12/19/77 [2]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo w/att.	From Lipshutz to The President (3 pp.)re: Secret Service Uniformed Division Protection for UN Delegations/enclosed in Hutcheson to Lipshutz 12/19/77	12/17/77	A
memo	From Young to The President (1 page) re:US Mission to the UN Weekly Activities/enclosed in Hutcheson to Cabinet Members 12/19/77	12/16/77	A
memo	From Blumenthal to The President (4 pp.) re: Highlights of Treasury Activities/enclosed in Hutcheson to Cabinet Members	12/16/77	A

FILE LOCATION

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THE WHITE HOUSE
WASHINGTON
December 19, 1977

Frank Moore

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

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Jody Powell
Tim Kraft

RE: POLITICAL OUTLOOK

ADMINISTRATIVELY CONFIDENTIAL

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 WHITE HOUSE
WASHINGTON

12/17/77

Mr. President:

Hamilton and Tim Kraft concur.

Jody thinks it would not be a good idea to have the first major announcement of 1978 be about partisan politics rather than legislation. He recommends that we consider other things which can be done in early 1978 to promote Administration policies in conjunction with the campaign, but that we not be too specific in the description of what help we will offer.

The Vice President believes a public announcement of the President's political plans in 1978 would be a mistake on the grounds that it: appears too political, and flags the issue for the press; and that it would invite more invitations than the President can accomodate.

NOT ATTACHED is a 20 page state-by-state analysis of individual races.

Rick

THE PRESIDENT HAS SEEN.

ADMINISTRATIVELY CONFIDENTIAL THE PRESIDENT HAS SEEN.

Frank

THE WHITE HOUSE

WASHINGTON

December 14, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE F.M.

Attached is an initial targeting analysis of the states for the 1978 elections. The states have been grouped into various priorities based upon roughly equal weight being given to:

- the overall level of marginality of the state in the Governor, Senate, and House races.
- the importance of the state in 1978 and 1980.

The four categories represent the amount of effort that the Administration should make in a state in terms of campaign appearances by the President, the Vice President, the First Lady, the Cabinet, and the Senior Staff.

Priority A - States which merit heavy involvement by the Administration.

Priority B - States which merit substantial involvement by the Administration.

Priority C - States which merit some involvement by the Administration.

Priority D - States which merit little or no involvement by the Administration.

There are two factors that will affect scheduling decisions that are not reflected in this analysis.

1) the level of support of Administration policies by the candidate in each state.

2) the marginality of many races will change significantly as candidates enter and leave a race and as the Primaries take place.

I have two recommendations for things that should be done between now and the time Congress reconvenes.

1. Campaign Scheduling.

I recommend that Tim Kraft and I--and others--begin to plan a preliminary allocation of time for campaign appearances by you and other Administration figures. Again, these decisions are complicated by changing candidacies and the problem of contested Primaries, but I think we need to lay out a proposed schedule of the first half of 1978.

Approve ✓ Disapprove _____

2. January Announcement of Campaign Plans

I think it would be a good idea to go out front with your plans for the '78 elections and to announce shortly before Congress reconvenes some of the details of that program. I strongly recommend that we publicly explain what your policy will be in terms of campaign appearances and what kind of help we will make available to candidates (photo opportunities, making of tapes, DNC services). The current political climate suggests that there will be much more questioning by the media of your involvement in partisan politics than in previous election years. I believe we can head off potential criticism if we make an early open statement about what will be done at the White House and how most campaign help will be done by the DNC. It might also be appropriate to send every Member of Congress a letter from you outlining your plans for the campaign and what help will be available from here and to attach materials from the DNC on what they have available. This could go right before the Congress comes back January 19. It should be preceded by a brief meeting with you and DNC representatives, and the House and Senate Campaign Committee representatives.

Approve Public Announcement ✓ but after State of Union Disapprove _____

In addition we will probably meet next week with DNC and Campaign Committee people at the staff level to touch base and will have another meeting with White House staff to discuss the campaign in general.

I understand that Hamilton is preparing a more detailed memorandum on this whole subject.

PRIORITY STATES

Priority A	Priority B	Priority C	Priority D
Ohio	Florida	Arkansas	Alaska
Pennsylvania	Wisconsin	Iowa	Alabama
Texas	Missouri	Maine	Arizona
New Jersey	Minnesota	Maryland	Delaware
Michigan	Oklahoma	Massachusetts	Georgia
Illinois	Colorado	Oregon	Hawaii
California	New Hampshire	South Dakota	Idaho
New York	South Carolina	Tennessee	Kentucky
Indiana	Rhode Island	West Virginia	Louisiana
Virginia	Washington		Mississippi
	North Carolina		Montana
	Kansas		Nebraska
	Connecticut		Nevada
			New Mexico
			North Dakota
			Utah
			Vermont
			Wyoming

* These states are <u>not</u> prioritized within each category

THE WHITE HOUSE

WASHINGTON

Date: December 13, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Hamilton Jordan
Jody Powell
Tim Kraft

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Political Outlook - ADMINISTRATIVELY CONFIDENTIAL

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME:

DAY: IMMEDIATE TURNAROUND

DATE:

ACTION REQUESTED:

X **Your comments**

Other:

STAFF RESPONSE:

____ **I concur.** ____ **No comment.**

Please note other comments below:

being rewritten by FDM

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

VP
HS
today
T Kuy +

Boys unpackaging
~~[illegible]~~

THE WHITE HOUSE

WASHINGTON

December 9, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

Attached is the first targeting analysis of the states for the 1978 elections. The states have been grouped into various priorities based upon roughly equal weight being given to:

- the overall level of marginality of the state in the Governor, Senate, and House races.
- the importance of the state in 1976 and 1980.

