collar	1964	92.4	#9-Government Operations #5-Judiciary Chairman-Crime Subcommittee	71.9
Charles Diggs (D-Mich-13)	Major City: Detroit 100% central city 32% white collar; 48% blue collar	1954	89	Chairman-District of Columbia #4-International Relations Chairman-Africa Subcommittee	84.0
Walter Fauntroy (Delegate-D.C.)	Major City: District of Columbia	1971		#10-Banking, Finance & Urban Affairs Chairman-Historic Preservation & Coinage Subcommittee #3-District of Columbia	
Augustus Hawkins (D-Calif-29)	Major City: Los Angeles 57% central city; 43% suburban 36% white collar; 47% blue collar	1962	85.4	#5-Education and Labor Chairman-Employment Opportunities Subcommittee #5-House Administration Chairman-Printing Subcommittee	82.1
Parren Mitchell (D-Md-7)	Major City: Baltimore 100% central city 37% white collar; 40% blue collar	1970	94.4	#9-Banking, Finance & Urban Affairs Chairman-Domestic Monetary Policy Subcommittee #5-Budget Chairman-Human Resources Task Force	93.3
Charles Rangel (D-N.Y.-19)	Major City: Harlem 100% central city 49% white collar; 27% blue collar	1970	97	#11-Ways and Means	85.3
Louis Stokes (D-Ohio-21)	Major City: Cleveland 87% central city; 13% suburban 37% white collar; 44% blue collar	1968	83.8	#21-Appropriations #7-Budget Chairman-Community and Physical Resources Task Force	88.2
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STATE DEPT TALKING
POINTS

- 2 -

III. TALKING POINTS

1. The Administration is pleased at the overall improvement of our relations with Africa. In no small way is this due to the work of Andy Young. Nowhere are improved relations more marked than with Nigeria, whose importance to the United States is well known.
2. We still face serious obstacles to negotiated settlements to the Zimbabwe and Namibia issues. But we have made significant progress, and will continue to do all we can to work with our Western and African friends to find solutions to these difficult problems.
3. The United States is profoundly disturbed by the recent events in South Africa. The bannings and detentions cannot be seen in isolation, but represent a trend which has been going on for some time.
4. The Administration has made it clear to the South African Government that if it does not begin soon to move away from apartheid and at the same time toward full political participation by all South Africans our relations will be adversely affected. Obviously what we have seen is not progress, but a tragic step backward.
5. Accordingly, in addition to our support for the UN Security Council resolution for a mandatory arms embargo against South Africa, the Administration has taken the following measures:
 - Any further exports destined for the South African military or police are now prohibited.
 - This includes spare parts and maintenance equipment for all prohibited items.
 - Our Naval Attache will be withdrawn from Pretoria next week.
 - The U.S. Commercial Officer in Johannesburg has returned in conjunction with a study of our economic-commercial relations with South Africa.
6. It is essential that the Administration's position regarding South Africa receive as much support as possible from the Congress and the public. In this regard the Administration very much welcomed the resolution introduced by Rep. Collins and passed by the House.

7. We continue to hope, however discouraging recent events have been in South Africa, that progress in race relations can be made there in the future.
8. Our response to what has happened in South Africa is not intended to be threatening or punitive. Our policy reflects the fundamental American principles regarding the rights of individuals. It affirms that our relations with South Africa must be shaped by the attitude of the American people and by the policies and actions of the South African Government. Clearly, Americans can accept neither apartheid nor the severe measures the South African Government has taken to enforce that system.
9. What we have done will be criticized by some as too little and by others as too much. Our response has been measured, and designed in part to give us diplomatic flexibility to react as necessary with regard to the situations in Namibia and Rhodesia as well as in South Africa itself. Nevertheless, it should be noted that our support of a Chapter VII finding and a mandatory sanction against South Africa represents a major change in our policy.
10. There are other measures we could have taken, but for various reasons we did not. For example, we have left the door open to some nuclear cooperation for peaceful purposes in the hope that this will lead South Africa to sign the Non-Proliferation Treaty and agree to full safeguards for all elements of South Africa's nuclear program. What we have done has conveyed a clear signal that we are serious in what we have said about our relations with South Africa. We are reserving other steps such as discouraging investment, terminating EXIM Bank facilities, or reducing further our mission staff, for later in the event additional action on our part as necessary.
11. There is a risk that what we do will cause South Africa to be less cooperative, at least in the short run. But this is a risk the Administration is prepared to take, for to have done nothing in the face of the repressive acts of the South African Government would have been both wrong and an indication to that government that we do not mean what we say. And we do mean everything we have said about apartheid.

The following are recommendations from the Black Caucus for immediate action for the Carter Administration on South Africa:

1. Recall the U.S. Ambassador to South Africa for consultation.
2. Downgrade the U.S. mission to South Africa.
3. Eliminate U.S. commercial, defense and agricultural attaches to South Africa. End all U.S. - South Africa cooperative agency agreements such as the ones with Treasury, Department of Defense.
4. Deny tax credits to U.S. companies which invest in South Africa and pay taxes there. Develop strong tax disincentives to reduce U.S. investment in South Africa.
5. Support elimination of Export-Import Bank guarantees for loans to U.S. companies trading and investing in South Africa. This is especially critical to stop the advanced technology goods flow into the country.
6. End U.S. - South Africa cooperative agreement on nuclear technology and research. End the granting of export licenses for the export of nuclear materials to South Africa.
7. Stop Commerce Department licensing for export to South Africa of so-called "non-military" weapons.
8. Initiate immediate Security Council action at the United Nations against South Africa.
9. Support U.N. resolutions on ending nuclear, military, and economic cooperation with South Africa in the General Assembly during its session on Apartheid November 7-10.
10. Support immediate Congressional action to pass legislation placing economic and diplomatic sanctions on South Africa.
11. Support a moratorium on all U.S. - South Africa exchange programs.
12. Strongly affirm a U.S. policy calling for one-man-one-vote in South Africa.

NSC TALKING POINTS

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Comments on Congressional Black Caucus Proposals
(economic measures against South Africa)

Proposal: Eliminate U.S. commercial, defense and agricultural attaches to South Africa. End all U.S.-South Africa cooperative agency agreements such as the ones with Treasury, Department of Defense.

Response: We have already recalled the Naval Attache from Pretoria; our Commercial Attache in Johannesburg has returned to Washington for consultations. The only "cooperative agreement" involving the Treasury Department is the U.S.-South African Tax Treaty which was negotiated after the Second World War. Abrogating this treaty would not place much financial pressure on South Africa. In 1974, for example, it would have increased the U.S. tax on \$0.8 million of non-resident South African income from 15% to 30%. On the other hand, U.S. investors would lose the benefit of the nondiscrimination clause the treaty provides.

Proposal: Deny tax credits to U.S. companies which invest in South Africa and pay taxes there. Develop strong tax disincentives to reduce U.S. investment in South Africa.

Response: U.S. firms could not be prevented from claiming a credit for South African income taxes by the President; this would require legislation. In any case, the denial of the foreign tax credit would only increase the tax liability of U.S. firms without reducing the South African Government's tax receipts. While this might deter new capital outflows to South Africa, these flows are quite small (\$9 million in 1976). The denial could result in more rather than less U.S. investment because: (1) U.S. firms might defer the increased U.S. taxes that would result from the denial of the foreign tax credit by not repatriating their earnings (\$125 million was repatriated in 1976), or, (2) the South African Government (SAG) might retaliate by tightening capital controls to prohibit repatriation of these earnings.

Proposal: Support elimination of Export-Import Bank guarantees for loans to U.S. companies trading and investing in South Africa. This is especially critical to stop the advanced technology goods flow into the country.

Response: Between October 1976 and August 31, 1977, total Eximbank authorizations for South Africa were \$112.1 million, of which \$14.7 million were for bank guarantees, \$13 million for medium-term insurance, and \$84 million for short-term insurance. Cessation of Eximbank authorization would thus be economically insignificant to South Africa whose 1976 merchandise imports totaled \$8.5 billion.