The four categories represent the amount of effort that the Administration should make in a state in terms of campaign appearances by the President, the Vice President, the First Lady, the Cabinet, and the Senior Staff.

Priority A - States which merit heavy involvement by the Administration.

Priority B - States which merit substantial involvement by the Administration.

Priority C - States which merit some involvement by the Administration.

Priority D - States which merit little or no involvement by the Administration.

There are two factors that will affect scheduling decisions that are not reflected in this analysis:

1) the level of support of Administration policies by the candidate in each state.

2) the marginality of many races will change significantly as candidates enter and leave a race and as the Primaries take place.

I have three recommendation for things that should be done between now and the end of January.

1. Campaign Scheduling.

I recommend that Tim Kraft and I--and others--begin to plan a preliminary allocation of time for campaign appearances by you and other Administration figures. Again, these decisions are complicated by changing candidacies and the problem of contested Primaries, but I think we need to lay out a proposed schedule of the first half of 1978.

Approve _____ Disapprove _____

2. January Announcement of Campaign Plans

I think it would be a good idea to go out front with your plans for the '78 elections and to announce shortly before Congress reconvenes some of the details of that program. I strongly recommend that we publicly explain what your policy will be in terms of campaign appearances and what kind of help we will make available to candidates (photo opportunities, making of tapes, DNC services). The current political climate suggests that there will be much more questioning by the media of your involvement in partisan politics than in previous election years. I believe we can head off potential criticism if we make an early open statement about what will be done at the White House and how most campaign help will be done by the DNC. It might also be appropriate to send every Member of Congress a letter from you outlining your plans for the campaign and what help will be available from here and to attach materials from the DNC on what they have available. This could go right before the Congress comes back January 19. It should be preceded by another meeting with the DNC representatives and the House and Senate campaign committee.

Approve Public Announcement _____ Disapprove _____

3. Campaign Coordination

I recommend that you consider designating the Vice President as the lead person on our campaign effort. I suggest this for a couple of reasons. The Vice President and his staff are very good at organizational efforts and have a broad and highly

skilled background in campaigns. Also, it would be a strong signal to the Hill of the importance that is attached to the 1978 elections.

Approve _____ Disapprove _____

TARGETING ANALYSIS BY STATE FOR
PRIORITY A AND PRIORITY B STATES

PRIORITY A STATES

Ohio. Governor Rhodes is seeking reelection, but this will be a close race. Lieutenant Governor Dick Celeste, among others, will be making the race. There is a good chance here. No Senate race. There are 6 marginal House seats.

Pennsylvania. Governor Shapp cannot seek reelection; this open seat will be a tough one to hold. No Senate race up. There are 7 marginal House seats--5 Democratic with 3 very difficult races.

Texas. Governor Briscoe is up and will face a Primary challenge and the General Election will be somewhat difficult. Senator Tower is up. Bob Krueger and others are running here and the nominee should give Tower a very good race. There are 8 marginal House seats, all Democratic seats and 5 of them open seats due to retirements.

New Jersey. Senator Case will have a Primary challenge but will probably win and would be very difficult to beat. There are 6 marginal House seats.

Michigan. Governor Milliken has said he will not run for the Senate but has not indicated whether he will seek reelection for Governor. If he does run for Governor, he would be very difficult to beat; if he does not we have a good chance here. Senator Griffin is retiring and there is a fairly good chance for a Democrat here. There are 6 marginal House races.

Illinois. Governor Thompson will probably be reelected easily. Senator Percy will probably overcome the challenge of Phyllis Schlafly. He will face Alex Seith in the General and is currently favored. There are 6 marginal House seats.

California. Governor Brown looks strong for reelection. There is no Senate seat up. There are 10 marginal House seats including 6 Democrats.

New York. Governor Carey faces a difficult reelection effort. There is no Senate seat up here. There are 8 marginal House seats.

Indiana. There is no Governor or Senate race here in 1978, but there are 6 very marginal House seats, 5 of them Democratic.

Virginia. Senator Scott is retiring and there is a good chance for a Democrat here. There are 5 marginal House seats.

PRIORITY B STATES

Florida. Governor Askew cannot run again. There will be a divisive Democratic Primary and this may be a tough seat to hold. No Senate race. There are 3 marginal House seats.

Wisconsin. Governor Martin Schreiber, who filled Governor Lucey's seat, could have a tough race. There is no Senate seat up here. There are 3 marginal House seats.

Missouri. There are no Governor or Senate races. There are 3 marginal House seats.

Minnesota. Governor Perpich will probably be reelected. Senator Anderson may have a very difficult race; he will probably be challenged by Congressman Don Fraser. There are 3 marginal House seats.

Oklahoma. Governor Boren may run for the Senate seat. This would be a difficult seat to hold if he does. Senator Bartlett is a possible retirement; if he does, this could be a good opportunity for a Democrat. There are 3 marginal House seats.

Colorado. Governor Lamm will have a tough race although he is doing better than a few months ago and will probably not have a serious Primary challenge. Senator Haskell will have a very difficult race. 4 of the 5 Congressional Districts are marginal--3 of them Democrats.

New Hampshire. Governor Thompson will probably be reelected easily. Senator McIntyre will have a very difficult race. No marginal House seats.

South Carolina. Governor Edwards cannot seek reelection; good chance for a Democrat here. Senator Thurmond would be difficult to beat, but it would be possible with a very strong candidate. There are 3 marginal House seats.

Rhode Island. Governor Garrahy could have a tough race. Senator Pell will have a very tough race. No marginal House seats.

Washington. No Governor or Senate race in 1978. There are 3 marginal House seats.

North Carolina. No Governor's race. Senator Helms would be difficult to beat but could be beaten with the right candidate. There are 3 marginal House seats.

Kansas. Governor Bennett is probably safe. Senator Pearson is retiring and there is a good chance for a Democrat here. There are 3 marginal House seats.

Connecticut. Governor Grasso will have a tough race but has been doing better lately. No Senate race. There are 3 marginal House seats.

1978 GOVERNOR RACES

Races That Will Probably Be Marginal

Arizona. Governor Bolin may be challenged in the Primary by Attorney General Bruce Babbitt or Dino DeConcini. No clear Republican candidate has emerged, but this will be a tough seat to hold.

Colorado. Governor Lamm is doing better politically and will probably not have a strong Primary challenge but will have a tough race probably from State Senator Joe Shoemaker or State Senator Ted Strickland.

Connecticut. There is talk of opposition to Governor Grasso by Nik Carbone or possibly Congressman Chris Dodd, but that has diminished recently. Republican Congressman Ron Sarasin and several others have announced against her. This probably will be a tough race.

Florida. Governor Askew cannot seek reelection. Attorney General Bob Shevin seems to be the leading Democratic candidate but he will be challenged by State Senator Bob Graham and may be challenged by Askew's Lieutenant Governor Jim Williams, former Congressman Bill Gunter, or Secretary of State Bruce Smathers. On the Republican side, Congressman Louis Frey has announced and Jack Eckerd may run. This could be a tough race.

Nevada. Governor O'Callaghan is probably ineligible to seek reelection. Potential candidates are Republican Attorney General Robert List and Congressman Jim Santini. This will be a tough race.

New Mexico. Governor Apadoca cannot succeed himself. Former Democratic Governor Bruce King will probably run and will probably be opposed by the '76 Republican candidate Joe Skeen. This will be a tough race.

Ohio. Governor Rhodes may seek an unprecedented fourth 4-year term next year. He will be faced by Lieutenant Governor Dick Celeste or Attorney General William Brown. It is a good possibility for a Democrat here.

Oklahoma. Governor Boren may run for the Senate next year. Democratic Attorney General Larry Derryberry will probably run. Congressman Jim Jones may run. This will be a difficult seat to hold.

Pennsylvania. Governor Shapp cannot seek reelection. This will be a tough seat to hold. Democratic candidates include Lieutenant Ernest Kline and former Auditor General Robert Casey. On the Republican side there are several potentially strong Republican candidates.

South Carolina. Governor Edwards cannot seek reelection. State Senator Dick Riley and Lieutenant Governor Brantley Harvey are considering the race on the Democratic side. Republican State Senator Carroll Campbell looks like the strongest Republican candidate; it is a good chance for a Democrat here.

South Dakota. Governor Kneip cannot seek reelection. There are no clear strong candidates at this time. This will probably be a tough seat to hold.

Wisconsin. Governor Schreiber faces a possible primary challenge from David Carley. Republican Congressman Robert Kasten will probably run. This will be a tough race.

Wyoming. Governor Herschler has not decided whether he will seek reelection. This will be a difficult seat to hold if he does not.

Races That Might Become Marginal

Hawaii. Governor Ariyoshi and Honolulu Mayor Frank Fasi are locked in a bitter political dual. If this Primary is divisive as expected, it will make this a tough seat to hold.

Maryland. Governor Lee will face several strong Primary challengers. Both the Primary and General could become difficult but right now Lee looks strong.

Massachusetts. Governor Dukakis looks fairly strong right now. A possible Republican opponent is Elliot Richardson.

Michigan. Governor Milliken will not announce until January whether he will seek reelection. If he runs he would probably win; if he does not there will be a large number of Democratic candidates and a good possibility for a Democratic victory.

Nebraska. Governor Exxon is likely to run for the Senate. Republican Congressman Charles Thone may also run for Senate, but he might also seek the governorship. If he did he would be a formidable candidate. This seat is uncertain right now.

New York. Governor Carey looks very strong but this race could become difficult.

Oregon. Governor Straub might be faced by former popular Republican Governor Tom McCall. This would make this a very difficult race. Otherwise, Straub should be in fairly good shape.

Rhode Island. Governor Garrahy could face a tough race from Republican Vincent Canci, Mayor of Providence.

Texas. Governor Briscoe is being challenged in the Primary by Attorney General John Hill. It is not clear who the Republican challengers would be.

Races That Will Probably Be Safe

Alabama. Governor Wallace is running for the Senate. This is a safe Democratic seat. Among the contenders are Lieutenant Governor Jere Beasley, former Governor Albert Brewer and Attorney General Bill Baxley.

Alaska. Governor Hammond may be challenged by Walter Hickel. If Hammond can get the nomination he will probably be re-elected. No serious Democratic contenders yet.

Arkansas. Governor Pryor may run for the Senate. If he does Attorney General Bill Clinton will probably run. This should be a safe Democratic seat.

California. Governor Brown is probably safe.

Georgia. Governor Busbee is safe.

Idaho. Governor Evans will have some opposition in the general but at this point chances for reelection are good.

Illinois. Governor Thompson is safe. Probable Democratic candidate is State Comptroller Michael Bakalis.

Iowa. Governor Ray has announced for reelection and should be safe.

Kansas. Governor Bennett will be safe unless a very strong Democratic candidate emerges, or unless he seeks the Senate seat.