CEA TALKING POINTS
re HUMPHREY-HAWKINS

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

November 8, 1977

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CS by JET*
Subject: Wednesday's Meeting with the Black Caucus

The Humphrey-Hawkins bill may or may not come up as a subject in the Wednesday meeting with the Congressional Black Caucus. If it does, it is important to avoid any misunderstandings, and particularly to avoid any premature leaks of the agreement we have reached.

If the topic arises, I suggest you make the following points:

- o We are very encouraged with regard to the progress we have made in reaching agreement on the Humphrey-Hawkins bill.
- o While we have not reached final agreement as yet, a tentative agreement has been reached, and we expect to have a complete agreement in a few days. Congressman Hawkins may have briefed you on the nature of the tentative agreement, but he may not have had an opportunity to do so yet. (Hawkins has briefed some of them, but not all.)
- o Hopefully, we will be able to announce an agreement sometime in the early part of next week. It is important from the standpoint of the Administration -- and also from the standpoint of the sponsors of the bill -- that we avoid premature leaks to the press before the final announcement is made.

We have talked with Congressman Hawkins, and a statement of this kind would be acceptable to him.

THE WHITE HOUSE

WASHINGTON

November 8, 1977

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Humphrey Hawkins: Rep. Mitchell called to say that he understands that you have reached a final decision on Humphrey-Hawkins. It is only fair to say, however, in light of the fact that nothing can be done this session, that he would like for Secretary Marshall and OMB to get together and expand and/or accelerate existing unemployment programs.

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THE SECRETARY OF THE TREASURY

WASHINGTON 20220

November 7, 1977

MEMORANDUM FOR THE PRESIDENT

Subject: Your Meeting With Congressional Black Caucus
Leaders on South Africa

I am forwarding Treasury's comments on the proposals for economic measures against South Africa which were advanced by the Congressional Black Caucus in their press release of October 21. I thought you might find them useful in connection with your meeting with the Caucus on Wednesday morning.

Bob Carswell met with Congressmen Diggs and Rangel on November 4 and discussed with them our serious concern over events in South Africa. He emphasized the need (i) to review the full effect of economic sanctions carefully and (ii) to time any initiatives to achieve the best results.

W. Michael Blumenthal

PM Muldoon - The a
1st visit 12 yrs ago
125 YEARS < WHALERS

WW I - 2 - Korea - Vietnam

Aus - NZ - US Alliance

COM HERITAGE - Hum Rts

NZ - LEADER - ASIA/PACIFIC

MULTI-RACIAL - Vietnam

ECONOMICS - 1% - 1/2 DEFICIT

NUCLEAR CRUISER - 578

WELLINGTON

PEACE/SECURITY INDIVISIBLE

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for Preservation Purposes

THE PRESIDENT'S SCHEDULE

Wednesday - November 9, 1977

NOT ISSUED

8:15	Dr. Zbigniew Brzezinski - The Oval Office.
9:00	Signing Ceremony for (1) S. 717, Federal Mine Safety and Health Amendments Act of 1977, and (2) H.J. Res. 6010, Air Cargo Deregulation Bill. The Roosevelt Room.
9:30 (30 min.)	Meeting with the Congressional Black Caucus. (Mr. Frank Moore) - The Cabinet Room.
10:00 (2 min.)	Statement on Anti-redlining Regulations Promulgated by the Home Loan Bank Board. (Mr. Stuart Eizenstat) - White House Press Room.
10:15	Mr. Jody Powell - The Oval Office.
10:45	Arrival Ceremony for The Right Honorable Robert D. Muldoon, C.H., Prime Minister of New Zealand, and Mrs. Muldoon - South Grounds.
11:15 (30 min.)	Meeting with Prime Minister Robert D. Muldoon. (Dr. Zbigniew Brzezinski) - The Oval Office and the Cabinet Room.
12:00 (60 min.)	Luncheon with Prime Minister Robert D. Muldoon. First Floor Family Dining Room.
2:00 (20 min.)	Congressman James Corman. (Mr. Frank Moore). The Oval Office.
2:30 (60 min.)	Meeting on National Health Insurance Policy. (Mr. Stuart Eizenstat) - The Cabinet Room.
4:00 (5 min.)	Drop-By Meeting with Congresswoman Mary Rose Oaker et al - The Roosevelt Room.

THE WHITE HOUSE
WASHINGTON
November 9, 1977

The Vice President

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

Rick Hutcheson

RE: SEN. MOYNIHAN

THE WHITE HOUSE
WASHINGTON

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

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		McINTYRE
		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
	GAMMILL

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



THE PRESIDENT HAS SEEN.

*Fritz - Joe
talked to Ham &
Jody - See them
C*

THE VICE PRESIDENT
WASHINGTON

November 9, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT *WJ*
SUBJECT: Senator Moynihan

You recall a few months ago when you asked me to call Senator Moynihan and tell him that, if you could find out who was making unflattering comments about him on the White House staff, you would fire them. I called him and he was most appreciative.

He called me again yesterday with reference to the attached article in the New York Times on the 7th, in which two very unflattering remarks about him attributed to undisclosed White House staffers appear again. I assured him that this did not represent your point of view and that your sentiments about such comments were the same as before and, that if it were any consolation, we read unnamed White House staffer criticisms of us too.

In any event, I fail to understand how such comments do anything for us except hurt. I don't know what can be done about this, but I think it's very damaging.

Black
Caucus

THE WHITE HOUSE
WASHINGTON

Angola - Duggs visited Neto
Namibia

Zimbabwe

S. Africa - Pass

1st step

→ We are villains

→ Cortis Collins

Licensing - France/Israel

Tax credit legis

Nuclear

Diplomatic mission

→ M^r Henry - Namibia

→ Δ attitude

→ US business - Alternatives
Refugee status

Meeting w/ Prime Minister
Muldoon

11/9/77

THE WHITE HOUSE
WASHINGTON

Mid East

Rhodesia / S Africa

Indian Ocean

Trade relations
Developing S Pacific
Islands → independence
S Pacific forum = nations
200 mi limit - no H₂O left

Japan / NZ

Coop on Antarctic

Wool for carpets

11/9/77

THE WHITE HOUSE
WASHINGTON

Mine Safety Bill

Econ. dependence on miners
Non-coal miners protection
(113 deaths ¹⁹⁷⁶ - 77000 disabled)

Prevent another Scotia -

Mine Health/Safety → Labor

Perkins - Williams (NJ flood)
Randolph (wife)

Air Cargo Deregulation

Today → Travelers

Permit lower fares - Ellery - Handicap

15 day notice Δ Air fares

1st step → more dereg

Cannon - Senate program
Glenn Anderson

Last Day of Action
Wednesday, November 9, 1977

THE WHITE HOUSE
WASHINGTON

Veterinarian

November 8, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
LYNN DAFT *LD*
SUBJECT: Enrolled Bill H.R. 2521 -
Rabbit Meat Inspection

THE BILL

H.R. 2521 provides for the mandatory inspection, at public expense, of domesticated rabbits and rabbit products processed for human consumption and offered for sale in this country. Small plants (producing less than 20,000 rabbits per year) would be exempt. All imports of domesticated rabbit meat would be subject to the regulations. The Administration strongly opposed the bill in Congressional hearings. A similar, though slightly more expensive bill, was vetoed by President Ford last fall.

VOTES IN CONGRESS

The bill passed both Houses by voice vote.

ANALYSIS

While mandatory USDA inspection of rabbit meat is not now required, Federal inspection is made available to the rabbit industry through a voluntary program paid for by participating processors. About 40 percent of U.S. production was Federally inspected last year; another 36 percent was subject to comparable State inspection programs.