Maine. Independent Governor Longley could probably be reelected but has not announced if he will run. There is also some talk about him entering the Senate race as an Independent.

Minnesota. Governor Perpich looks very strong right now. Republican Congressman Albert Quie may oppose him.

New Hampshire. Governor Thompson will probably run for another term and should be reelected easily.

Tennessee. Governor Blanton cannot seek reelection. This seat is probably safe for a Democrat, but no clear, strong candidates have emerged. Jack Butcher is expected to run.

Vermont. Governor Richard Snelling looks fairly strong; no clear, strong Democratic challenger has emerged.

1978 SENATE RACES

Races That Will Probably Be Marginal

Colorado. Senator Haskell will face very tough challenge from either the Republican Congressman Bill Armstrong or former astronaut Jack Swigert.

Kansas. Senator Pearson is retiring. There would be a good chance to pick up this seat if former Congressman Bill Roy runs. Governor Bennett and Republican Congressman Keith Sebelius are looking at the Republican race.

Maine. Senator Hathaway faces an extremely difficult race against Republican Congressman Bill Cohen. There is some chance that Independent Governor Longley may run as well.

Michigan. Senator Griffin is retiring. Governor Milliken has said he will not enter the race. A number of Democratic candidates are looking, with Congressman Bill Ford one of the strongest. This will be a close race no matter who the candidates.

Minnesota. Senator Anderson may well be challenged by Congressman Don Fraser in the primary. Republican Congressman Bill Frenzel has decided against running, leaving businessman Rudy Boschwitz as the leading Republican contender.

Montana. Senator Metcalf is retiring. Governor Max Baucus is the leading Democratic candidate and there are more than a dozen Republicans looking at the race.

Nebraska. Senator Curtis is retiring. Governor Exon will probably make the race. Republican Congressman Charles Thone is looking at the race but we have a very good chance here.

New Hampshire. Senator McIntyre will have a tough race. Republican Congressman James Cleveland is a possibility as the opponent.

Oklahoma. Senator Bartlett may retire. Governor Boren will probably seek this seat and would have a good chance here.

Rhode Island. Senator Pell will have a very difficult race. The strongest Republican candidate would be Providence Mayor Bud Cianci.

South Dakota. Senator Abourezk is retiring. Both Republican Congressmen Pressler and Abdnor will be in the Primary and either would be a very formidable candidate. No strong visible Democratic candidate has emerged.

Texas. Senator John Tower appears to be vulnerable. Congressman Bob Krueger and Joe Christy will be among the Democratic candidates. We have a good chance here.

Virginia. Senator Scott is retiring. Democratic possibilities are Chuck Robb, Admiral Zumwalt, former Attorney General Andy Miller, and Congressman Herb Harris. Possible Republican candidates include former Governor Linwood Holton, conservative Dick Obenshain, and John Warner.

Races That Might Become Marginal

Iowa. Senator Clark's chances have improved since Governor Ray decided not to run, but Republicans will make a strong race. Possible candidates are Mary Louise Smith, businessman Tom Stoner, and Attorney General Richard Turner.

New Mexico. Senator Domenici seems fairly safe right now but could be vulnerable to a strong challenge by Governor Apodaca.

North Carolina. Senator Helms is popular and heavily financed. However, a strong campaign could be mounted here. John Ingram and Luther Hodges, Jr. are considering the race.

South Carolina. Senator Thurmond looks strong but could get a tough fight from Pug Ravenel.

Races That Will Probably Be Safe

Alabama. Senator Sparkman will probably retire. Governor Wallace will probably take this seat.

Alaska. Senator Stevens is probably safe.

Arkansas. Governor Pryor and Congressmen Jim Guy Tucker and Ray Thornton and others will battle for the Democratic nomination. Safe Democratic seat.

Delaware. Senator Biden is very strong in the polls.

Georgia. Senator Nunn should win easily.

Idaho. Senator McClure is safe.

Illinois. Senator Percy will be opposed by Phyliss Schlafly and the Democratic nominee will be Alex Seith. However, Percy is likely to retain the seat.

Kentucky. Senator Huddleston appears to have no major opposition at this point.

Louisiana. Senator Johnston is probably safe.

Massachusetts. Senator Brooke may be opposed by Secretary of State Paul Guzzi or Lieutenant Governor Thomas P. O'Neill, III, but Brooke is heavily favored.

Mississippi. Senator Eastland should be safe.

New Jersey. Senator Case may have primary opposition and will be faced by Bill Bradley, Congressman Andy McGuire, or Congressman James Florio in the general, but Case looks strong.

Oregon. Senator Hatfield is safe.

Tennessee. Senator Baker is probably safe.

West Virginia. Senator Randolph has announced for reelection and is probably safe.

Wyoming. Senator Hansen is retiring. There are no strong Democratic candidates at this point and the seat will probably go to a Republican--perhaps Al Simpson.

1978 HOUSE RACES

STATE	INCUMBENT	
ALABAMA	2 - Bill Dickinson (R)(57%)	Dickinson's hold on the seat grows more tenuous each year.
ARIZONA	3 - Bob Stump (D)(48%)	Freshman
	4 - Eldon Rudd (R)(50%)	Freshman
CALIFORNIA	2 - Don Clausen (R)(56%)	Has not had a strong opponent in years; 1978 may be the year.
	4 - Bob Leggett (D)(51%)	
	16 - Leon Panetta (D)(53%)	RNC and far-right target.
	27 - Robert Dornan (R)(55%)	Marginal district - Dornan is supported by the Reaganites in Hollywood.
	33 - Del Clawson (R)(55%)	Clawson is retiring - Marginal district - No Democrat has emerged.
	34 - Mark Hannaford (D)(51%)	Hannaford's margins have declined; has strong opposition.
	35 - Jim Lloyd (D)(53%)	Lloyd is probably stronger than his 1976 percentage indicates.
	38 - Jerry Patterson (D)(64%)	Will face tougher opposition this time.
COLORADO	1 - Pat Schroeder (D)(54%)	RNC target, right-wing target.
	2 - Tim Wirth (D)(50%)	Marginal district which has had tremendous growth in population. RNC target, right-wing target.

COLORADO cont.	3 - Frank Evans (D)(52%)	Evans is retiring. Marginal district.
	5 - Bill Armstrong (R)(66%)	Armstrong is running for the Senate.
CONNECTICUT	3 - Robert Giaimo (D)(55%)	RNC target.
	5 - Ron Sarasin (R)(67%)	Sarasin will run for Governor. Marginal district.
DELAWARE	AL- Thomas Evans (R)(52%)	Evans will become entrenched unless beaten soon.
FLORIDA	5 - Richard Kelly (R)(59%)	Kelly is vulnerable to a strong challenge.
	9 - Lou Frey (R)(78%)	Frey will run for Governor. A conservative Democrat can win.
	12 - Herbert Burke (R)(54%)	Burke should have been ousted long ago, but Democratic unity has been a problem.
	14 - Claude Pepper (D)(73%)	May be RNC target
GEORGIA	6 - John Flynt (D)(52%)	Flynt will be opposed in both the primary and the general.
	7 - Larry McDonald (D)(55%)	McDonald's rhetoric has begun to polarize the voters. He could be beaten by a strong primary opponent.
HAWAII	1 - Cecil Heftel (D)(44%)	Heftel expects to be strongly challenged.
ILLINOIS	10 - Abner Mikva (D)(50%)	One of the most marginal districts in the country - Both sides have great organizations.

ILLINOIS cont.	16 - John Anderson (R)(68%)	Anderson is opposed in the primary by a well-financed conservative. Safe if he gets to the general.
	17 - George O'Brien (R)(58%)	
	18 - Robert Michel (R)(58%)	
	22 - George Shipley (D)(61%)	Shipley is retiring. It may be difficult to keep the seat in the Democratic column.
INDIANA	2 - Floyd Fithian (D)(55%)	On paper this is a Republican-leaning District, but Fithian is a strong campaigner. RNC target.
	3 - John Brademas (D)(57%)	Right-wing target.
	4 - Don Quayle (R)(54%)	
	6 - David Evans (D)(55%)	Very tough race.
	7 - John Myers (R)(63%)	Myers has not had serious opposition in year. A Democrat can win with hard work and good organization.
	8 - David Cornwell (D)(50%)	Right-wing target - Marginal, but the Republicans may have a divisive primary.
IOWA	1 - James Leach (R)(51%)	The Democratic nominee will be Dick Myers. The election will be bitter.
	2 - Michael Blouin (D)(51%)	RNC target - RCC test-marketed its "public service" ads in his district.
KANSAS	2 - Martha Keys (D)(51%)	RNC target - May be stronger now than in 1976

KANSAS cont.	3 - Larry Winn (R)(69%)	The seat could go Democratic, but probably only if Winn retires.
	4 - Dan Glickman (D)(50%)	Elected in 1976, Glickman is much stronger now.
	5 - Joe Skubitz (R)(61%)	Skubitz is retiring, and Kansas Democrats will make a major effort here.
KENTUCKY	3 - Romano Mazzoli (D)(57%)	Will have strong primary opposition from a conservative.
	4 - Gene Synder (R)(56%)	Snyder may retire.
LOUISIANA	1 - Bob Livingston (R)(50%)	Won in a three-way race this year.
	2 - Jerry Huckaby (D)(52%)	Possible primary opposition.
	6 - Henson Moore (R)(65%)	May run for the Senate - District leans Democratic.
MAINE	2 - William Cohen (R)(80%)	Running for the Senate - Marginal district.
MARYLAND	5 - Gladys Spellman (D)(58%)	Right-wing target. District leans Democratic.
	8 - Newton Steers (R)(47%)	Certain to be close again.
MASSACHUSETTS	4 - Robert Drinan (D)(52%)	Strong primary and general election opposition.
	6 - Michael Harrington (D)(57%)	Right-wing target.
MICHIGAN	2 - Carl Pursell (R)(51%)	Freshman - Marginal district.

MICHIGAN cont.	3 - Garry Brown (R)(51%)	Brown may retire rather than face defeat by his 1976 opponent.
	6 - Bob Carr (D)(54%)	Carr can hold the seat. If he runs for the Senate, another Democrat may not be able to.
	10 - Elford Cederburg (R)(57%)	Probable retirement - District trending Democratic.
	11 - Phil Ruppe (R)(54%)	A Democratic possibility.
MINNESOTA	1 - Albert Quie (R)(68%)	Quie is running for Governor. A traditionally Republican seat.
	6 - Richard Nolan (D)(60%)	Probably safe, but Republican target.
	7 - Arlen Strangeland (R)(57%)	Freshman Strangeland is vulnerable in this marginal district.
MISSOURI	2 - Bob Young (D)(51%)	Very marginal.
	6 - Thomas Coleman (R)(59%)	Freshman - Farm district - Normally Democratic.
	9 - Harold Volkmer (D)(56%)	Primary challenge - Volkmer will probably prevail.
MONTANA	1 - Max Baucus (D)(67%)	Running for Senate - District leans Democratic.
	2 - Ron Marlenee (R)(55%)	Freshman, but incumbents are seldom defeated here.
NEBRASKA	1 - Charles Thone (R)(73%)	Running for Governor - A Democrat can win with hard work.