The USDA estimates that fifteen processing plants in nine States would be affected by the bill. Federal costs would be small -- about \$61,000 in 1979, increasing to \$145,000 in following years.

The major pro/con arguments for the bill are as follows:

PRO

- o Though all rabbit meat marketed in the U.S. is subject to some form of wholesomeness inspection (by USDA, FDA, and/or states), standards and enforcement practices are not uniform.
- o Consumer health protection would be strengthened, albeit slight.

CON

- o There is no evidence of a significant health problem requiring additional regulation.
- o As a specialty food (per capita consumption of less than one-half ounce per year), the cost of inspection should be borne by the consumer rather than by the general taxpayer.
- o It is anticipated that enactment of the bill will eliminate imports of domesticated rabbit meat -- nearly all from the People's Republic of China -- because of that country's expected unwillingness to permit on-site inspection of their processing facilities. The PRC has been supplying about 16 percent of total domesticated rabbit marketings in this country. This will, of course, work to the disadvantage of our bilateral relations with the PRC.
- o The elimination of lower priced export competition will likely result in slightly higher retail prices for rabbit meat.

AGENCY AND STAFF RECOMMENDATIONS

The Departments of Agriculture and Treasury and the Office of Management and Budget recommend disapproval. The Department of State cites concerns. All other agencies either deferred or had no response. Bob Lipshutz concurs in the OMB recommendation of a veto. Frank Moore recommends that you sign the bill, noting that Senator McClellan sent a letter strongly urging approval and that both Senators Dole and McClellan would be sharply critical of a veto.

As OMB notes, the principal beneficiaries of the bill will be a few large rabbit processors who have expended considerable lobbying efforts in the last five years (mostly through Senator Dole and Congressman Sebelius) to get this legislation enacted.

There is a good argument which can be made for signing the bill on the grounds a veto will seem insignificant and unnecessary. While this makes the decision a close call I nevertheless recommend disapproval on the ground that this establishes a bad precedent, and once in the law there will be every incentive for the subsidy to grow. Moreover, it would appear to have negative foreign policy implications with respect to the People's Republic of China.

Additionally, I think that the recommendation of a veto by the Department of Agriculture should be given significant weight.

DECISION

_____ Approve H.R. 2521 (sign bill)
_____ ✓ Disapprove H.R. 2521 (sign veto statement)

*Stu - call me.
re: who pays for
inspection of beef, pork?
J*

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON ,

INFORMATION

9 November 1977

TO: THE PRESIDENT
FROM: RICK HUTCHESON *Rich*
SUBJECT: Memos Not Submitted

1. STU EIZENSTAT sent you a note indicating the changes he made in the draft ERDA Authorization veto message which you read. ✓
2. JACK WATSON sent you a note suggesting that you write notes to Governors Bill Milliken and Julian Carroll thanking them for their great help in handling the postponement of the Governors Conference on energy. (Jack has already written them thank-you notes himself.) ✓

THE WHITE HOUSE
WASHINGTON

November 4, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Jack Watson *Jack*
SUBJECT: POSTPONED ENERGY PRODUCTION CONFERENCE

Mr. President:

Governors Bill Milliken and Julian Carroll have been extraordinarily helpful in handling the situation resulting from the postponement of the energy conference with the Governors. They have not only been completely supportive of you, they have defended the necessity of the postponement and "contained" the criticisms of some of their colleagues. I have written each of them a letter thanking them for their help but think it would be most appropriate for you to write them a handwritten note yourself.

THE WHITE HOUSE
WASHINGTON

MR. PRESIDENT:

I have noted in red the changes made in the veto message after you read the draft.

1. The underscored words were added.
2. The words in parentheses indicate your handwritten version which was changed.



Stu Eizenstat

7 Nov 77

TO THE SENATE OF THE UNITED STATES:

I am returning without my approval, S. 1811, the Department of Energy Authorization Act of 1978 -- Civilian Applications.

(Although S. 1811)
This bill authorizes fiscal year 1978 appropriations for the Department of Energy's nuclear and non-nuclear energy research, development, and demonstration projects; however, funds for most of these programs, except the Clinch River Breeder Reactor Demonstration Plant, already have been appropriated and made available to the Department.

I cannot approve this legislation because:

- It mandates funding for the Clinch River Breeder Reactor Demonstration Plant, that will result in a large and unnecessarily expensive project which, when completed, would be technically obsolete and economically unsound. This decision would channel scarce and much needed effort away from a broad-based breeder reactor development program into a production model *(whose)* which will not be required or economical for many years.
- It seriously inhibits the President from pursuing effectively an international policy to prevent the proliferation of nuclear weapons and nuclear explosive capability.
- It puts *(unprecedented)* burdensome limitations on the President and the new Department of Energy in exercising necessary judgment to provide an effective energy research and development program.
- It puts *(similar unprecedented limits on the ability of the Administration to provide for the distribution of nuclear fuel, to provide restrictions on the use of this fuel and to assure proper storage or disposal of nuclear wastes, and spent nuclear fuel.)* unwise limitations on our ability to implement the new spent fuels policy which I recently announced to aid our non-proliferation goals.
- It limits the constitutional authority of the President through three one-House veto provisions. One of these provisions could also limit the Administration's ability to recover a fair price for the uranium enrichment service provided by the federal government.

S. 1811 severely limits the flexibility of the Executive Branch in expending funds appropriated for the Clinch River project pursuant to this authorization. This is inconsistent with my strong belief that proceeding beyond completion of the systems design phase of the Clinch River facility would imperil the Administration's policy to curb proliferation of nuclear weapons technology. Further, completion of the Clinch River facility would cost American taxpayers an additional \$1.4 billion on a facility that is technically and economically unnecessary.

In 1970, when the Clinch River facility was first authorized it was estimated to cost \$450 million. Its total cost estimate now exceeds \$2.2 billion. The Federal government's share of the cost of the project has risen from \$250 million to \$2 billion. Yet current projections of the increase in the need for nuclear generated electric power in the year 2000 are only one-third of estimates made in 1970. The breeder reactor will, therefore, not be needed in the early 1990's, as had been projected when the Clinch River facility was first authorized.

The Administration is committed to a strong research and development program for advanced nuclear technologies, including base program research on the liquid metal fast breeder, research into alternative breeder cycles, and an accelerated research and development program for advanced non-breeder technologies. These programs are vital to ensure that energy is available to make the transition over the decades ahead from oil and natural gas to other energy sources. All of these programs will be maintained in the absence of S. 1811. Construction of the Clinch River facility in no way is necessary to ensure continued development of nuclear technologies, including liquid metal fast breeder technology.

In vetoing S. 1811, I intend to pursue the authority at my disposal to terminate construction of the Clinch River facility. Further expenditure on the Clinch River facility should be ended in a orderly fashion, and I intend to analyze all available options, including those under the Congressional Budget and Impoundment Control Act of 1974, to ensure that no further unnecessary expenditures on this facility are made.

In addition to those features relating to the Clinch River Breeder Reactor, S. 1811 also contains additional provisions which are not consistent with Administration policies and the national interest.

The bill would further impede our non-proliferation goals by imposing limitations on the ability of the United States to provide for the storage of spent fuel from foreign reactors in those instances where such an action would serve those goals.

It permits a one-House veto over the criteria and prices which the Administration can adopt, infringing on the Administration's ability to recover the full cost of those enrichment services.

S. 1811 would impede the ability of the Secretary of Energy to organize effectively the research and development activities of the new Department of Energy, in contravention of legislation passed in August establishing the Department.

Finally, it would impose a variety of specific and unnecessary technical restrictions on energy research and development programs, establish one-House veto provisions relating to geothermal facility loan guarantees, and impose a six-month requirement for a recommendation on the purchase and/or operation of the Barnwell reprocessing facility.