NEBRASKA cont.	2 - John Cavanaugh (D)(55%)	Freshman - Growing popularity and probably safe.
NEW JERSEY	7 - Andrew Maguire (D)(57%)	Running for Senate - Marginal district.
	9 - Harold Hollenbeck (R)(54%)	Won on a fluke - District is normally Democratic.
	12 - Matthew Rinaldo (R)(73%)	Rinaldo may run for the Senate.
	13 - Helen Meyner (D)(51%)	Marginal district.
	15 - Edward Patton (D)(59%)	Possible retirement - Possible RNC target.
NEW YORK	2 - Tom Downey (D)(57%)	Probably safe.
	3 - Jerome Ambro (D)(52%)	Highly marginal.
	4 - Norman Lent (R)(57%)	Probably safe.
	23 - Bruce Caputo (R)(52%)	Caputo is popular and may be hard to beat.
	24 - Richard Ottinger (D)(55%)	Possible Republican target - Ron Spath (R) is already campaigning.
	29 - Ned Pattison (D)(47%)	Marginal district.
	30 - Robert McEwen (R)(56%)	Another Republican may get the nomination in this Republican district.
	32 - James Hanley (D)(55%)	Hanley's margins have been declining.
NORTH CAROLINA	5 - Steven Neal (D)(54%)	Neal has beaten former Rep. Wilmer Mizell twice, and may now be safer.

N. CAROLINA cont.	9 - James Martin (R)(54%)	Charlotte has been trending Republican, and this helps Martin.
	11 - Lamar Gudger (D)(51%)	Highly marginal seat.
OHIO	2 - Tom Luken (D)(51%)	Always marginal.
	3 - Charles Whalen (R)(69%)	Whalen is retiring in this Democratic leaning district.
	9 - Tom Ashley (D)(54%)	Probably safe.
	12 - Sam Devine (R)(50%)	Vulnerable, but tough.
	17 - John Ashbrook (R)(57%)	Ashbrook is probably safe.
	19 - Charles Carney (D)(50%)	Carney's margins have declined dramatically. Steel is the crucial issue here.
OKLAHOMA	1 - James Jones (D)(54%)	Defeated a well-financed Republican in 1976.
	2 - Ted Risenhoover (D)(54%)	Marginal district.
	5 - Mickey Edwards (R)(51%)	Edwards look vulnerable, but only a very conservative Democrat can beat him.
OREGON	4 - James Weaver (D)(50%)	Marginal district - Weaver was fortunate to have a three-way race in 1976.
PENNSYLVANIA	2 - Robert Nix (D)(74%)	Will be challenged in the primary - Safe Democratic seat.
	4 - Joshua Eilberg (D)(68%)	Possible Republican target.

PENNSYLVANIA cont.	7 - Bob Edgar (D)(54%)	Tough district - Edgar is a possible target of both Labor and the Republicans.
	8 - Peter Kostmayer (D)(50%)	A traditionally Republican district which may be trending Democratic.
	17 - Allen Ertel (D)(51%)	Marginal district. Freshman.
	18 - Doug Walgren (D)(59%)	A moderate Republican would give Walgren a tougher race than his conservative 1976 opponent. Seat formerly held by Republican Heinz.
	23 - Joseph Ammerman (D)(57%)	Won this Republican district with good organization.
	24 - Marc Marks (R)(55%)	Marks is strong in this normally Democratic district. Defeated Joseph Vigorito in 1976.
	25 - Gary Myers (R)(57%)	Myers is retiring. Good chance for a Democrat.
SOUTH CAROLINA	2 - Floyd Spence (R)(58%)	This district seems fairly safe for Spence.
	5 - Ken Holland (D)(52%)	Had a tough challenge in '76, now only fairly marginal.
	6 - John Jenrette (D)(55%)	Jenrette is solidifying his hold on the district.
SOUTH DAKOTA	1 - Larry Pressler (R)(80%)	Running for Senate - Marginal district.
	6 - John Jenrette (D)(55%)	Jenrette is solidifying his hold on the district.
TEXAS	5 - Jim Mattox (D)(54%)	Mattox is a very strong campaigner.

TEXAS cont.	6 - Olin Teague (D)(66%)	Teague is retiring. Not necessarily a Democratic seat.
	11 - W. R. Poage (D)(58%)	Retiring - It will take a good campaign to keep this seat Democratic. Republican target.
	14 - John Young (D)(61%)	Young may retire, but the seat is safe for any Democrat.
	17 - Omar Burlison (D)(un.)	Retiring. Probably safe Democratic seat.
	19 - George Mahon (D)(54%)	Retiring. Republicans are strong here, and will make substantial efforts.
	21 - Bob Krueger (D)(71%)	Running for Senate - Marginal district.
	22 - Bob Gammage (D)(50%)	Extremely marginal. Ron Paul will run again. RNC targeted.
UTAH	2 - Dan Marriott (R)(52%)	Won because of the Howe scandal; the Democrats will be united again.
VIRGINIA	1 - Paul Trible (R)(51%)	Considered a rising star by national Republicans. Hard to beat - Elected 1976.
	4 - Bob Daniel (R)(53%)	Could be beaten by the right candidate.
	7 - Ken Robinson (R)(82%)	Nearly beaten in '74. Didn't have strong opposition in 1976.
	8 - Herb Harris (D)(52%)	Harris must work hard in this marginal district - RNC target, Right-wing target.
	9 - William Wampler (R)(57%)	Seems fairly safe.