I am committed to a vigorous energy research and development strategy to ensure maximum progress on shifting the energy base of the United States away from oil and natural gas. However, I am also concerned about the risk of introducing the plutonium economy through an unnecessary commercial demonstration facility. I believe that we should continue our research and development program without large, unnecessary expenditures for a technologically obsolete project and without imperiling our shared desire for halting the uncontrolled spread of nuclear weapons capability.

THE WHITE HOUSE
WASHINGTON

November 9, 1977

Zbig Brzezinski

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

Rick Hutcheson

"RABIN DESCRIBES ISRAEL'S 'PEACE'" -
ATLANTA CONSTITUTION Article

THE WHITE HOUSE
WASHINGTON

To: The President
From: Bob Lipschutz

F.Y.I.

11/9/77

3619
info
J

Electrostatic Copy Made
for Preservation Purposes

Rabin Describes Israel's 'Peace'

By CHUCK BELL
and J. RANDAL ASHLEY

Israeli Labor Party leader Yitzhak Rabin, despite a statement that there are "no more prophets in Israel," spoke in Atlanta Tuesday as if the Geneva Conference is sure to reconvene and outlined Israel's definition of "real peace."

Rabin, prime minister of Israel before he stepped aside in the wake of revelations about an illegal bank account in the United States, defined the "nature of peace" in the Middle East at a luncheon hosted by the Southern Center for International Studies and at a later press conference.

Rabin said the issues that must be settled include three elements: Arab recognition of Israel as a viable Jewish state, the setting of permanent boundaries, and a settlement of the Palestinian issue.

Rabin said that in the last four years, Israel and Egypt have moved from a position of confrontation to one of negotiations. He said, however, that a comprehensive peace plan must be more than an end to a state of war, "there must be a building of relations of peace."

Rabin defined that as "open borders"—diplomatic, cultural and commercial exchanges between Israel and the Arab states. "Until today," he said, "not one Arab leader has gone as far as to define it that way."

"I will consider that peace has arrived when the citizens of Cairo can go to Tel Aviv and the citizens of Tel Aviv can go to Cairo; when the citizens of Damascus can go to Haifa and the citizens of Haifa can go to Damascus."

Rabin, without mentioning President Carter by name, chided the U.S. administration for taking "almost the Arab position" on the Palestinian issue and strongly denounced moves

he interpreted as bringing the Russians back into Mideast negotiations.

"Not even the president of the United States can convince me that bringing in Russia will be a move toward peace. Whenever their influence can be reduced it must be done," he said.

Rabin urged the Carter administration not to "take a position" in the negotiations, apparently referring to Carter's repeated references to "the legitimate rights of the Palestinians"—a diplomatic phrase that historically has meant the establishment of a Palestinian state.

Rabin declared that Israel can't accept the establishment of a Palestinian state on the West Bank, in East Jerusalem and on the Gaza Strip. Such a state, he said, would be a "time bomb."

"Between 1948 and 1967 those areas were in the hands of the Arabs," Rabin said. "If the establishment of a Palestinian state is so important, why did not they establish one then?"

Later, at a press conference, Rabin avoided comment on President Carter's push to get the Palestinian Liberation Organization to either revoke their charter or recognize U.N. Resolutions 242 and 338. Either of those moves would mean that the PLO recognizes the right of Israel to exist. Israel has refused to negotiate with the PLO on the basis that they are sworn to Israel's destruction.

He said Israel will not agree to return to the borders that existed before the 1967 war but did not speculate on what the new borders might be.

"We must have defensible boundaries," Rabin said.

Rabin, who was chief of staff of the Israeli army in 1967, said that at the start of the Six-Day War, Arab



Staff Photo - Louis Favortie

PALESTINIAN STATE A 'TIME BOMB' Israel's Yitzhak Rabin

troops and tanks were massed along Israel's borders, "only 12 miles from Tel Aviv, only one and a half miles from our Knesset (parliament) and only three quarters of a mile from the residence of the president of the State of Israel."

He said he does not want to see any future Israeli chief of staff faced with a similar problem.

In spite of the problems, Rabin said, he believes peace is achievable in the Middle East through the Geneva negotiations.

Rabin had the following comments on other Middle East peace ques-

tions:

- "Israel will not be the first nation to introduce nuclear weapons into the Middle East conflict."

- "More PLO terrorists were killed fighting the Syrian army in Lebanon last year than have been killed in 25 years of fighting with Israel."

- "Israel does not want one inch of territory in southern Lebanon. We want the border between Israel and Lebanon to remain where it is and we want it to be quiet. We cannot tolerate the shelling of our cities and the killing of our citizens."

Atlanta Constitution, Wed., Nov. 7, 1977

10:45 AM

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

FOR THE PRESIDENT AND MRS. CARTER

FROM: GRETCHEN POSTON

DATE: 25 ^{November} ~~October~~ 1977

SUBJECT: VISIT OF THE PRIME MINISTER OF NEW ZEALAND
AND MRS. MULDOON
(The Right Honorable Robert D. Muldoon, C.P.
Mrs. Thea - TAY a - Muldoon)
9 November 1977

Please find attached the arrival and luncheon scenarios for the visit indicated above.

ON THE OCCASION OF
THE VISIT OF
THE PRIME MINISTER OF NEW ZEALAND
AND MRS. MULDOON

ARRIVAL SCENARIO

Southwest Gate

- 10:15 A.M. Welcoming and Official Parties arrive White House, South Lawn.
- 10:35 A.M. Official Party preceding the Prime Minister and Mrs. Muldoon arrives White House, and proceeds to South Lawn positions.
- 10:42 A.M. The PRESIDENT and MRS. CARTER arrive Diplomatic Reception Room.
- 10:44 A.M. The PRESIDENT and MRS. CARTER are announced, and enter grounds to edge of red carpet.

(Music - "Man of the Hour")

- 10:45 A.M. The motorcade carrying the Prime Minister and Mrs. Muldoon arrives - fanfare. Official introductions.

The Principals proceed onto platform and into positions for honors.

(National Anthem of New Zealand)
(U.S. National Anthem)
(19-gun Salute)

The PRESIDENT and the Prime Minister descend platform for Inspection of Troops. Following inspection, the PRESIDENT and the Prime Minister return to platform for remarks.

(All Principals move to new positions - toe cards.)

Following remarks, Principals return to positions facing south as Commander of Troops closes ceremony.

Principals proceed to South Portico Balcony and pause for press photo session. Proceed into Blue Room via Green Room for receiving line.

- 11:15 A.M. Coffee is served.
- 11:30 A.M. The PRESIDENT and the Prime Minister depart for Oval Office.
- Mrs. Muldoon is escorted to Blair House.

ON THE OCCASION OF
THE VISIT OF
THE PRIME MINISTER OF NEW ZEALAND

LUNCHEON SCENARIO FOR THE PRESIDENT

Noon The PRESIDENT and the Prime Minister depart Oval Office for Family Dining Room, to join other guests for luncheon.

1:00 P.M. Luncheon is concluded.

Remarks by the President (and Prime Minister).
Location undetermined.

All guests depart via elevator and stairs near Family Dining Room.

ON THE OCCASION OF
THE VISIT OF
MRS. THEA MULDOON

LUNCHEON SCENARIO FOR MRS. CARTER

12:58 P.M. Mrs. Muldoon and party depart Blair House to White House via Northwest Gate.

12:59 P.M. MRS. CARTER arrives foyer, Main Hall, to North Portico.

1:00 P.M. Mrs. Muldoon and party arrives and are greeted by MRS. CARTER.

(Luncheon guests arrive Diplomatic Reception Room and move immediately to Green Room.)

MRS. CARTER and Mrs. Muldoon join ladies in Green Room for juice.

1:15 P.M. MRS. CARTER and all guests proceed to Blue Room for luncheon.

2:00 P.M. Luncheon is concluded.

Mrs. Muldoon and all guests depart for Blair House via North Portico.