VIRGINIA cont.	10 - Joseph Fisher (D)(55%)	The district leans Republican in national and statewide races, but goes for Fisher.
WASHINGTON	2 - Lloyd Meeds (D)(50%)	Marginal District. Republican target.
	5 - Tom Foley (D)(56%)	Heavily targeted by Republicans and conservatives.
	7 - Jack Cunningham (R)(54%)	Won the special election. May be too conservative for the district.
WEST VIRGINIA	1 - Robert Mollohan (D)(58%)	Mollohan's margins have declined. May be RNC target.
WISCONSIN	8 - Robert Cornell (D)(50%)	Extremely marginal. Republican target.
	9 - Robert Kasten (R)(66%)	Running for Governor. Normally a Republican seat.
WYOMING	AL- Teno Roncalio (D)(56%)	Roncalio is retiring and the seat is up for grabs.

Date: December 13, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Hamilton Jordan
Jody Powell
Tim Kraft

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Political Outlook - ADMINISTRATIVELY CONFIDENTIAL

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME:

DAY: IMMEDIATE TURNAROUND

DATE:

ACTION REQUESTED:

X **Your comments**

Other:

STAFF RESPONSE:

____ **I concur.** ____ **No comment.**

Please note other comments below:

Vice President believes a public announcement of the President's political plans in '78 would be a mistake on the grounds that a) it simply appears too political and flags the issue for the press, and b) it will inevitably invite more invitations than the President can possibly accomodate.

Frank Moore

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Date: December 13, 1977

MEMORANDUM

FOR ACTION:

The Vice President
Hamilton Jordan
Jody Powell
Tim Kraft

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Political Outlook - ADMINISTRATIVELY CONFIDENTIAL

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME:

DAY: IMMEDIATE TURNAROUND

DATE:

ACTION REQUESTED:

X **Your comments**

Other:

STAFF RESPONSE:

✓ **I concur.** ____ **No comment.**

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

TK comments

I think that it is not a good idea to have the first major announcement of 1978 be about partisan politics rather than legislation. I also recommend that we not be too specific in the description of what help we will offer and what we won't. We also need to consider other things we can do in early 78 to promote administration policies in specific areas in conjunction with the campaign

THE WHITE HOUSE
WASHINGTON

December 19, 1977

Zbig Brzezinski

The attached was returned in the President's outbox and is forwarded to you for appropriate handling. Please transmit the original of the attached memorandum to the Secretary of Defense.

Rick Hutcheson

cc: Jim McIntyre
Bob Linder

RE: PROPOSED CONSTRUCTION IN PRIVATE SHIPYARDS OF WARSHIPS IN THE FY '78 SHIPBUILDING PROGRAM

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 any
		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

MEMORANDUM

8207

THE WHITE HOUSE

WASHINGTON

FOR OFFICIAL USE ONLY

ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI

SUBJECT: Proposed Construction in Private Shipyards of Warships in the FY 1978 Shipbuilding Program

Deputy Secretary Duncan has sent you a memo (Tab A) that recommends that you authorize the construction in private shipyards of the 13 warships in the FY 78 shipbuilding program that are subject to the provisions of the Vinson-Trammell Act. The assessment given of why you should do this seems brief, but the recommendation seems reasonable on the following grounds.

-- Historically, the construction of warships in government yards has been more expensive than construction of such ships in private yards.

-- Delays in the Trident submarine program are probably the only delays of any political consequence. However, given the substantial time and resources required to set up the facilities needed to construct these ships, solving Electric Boat's problems seems the best course of action in this case.

RECOMMENDATION:

That you sign the memo at Tab A exercising your option to deviate from the provisions of the Vinson-Trammel Act.

FOR OFFICIAL USE ONLY

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Naval Ship Construction

With respect to the Navy's Fiscal Year 1978 Shipbuilding and Conversion Program, I find the requirements of the Act of June 11, 1965 (Public Law 89-37) that the first and each succeeding alternate warship shall be constructed in "Government Navy yards" to be inconsistent with the public interest. Accordingly, I authorize the construction in private shipyards of the two nuclear-powered ballistic-missile submarines, the nuclear-powered attack submarine, the eight guided-missile frigates, the guided-missile destroyer (AEGIS), and the destroyer in the 1978 Shipbuilding and Conversion Program.

Jimmy Carter

8207

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

9 DEC 1977

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Proposed construction in private shipyards of warships in the FY 1978 shipbuilding program

Last February you authorized private shipyard construction for all the warships in the FY 1977 shipbuilding program, exercising your option to vary the provisions of Public Law 89-37 (commonly known as the Vinson-Trammell Act). At that time you asked me to reassess this policy before any decisions were made on the FY 1978 shipbuilding program. This memorandum provides you my reassessment and recommendation concerning construction in private shipyards of warships in the FY 1978 shipbuilding program.

I asked Secretary Claytor to examine thoroughly the advantages and disadvantages of building new ships only in private shipyards. He stated that any congestion which might now exist in any private shipyards is a short-term situation, and not a problem to be remedied by developing additional shipbuilding capacity in naval shipyards. He also determined that a resumption of shipbuilding in naval shipyards would require an increase in naval shipyard manpower in order not to degrade fleet maintenance, and that construction of new ships in naval shipyards would increase the cost of building new ships (principally because of higher wages and fringe benefits in the naval shipyards). Secretary Claytor recommended against resuming the construction of new ships in naval shipyards at this time.