THE WHITE HOUSE

WASHINGTON

November 8, 1977

MEMORANDUM TO THE PRESIDENT

FROM: for JIM FALLOWS JFD

SUBJECT: Muldoon Visit

Jerry Doolittle has prepared the following suggested talking points for the Nov. 9 arrival of New Zealand Prime Minister Robert D. Muldoon.

1. More than 125 years ago, the U.S. opened a consulate in New Zealand. Since then our countries have fought side by side in World Wars I and II, Korea, and Vietnam. We are still linked through ANZUS, an important factor in regional and global stability.
2. We are linked also by our common heritage of regard for basic human rights. You know you can count on the Prime Minister's support in the struggle to improve the human condition around the world.
3. New Zealand has played a key role in strengthening the security and economic condition of the Asian-Pacific region. Of particular importance is New Zealand's leadership in the South Pacific Forum and South Pacific Commission.
4. New Zealand is a successful multiracial society. A recent example of its openness and generosity came when Prime Minister Muldoon's country took in as immigrants several hundred Vietnamese refugees.

5. Economic relations between our nations are close, and important to both. You welcome the chance to consult with Prime Minister Muldoon (a certified public accountant who is Finance Minister of his country as well as Prime Minister) on the Multilateral Trade Negotiations. You also welcome his assistance in expanding agricultural trade opportunities for both our countries with Japan and the Common Market.

6. Prime Minister Muldoon took the lead in welcoming American nuclear warships to New Zealand harbors, saying during his campaign that cooperation between allies should be wholehearted. Two U.S. nuclear cruisers have since called at New Zealand ports.

7. New Zealand's national game is rugby, a tougher game than our own football. The New Zealand team -- called the "All Blacks" after the color of their jerseys -- just beat the British "Lions" and is currently touring France. Diplomatic considerations prevent you from expressing your hope that the "All Blacks" continue their winning streak.

#

THE WHITE HOUSE

WASHINGTON

November 8, 1977

MEMORANDUM TO THE PRESIDENT

FROM: JIM FALLOWS *JL*

SUBJECT: Muldoon Luncheon

Jerry Doolittle has prepared the following talking points for your toast at the Nov. 9 luncheon for New Zealand Prime Minister Robert D. Muldoon.

1. Prime Minister Muldoon's visit is an appropriate occasion for you to reaffirm the American commitment in Asia and the Pacific. We are, and intend to remain, an Asian and Pacific power. And we will continue to look for firm support from our ANZUS allies in ensuring regional security through the years to come.
2. The Prime Minister played a leading role in allowing American nuclear warships to call at New Zealand ports. The first nuclear cruiser docked at Wellington more than a year ago. A "Dial-a-Sailor" number was set up for Wellington residents who wanted to entertain American sailors in their homes -- and each sailor got between five and eight invitations.
3. This shows that the friendship between our two countries -- in large measure a legacy of World War II -- remains uncommonly strong. We have few firmer friends in the world, and the ties go both ways. Our embassy estimates that some 5,000 Americans (many of whom married local girls during the war) have chosen to live in New Zealand.

4. Prime Minister Muldoon visited the United States on a State Department leader grant in 1965, and will further his acquaintance with our country during this 18-day visit by travelling to nine states. You note that he has had the excellent taste to make Georgia the first state on his list.

5. The Prime Minister's second book, which is called "Muldoon", is coming out today. You would have called your own book, "Carter", except at the time most people thought your last name was "Who?".

#

THE WHITE HOUSE
WASHINGTON

November 9, 1977

Hamilton Jordan

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

Rick Hutcheson

cc: Jim Gammill

RE: CHAIRMAN AND PRESIDENT - U.S.
RAILWAY ASSOCIATION

THE WHITE HOUSE
WASHINGTON

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

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
✓		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		McINTYRE
		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
✓	GAMMILL

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

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

November 9, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN *H.J.*
SUBJECT: CHAIRMAN AND PRESIDENT -
UNITED STATES RAILWAY ASSOCIATION

Attached is a memorandum from Brock Adams recommending you nominate William K. Smith as Chairman of the United States Railway Association. A preliminary check with the Vice President's office and Frank Moore's office indicates no problems with the appointment, and we recommend you approve.

William K. Smith:

APPROVE DISAPPROVE

Secretary Adams also requests your approval to the appointment of Mr. Donald C. Cole as President, although this is not a post which requires Presidential nomination. We also recommend you approve Mr. Cole.

Donald C. Cole:

APPROVE DISAPPROVE

Attachment

JC



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

OCT 25 1977

MEMORANDUM FOR THE PRESIDENT

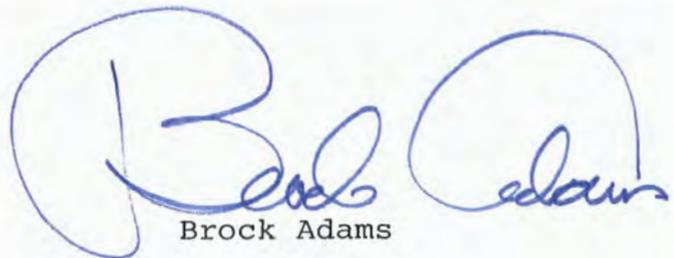
SUBJECT: Chairman and President of the
United States Railway Association

I recommend that you nominate William K. Smith as Chairman of the United States Railway Association. Mr. Smith has been a Director of USRA, representing shippers, since 1974. He is Vice President and Director of Transportation for General Mills in Minneapolis. He is widely respected in the transportation community. During his service on the Board, he has shown himself to be extremely conscientious and dedicated and has done an excellent job in recent months since serving as Acting Chairman. He is a political Independent.

I have every confidence in Mr. Smith, and I believe that he would work well not only with the Department but with the Congress. Conrail, for which USRA is the major lender, faces difficult problems, and I believe that Mr. Smith would be extremely helpful in developing solutions to them.

The post of President of USRA is now filled by Donald C. Cole, serving as Acting President. By statute the President is appointed by the Board upon the recommendation of the Secretary of Transportation, and it is not an advice and consent position. Mr. Cole had served as Vice President of USRA since 1974. He is a lawyer with extensive railroad experience. He is a native of Washington State and has been active in Democratic politics for many years. If you have no objection, I intend to recommend to the Board that Mr. Cole be appointed President.

I have attached biographies of both Mr. Smith and Mr. Cole.

A handwritten signature in blue ink, which appears to read "Brock Adams". The signature is written in a cursive, flowing style. Below the signature, the name "Brock Adams" is printed in a simple, sans-serif font.

Brock Adams

Attachments

WILLIAM K. SMITH

Biography:

William K. Smith was appointed Acting Chairman of the United States Railway Association on June 30, 1977, replacing Arthur D. Lewis who resigned.

He first joined the Board of Directors of the Association as a representative of the shipper community in July, 1974. He was nominated for the six-year term on the Board in May, 1974, and was confirmed by the Senate the following month. Among those making statements on his behalf at the confirmation hearing was then Senator Walter Mondale.

Mr. Smith is Vice President and Director of Transportation for General Mills, Inc., Minneapolis. He is a Board member of the Transportation Association of America, a Vice President of the National Industrial Traffic League, serves on the transportation committee of the U. S. Chamber of Commerce, and has served in varying capacities with a number of shipper organizations.

Mr. Smith, 55, joined General Mills in 1948 as a transportation clerk in San Francisco. Since that time he has been associated with the corporation's transportation department in a variety of positions and locations. In 1955, he became Assistant Director of Transportation at the corporate headquarters in Minneapolis and served in that capacity until 1965 when he was named Director of Transportation.

Born in Oakland, California, he received a B.B.A with Distinction from the University of Minnesota. He has completed the Harvard Advanced Management Program and the Stanford Business Logistics Program. He served in the Army for three years during World War II.

Mr. Smith is married and the father of four sons.

Home:

2439 Sherwood Hills Road
Minnetonka, Minnesota 55343

Office:

Vice President - Transportation
General Mills, Inc.
P. O. Box 1113
Minneapolis, Minnesota 55440
(612) 540-2023
(612) 545-3086

DONALD C. COLE

BIOGRAPHY

Donald C. Cole was appointed Acting President, United States Railway Association on June 30, 1977.

He joined the Association on July 11, 1974, as Vice President, Secretary and Assistant to the Chairman. This was shortly after the Association was established under the Regional Rail Reorganization Act of 1973 to restructure the bankrupt railroads of the Northeast quadrant of the country. He subsequently was named Vice President for Government Affairs and Secretary.

Mr. Cole, 40, was General Counsel for Fruit Growers Express Company. He also served as Assistant General Counsel for Trailer Train Company of Chicago. Both of these companies are jointly owned by several railroads.

He was born in Coulee Dam, Washington, received his bachelor's degree from Whitman College in 1959 and his law degree from the University of Washington in 1965, and served as an officer in the Naval Reserve. He makes his home in Alexandria, Virginia.

Following law school, he served on Senator Warren G. Magnuson's Commerce Committee staff, a position he held for two years, 1965-67.

In August, 1967, Mr. Cole returned to Seattle to practice law and involve himself in local Democratic politics. In 1970, he joined Trailer Train in Chicago, then returned to Washington, D. C. as General Counsel of Fruit Growers Express, and from there joined the United States Railway Association.

Active in Democratic politics since his student days, Mr. Cole was the 1968 Democratic candidate for Congress in Washington State's 1st District. While a student, Mr. Cole participated in several political campaigns, including Brock Adams 1964 congressional campaign.

PROFESSIONAL

American Bar Association, Association of Interstate Commerce Commission Practitioners, Railroad Finance Law Association, Washington State Bar Association and Federal Bar Association.

MILITARY SERVICE: LTJG USNR 1959-1962

PERSONAL: Born March 8, 1937, 2 children, excellent health

HOME

2566 Nicky Lane
Alexandria, Virginia 22311
(703) 820-7913

OFFICE

2100 Second Street, S.W.
Washington, D. C. 20595
(202) 426-1991

THE WHITE HOUSE
WASHINGTON

*11/19 Elections!
will prepare on 11/3
color memo
B*

Date: October 25, 1977

MEMORANDUM

FOR ACTION:

Hamilton Jordan *concur*
Jim Gammill

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Adams memo dated 10/25/77 re Chairman and President
of the U.S. Railway Association.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Thursday

DATE: October 27, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

11/3 Gammill will concur

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

THE WHITE HOUSE
WASHINGTON

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

ACTION
FYI

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

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER

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

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

<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

OCT 25 1977

MEMORANDUM FOR THE PRESIDENT

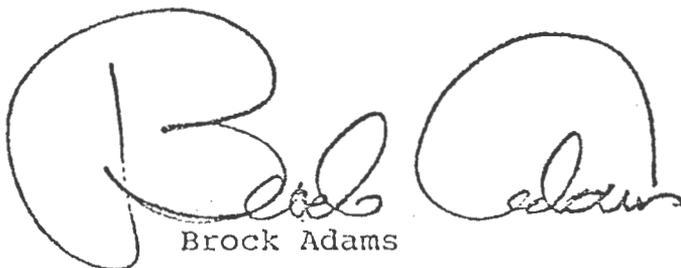
SUBJECT: Chairman and President of the
United States Railway Association

I recommend that you nominate William K. Smith as Chairman of the United States Railway Association. Mr. Smith has been a Director of USRA, representing shippers, since 1974. He is Vice President and Director of Transportation for General Mills in Minneapolis. He is widely respected in the transportation community. During his service on the Board, he has shown himself to be extremely conscientious and dedicated and has done an excellent job in recent months since serving as Acting Chairman. He is a political Independent.

I have every confidence in Mr. Smith, and I believe that he would work well not only with the Department but with the Congress. Conrail, for which USRA is the major lender, faces difficult problems, and I believe that Mr. Smith would be extremely helpful in developing solutions to them.

The post of President of USRA is now filled by Donald C. Cole, serving as Acting President. By statute the President is appointed by the Board upon the recommendation of the Secretary of Transportation, and it is not an advice and consent position. Mr. Cole had served as Vice President of USRA since 1974. He is a lawyer with extensive railroad experience. He is a native of Washington State and has been active in Democratic politics for many years. If you have no objection, I intend to recommend to the Board that Mr. Cole be appointed President.

I have attached biographies of both Mr. Smith and Mr. Cole.



Brock Adams

Attachments

50

THE WHITE HOUSE
WASHINGTON

Date: October 25, 1977

MEMORANDUM

FOR ACTION:

FOR INFORMATION:

~~Hamilton Jordan~~
Jim Gammill

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Adams memo dated 10/25/77 re Chairman and President
of the U.S. Railway Association.

YOUR RESPONSE MUST BE DELIVERED
TO THE STAFF SECRETARY BY:
TIME: 12:00 Noon
DAY: Thursday
DATE: October 27, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur. *HQ.*

No comment.

Please note other comments below:



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

OCT 25 1977

MEMORANDUM FOR THE PRESIDENT

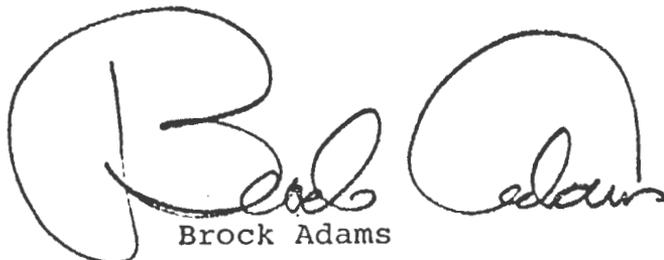
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The post of President of USRA is now filled by Donald C. Cole, serving as Acting President. By statute the President is appointed by the Board upon the recommendation of the Secretary of Transportation, and it is not an advice and consent position. Mr. Cole had served as Vice President of USRA since 1974. He is a lawyer with extensive railroad experience. He is a native of Washington State and has been active in Democratic politics for many years. If you have no objection, I intend to recommend to the Board that Mr. Cole be appointed President.

I have attached biographies of both Mr. Smith and Mr. Cole.

A handwritten signature in cursive script, appearing to read "Brock Adams", is written over a large, stylized circular mark. Below the signature, the name "Brock Adams" is printed in a standard font.

Brock Adams

Attachments

WILLIAM K. SMITH

Biography:

William K. Smith was appointed Acting Chairman of the United States Railway Association on June 30, 1977, replacing Arthur D. Lewis who resigned.

He first joined the Board of Directors of the Association as a representative of the shipper community in July, 1974. He was nominated for the six-year term on the Board in May, 1974, and was confirmed by the Senate the following month. Among those making statements on his behalf at the confirmation hearing was then Senator Walter Mondale.

Mr. Smith is Vice President and Director of Transportation for General Mills, Inc., Minneapolis. He is a Board member of the Transportation Association of America, a Vice President of the National Industrial Traffic League, serves on the transportation committee of the U. S. Chamber of Commerce, and has served in varying capacities with a number of shipper organizations.

Mr. Smith, 55, joined General Mills in 1948 as a transportation clerk in San Francisco. Since that time he has been associated with the corporation's transportation department in a variety of positions and locations. In 1955, he became Assistant Director of Transportation at the corporate headquarters in Minneapolis and served in that capacity until 1965 when he was named Director of Transportation.

Born in Oakland, California, he received a B.B.A with Distinction from the University of Minnesota. He has completed the Harvard Advanced Management Program and the Stanford Business Logistics Program. He served in the Army for three years during World War II.

Mr. Smith is married and the father of four sons.

Home:

2439 Sherwood Hills Road
Minnetonka, Minnesota 55343

Office:

Vice President - Transportation
General Mills, Inc.
P. O. Box 1113
Minneapolis, Minnesota 55440
(612) 540-2023
(612) 545-3086

DONALD C. COLE

BIOGRAPHY

Donald C. Cole was appointed Acting President, United States Railway Association on June 30, 1977.

He joined the Association on July 11, 1974, as Vice President, Secretary and Assistant to the Chairman. This was shortly after the Association was established under the Regional Rail Reorganization Act of 1973 to restructure the bankrupt railroads of the Northeast quadrant of the country. He subsequently was named Vice President for Government Affairs and Secretary.

Mr. Cole, 40, was General Counsel for Fruit Growers Express Company. He also served as Assistant General Counsel for Trailer Train Company of Chicago. Both of these companies are jointly owned by several railroads.

He was born in Coulee Dam, Washington, received his bachelor's degree from Whitman College in 1959 and his law degree from the University of Washington in 1965, and served as an officer in the Naval Reserve. He makes his home in Alexandria, Virginia.

Following law school, he served on Senator Warren G. Magnuson's Commerce Committee staff, a position he held for two years, 1965-67.

In August, 1967, Mr. Cole returned to Seattle to practice law and involve himself in local Democratic politics. In 1970, he joined Trailer Train in Chicago, then returned to Washington, D. C. as General Counsel of Fruit Growers Express, and from there joined the United States Railway Association.

Active in Democratic politics since his student days, Mr. Cole was the 1968 Democratic candidate for Congress in Washington State's 1st District. While a student, Mr. Cole participated in several political campaigns, including Brock Adams 1964 congressional campaign.

PROFESSIONAL

American Bar Association, Association of Interstate Commerce Commission Practitioners, Railroad Finance Law Association, Washington State Bar Association and Federal Bar Association.

MILITARY SERVICE: LTJG USNR 1959-1962

PERSONAL: Born March 8, 1937, 2 children, excellent health

HOME

2566 Nicky Lane
Alexandria, Virginia 22311
(703) 820-7913

OFFICE

2100 Second Street, S.W.
Washington, D. C. 20595
(202) 426-1991

2:00 PM

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

November 8, 1977

MEETING WITH REP. JAMES CORMAN

Wednesday, November 9, 1977
2:00 p.m. (20 minutes)
The Oval Office

From: Frank Moore *J.m.*

I. PURPOSE

To discuss welfare reform with Rep. Corman.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background: Corman is a very important member of the House Ways and Means Committee who chairs the special Welfare Reform Subcommittee established by the Speaker to begin initial House consideration of the Administration's Welfare Reform proposal. The subcommittee includes members of the Ways and Means, Agriculture, and Education and Labor committees. The subcommittee is currently in the process of holding field hearings at six different locations around the country. These hearings will be completed by Thanksgiving and Corman hopes to have the subcommittee mark-up on the welfare reform bill between Thanksgiving and Christmas. After that occurs, the bill will go directly to the three full committees in January. The Speaker would like to see a bill on the House floor in early March. Given the fact that 1978 is an election year and the problems that we are likely to encounter in the Senate Finance Committee and on the Senate floor, it is essential that we meet this timetable. If there is any slippage at all, it will be impossible to pass a welfare reform bill in the 95th Congress. Corman is very interested in welfare reform and with enough support from the Administration and the Speaker he could play the same role vis-a vis welfare reform legislation that Lud Ashley played in consideration of the National Energy Act.

He chairs the Ways and Means Subcommittee on Unemployment Compensation and Public Assistance, a subcommittee which was created at the beginning of the 95th Congress. H.R. 7200, the Public Assistance Amendments of 1977, was considered and passed by the House under his leadership. Corman was the principal sponsor of extending the Supplemental Security Income (SSI) program to Guam, Puerto Rico and the Virgin Islands. The cost of this would be \$185 million in the first full year. The Administration has strongly opposed

this extension of the SSI program for fiscal reasons. Also contained in H.R. 7200 and supported by Corman were foster care, adoption, and child welfare service provisions. Those provisions served as the foundation for the Administration's subsequent legislative proposal; however, they are much more detailed and create an immediate \$266 million entitlement for child welfare services, unlike our proposal which gradually phases in funding of the \$266 million to the states over a three year period and bases that funding on meeting certain protections for foster care children and the creation of an adoption assistance program.

Recently, Corman has been very disturbed about the negotiations and agreement with Long and Moynihan for \$374 million of fiscal relief to the states and other "welfare" amendments contained in the Senate version of the Social Security financing bill. Corman thinks that welfare items should be handled either through his special Welfare Reform Subcommittee or through his regular Ways and Means Subcommittee. There have not been any House hearings or House considerations of any of the welfare items except the Earned Income Disregard, which was a highly divisive issue in the subcommittee.

In addition to his legislative responsibilities, Corman has service as chairman of the Democratic Congressional Campaign Committee since 1976 and has been quite effective in raising money to help Democratic House candidates.

Corman represents the 21st District of California, was first elected in 1960 and received 66.5% of the vote in 1976. He has a 96.7% rating for support of Administration sponsored bills.

Participants: The President, Frank Moore, Secretary Joseph Califano, Secretary Ray Marshall, Valerie Pinson, Bill Cable, Jim Free.

Press Plan: White House photographer only.

THE WHITE HOUSE

WASHINGTON

November 8, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
FRANK RAINES

SUBJECT: Talking Points for Meeting with
Congressman Corman

The Congressman wants to meet with you to discuss legislative progress on welfare reform. He is Chairman of the special welfare reform subcommittee established by the Speaker composed of members of the Ways and Means Committee, Agriculture Committee and Education and Labor.

The subcommittee began public hearings last week. Thus far the testimony has been generally supportive of the ideas in the Administration bill with suggestions for changes by each interest group. There appears to be general agreement that welfare reform is necessary. Corman plans to begin to mark-up the bill on November 28.

We suggest you make the following points with the Congressman:

- The Congressman can be congratulated for the leadership he has shown in the subcommittee and for agreeing to take on this inherently difficult task. We appreciate his efforts to move the subcommittee to early hearings on the Administration bill.
- Corman is concerned about statements he has heard that we are putting less stress on early enactment of welfare reform legislation. He fears that we may lose interest much as the Nixon Administration did with its proposed Family Assistance Program.

He should be assured of your continuing personal commitment to achieve passage of welfare reform legislation next year.

- You might wish to stress to Corman that we see the various parts of our proposal as a carefully designed package. The jobs program is the heart of your effort to make self-supporting all those who are able to hold a job. The subcommittee should be certain that its bill includes consolidated cash assistance, jobs and the expanded earned income tax credit. We believe he should move ahead on marking-up the bill beginning November 28 with these goals in mind.

(The Labor Department and Congressman Hawkins are concerned that the subcommittee will report a bill which does not include the jobs portion of our program. Labor and HEW agree with this statement and that we should not ask Corman to delay mark-up as Secretary Marshall suggested in his weekly report.)

- Secretary Califano has agreed to a modification of the Administration proposal to include some fiscal relief for states and local governments in the interim between passage of the legislation and implementation. The tentative figures are \$452 million in FY 1979 and \$532 million in FY 1980 tied to passage of the welfare reform bill. The Secretary should be in contact with the Congressman soon to formally transmit this amendment.



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

November 8, 1977

MEMORANDUM FOR THE PRESIDENT

FROM Joe Califano *Joe C.*

SUBJECT: Meeting with Jim Corman on Welfare Reform

Your brief meeting with Jim Corman tomorrow offers an opportunity to restate the Administration's strong commitment to welfare reform legislation and to make some important points at a critical stage in the legislative process. I suggest that you consider covering the following points in the meeting:

(1) Thank Corman for assuming the difficult and burdensome job of chairing the special welfare reform subcommittee and investing enormous amounts of his own time and energy in the problem. Express understanding of, and sympathy with, the difficulty of dealing with a complex subject like welfare reform with a large and diverse subcommittee drawn from three substantive committees.

(2) Express gratification that the subcommittee has decided, after meeting last week with the Speaker, to adhere to its planned timetable, i.e. to mark up the welfare reform bill between Thanksgiving and Christmas. Emphasize the importance of that timetable: welfare reform cannot be enacted in this Congress unless a bill is reported out to the full House relatively early next year.

(3) Reemphasize Administration commitment and position on key issues:

- (a) the welfare reform package must include a jobs program as well as reform of the cash assistance system (there are serious doubts within the Subcommittee about the jobs program);
- (b) there must be a consolidated cash assistance program. (If the subcommittee decides to leave the food stamps program alone, the rationale for comprehensive reform is seriously, if not fatally, undermined.)

(c) On the jobs side, we must hold the line on the minimum wage for PSE jobs. If we move to the prevailing wage, we will simply not have the resources to create enough jobs for principal earners in families with children.

(4) Ask Corman his views as to the major issues troubling subcommittee members, and the major problems he sees arising in the mark-up.

You should know that Corman and I plan to sit down alone before the mark-up and go through the legislation provision by provision. Also, Corman is concerned that if the Energy Conference lasts into mid-December, completion of the mark-up will be in serious jeopardy.

cc: Frank Moore
Stu Eizenstat

THE WHITE HOUSE

WASHINGTON

November 8, 1977

MEETING WITH REP. JAMES CORMAN

Wednesday, November 9, 1977

2:00 p.m. (20 minutes)

The Oval Office

From: Frank Moore *f.m.*

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Participants: The President, Frank Moore, Secretary Joseph Califano, Secretary Ray Marshall, Valerie Pinson, Bill Cable, Jim Free.

Press Plan: White House photographer only.

THE WHITE HOUSE
WASHINGTON

November 9, 1977

Stu Eizenstat
Hamilton Jordan
Zbig Brzezinski

The attached is forwarded to
you for your information.

Rick Hutcheson

TELEGRAM ON ST. STEPHENS CROWN

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UPPER HOUSE



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PMS PRESIDENT JIMMY CARTER

ATTN RICK HUTCHISON

WHITE HOUSE DC

OUR MANY HUNGARIAN FRIENDS IN THE DETROIT COMMUNITY HAVE CALLED OUR
ATTENTION TO THEIR ANGUISH OVER YOUR PROPOSAL TO RETURN THE CROWN OF
ST STEPHEN TO HUNGARY WE URGE YOU TO RECONSIDER THIS ACTION UNTIL
THE HUNGARIAN HAVE HAD AN OPPORTUNITY TO FULLY PRESENT THEIR
OBJECTIONS

MYRON BLACK PEERLESS CEMENT CO

NNNN

THE WHITE HOUSE
WASHINGTON

November 9, 1977

Stu Eizenstat

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

Rick Hutcheson

RE: TALKING POINTS ON OIL PRICES

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J

THE PRESIDENT HAS SEEN.

TALKING POINTS ON OIL PRICES

I. The need for a freeze

-- The Western economic recovery is fragile. Over 15 million people are unemployed in OECD countries. In many European countries, growth rates are below trend and unemployment is rising. Inflation remains a major concern. Any oil price increase would increase unemployment and reduce growth.

-- The recent fall in the dollar is due in part to apprehensions about our continuing current account deficit, which is in turn due in large part to oil imports. Any further increase from a rise in oil prices would increase pressure on the dollar and encourage adverse speculation.

-- The world financial system has not yet adjusted to the balance of payment problems caused by high oil prices. A five per cent oil price increase would result in a \$3.5 billion deterioration in the trade balances of the OECD countries, with the US bearing about 40% of the total. Weak European economies have already been

hard hit, and have had to rely on an increasingly strained private banking system and international financial institutions to finance their deficits.

II. What happens after a freeze: the longer-term energy picture

-- We share the view of key OPEC nations that we must rigorously conserve fossil fuels and actively prepare for a transition to other energy sources. That is why I have placed my energy program at the head of all other domestic issues.

-- With a recovery of the world economy, we can look forward to a period of expanded trade and economic growth which will benefit both the developed and developing world. Currency stability means as much to OPEC nations and the LDCs as it does to the West. A more secure prosperity will mean enhanced political stability around the world and a framework for major economic gains for the less developed countries.

III. Some additional statistical information

The effect of a five percent price increase:

On GNP: A reduction of over \$10 billion in GNP in the seven largest OECD countries (US, Japan, West Germany, France, the UK, Italy, and Canada).

On prices: Consumer prices in these countries would go up by an average of over one-third of one per cent -- an increase which could help renew inflationary psychology and thus lead to worse results as time went on.

The loss of output, as well as inflation, would cumulate over time. By 1985, a single five per cent price rise would result in a \$150 billion cumulative loss of GNP in those seven countries, and considerably more for the world as a whole.

IV. -- (for the Saudis) Your consistent recognition of the interdependence of oil consumers and producers has been extremely useful. We recognize it is a two-way street: that we have an obligation to control consumption, just as the producers must take into account the effect of their price and supply actions on the world economy. We appreciate your efforts to

obtain a price freeze for 1978, and believe they can be successful. Along with passage of our energy legislation, it is our highest economic priority for the coming months. We are working with other industrialized countries and with LDCs to make this case to other OPEC members. And I am telling our people and Congress that the US must curb energy waste, through tough legislation, if it is to hope for adequate production and a lid on prices.

-- (for the Iranians) I have told the American people that they must cut back waste and accept tough legislation. We thank Iran for its sensitivity to the needs of the world economy, and urge you to take an active role in bringing about a freeze. Iran's affirmative support would make an extremely favorable impression on the US public and Congress as well as help me in my efforts for energy conservation.

-- (for the Venezuelans and Indonesians) An oil price increase would cause special hardship for non-oil LDCs. A five per cent price hike would cause a

\$1.2 billion deterioration in their trade accounts, taking into account both direct and indirect effects. It would weaken the world financial institutions on which many LDCs have had to depend. Moreover, by burdening the industrialized economies at a time when protectionist sentiment is on the rise, a price hike would hurt LDC trade and thus reverse the favorable momentum of the North-South dialogue.

With Venezuela's support, a price freeze seems extremely likely. Venezuela's opposition to a freeze, conversely, would be difficult for Congress and the public to understand when other key OPEC countries have recognized the importance of a price lid for the economies of both the developed and developing world.

-- (for consuming nations, including both OECD countries and LDCs)

We hope you will take occasions which you feel appropriate, in your dealings with OPEC nations with which you have close relations, to make the case for a 1978 price freeze.

THE WHITE HOUSE
WASHINGTON

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

ACTION	FYI	
		MONDALE
		COSTANZA
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		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		McINTYRE
		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
	GAMMILL

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

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

November 8, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS, GRIFFIN SMITH

SUBJECT: Signing of H.R. 6010, Air Cargo Deregulation

1. The signing statement, attached, incorporates the principal talking points for the ceremony on HR 6010. The bill is your first, if partial, "victory" on the airline deregulation issue. Cargo deregulation takes effect the moment the bill is enacted. The next step is for Congress to give travelers the same benefits.

2. As an example of how onerous the old Federal regulatory system was, you could mention the highly-successful air cargo carrier in Memphis which exempts itself from Federal controls by using very small airplanes -- even though this means they are flying as many as seven flights a night, "wing-tip to wing-tip" between Memphis and Los Angeles. Not only is this illogical, it wastes a lot of fuel to no good purpose. The same company will now be able to load everything aboard one flight.

3. Senator Cannon is of course the Member most conspicuously associated with airline deregulation. Eizenstat and Moore

feel this is a proper occasion to praise his efforts, even though he personally cannot be present. They also suggest that you "ever so subtly lean on Glenn Anderson to get with it" on the regulatory reform measure. As Chairman of the House Aviation Subcommittee, he has held hearings but has not scheduled a mark-up session.

#