I concur in Secretary Claytor's conclusion and I recommend that none of the warships in the FY 1978 shipbuilding program be built in naval shipyards.

There are thirteen warships in the FY 1978 shipbuilding program subject to the provisions of the Vinson-Trammell Act. They are two TRIDENT class nuclear-powered ballistic-missile submarines (SSBN); one nuclear-powered attack submarine (SSN); eight guided-missile frigates (FFG); one guided-missile destroyer (AEGIS) (DDG); and one destroyer (DD 963 class).

I have enclosed a memorandum for your signature which authorizes the construction of these thirteen warships in private shipyards.

C W Duncan Jr

DEPUTY

Enclosure

THE WHITE HOUSE

WASHINGTON

Date: December 15, 1977

MEMORANDUM

FOR ACTION:

Jim McIntyre

FOR INFORMATION:

12-17 w/Linder

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Brzezinski memo undated re Proposed Construction in Private Shipyards of Warships in the FY 78 Shipbuilding Program

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 12:00 Noon

DAY: Saturday

DATE: December 17, 1977

ACTION REQUESTED:

_X_ **Your comments**

Other:

STAFF RESPONSE:

____ **I concur.** ____ **No comment.**

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

THE WHITE HOUSE

WASHINGTON

FOY

✓	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

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

16 December 1977

MEMORANDUM FOR: RICK HUTCHESON

THRU: Bo Cutter

FROM: Randy Jayne

SUBJECT: Brzezinski memo on Ship Construction

OMB concurs with Zbig's recommendation to sign the memo waiving the Vinson-Trammell Act for FY 78 shipbuilding. Although the President expressed some concern earlier this year that perhaps we would consider some shift of warship construction into government yards, we share Charles Duncan's conclusions. Such a shift would lead to undesirable increases in both the cost of the ships involved and in the Navy's civilian manpower levels.

Randy

THE WHITE HOUSE
WASHINGTON

December 19, 1977

Jim McIntyre

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

Rick Hutcheson

RE: DEPT. OF TREASURY BUDGET APPEAL SESSION

THE WHITE HOUSE

WASHINGTON

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

ACTION	FYI	
		MONDALE
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/		McINTYRE
		SCHULTZE

	ENROLLED BILL
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	CAB DECISION
	EXECUTIVE ORDER

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

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		MOE
		PETERSON
		PETTIGREW
		POSTON
		PRESS
		SCHLESINGER
		SCHNEIDERS
		STRAUSS
		VOORDE
		WARREN

THE PRESIDENT HAS SEEN.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEC 14 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre Jim McIntyre

SUBJECT: Department of the Treasury Budget Appeal Session

On Monday, Secretary Blumenthal requested reconsideration of the extraordinary increases for revenue producing programs which total $97 million in budget authority and 4,534 staff in 1979. The Treasury ranking of the appealed programs, which you requested, follows:

(dollars in millions)

Program Ranking	Positions	Amount	FY 1981 Revenue Collections
(1) Audit Examinations (2.53% coverage)	1,091	$23.1	$137.4
(2) Information Returns Program (33% match)	231	4.5	25.0
(3) Accounts Receivable	289	5.8	135.0
(4) Audit Examinations (2.59% coverage)	1,091	23.1	137.4
(5) Accounts Receivable	290	5.8	135.0
(6) Tax Fraud	145	5.9	---
(7) Delinquent Returns	38	.9	8.6
(8) Audit Contacts	38	.9	4.2
(9) Audit Examinations (2.66% coverage)	1,091	23.1	137.4
(10) Information Returns Program (50% match)	230	4.4	25.0
Totals	4,534	$97.5	$745.0

OMB continues to recommend disapproval of the expansion because the net additional revenue ($1.0 billion in 1981 and $1.7 billion in 1983) is not worth the cost in terms of new employees (+20,054 staff in 1981 and +32,567 staff in 1983) and possible adverse public reaction. If, however, you wish to add some additional staff, OMB would suggest the 289 staff in the Accounts Receivable program (Ranked 3) because of the high return on investment.

	1977	1978	1979 Allowance	1979 Appeal	1979 OMB Recommendation
Budget Authority ($M)	1,808	1,875	1,946	+97	-0-
Employment	70,571	71,432	73,517	+4,534	-0-

Agree (No expansion): ✓ Other: _____

JC

THE WHITE HOUSE
WASHINGTON
December 19, 1977

Bob Lipshutz

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

Rick Hutcheson

cc: Bob Linder

RE: GRANTS OF EXECUTIVE CLEMENCY

THE WHITE HOUSE

WASHINGTON

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

ACTION	FYI	
		MONDALE
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		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

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		BRZEZINSKI
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		H. CARTER
		CLOUGH
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		HUTCHESON
		JAGODA
		GAMMILL

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

THE WHITE HOUSE

WASHINGTON

December 16, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ RJ

SUBJECT: Grants of Executive Clemency

The attached Master Warrant lists 74 persons whom the Justice Department recommends for Executive clemency. We have reviewed and concur with Justice's report in each case. Accordingly, we recommend that you sign the Warrant.

A summary of the cases is attached.

Executive Grant of Clemency

After reviewing the applications for executive clemency of the following named persons, and giving consideration to a letter of the Deputy Attorney General recommending executive clemency in each case, I hereby grant full and unconditional pardons to:

Chauncey Armstrong Allen
George L. Allred
Luis Angelino Alvarez-Velazquez
Robert George Armstrong
Carmine James Barbarito
William Oscar Bare
Robert Edward Lee Barker
Jerry Frank Barrow
Ronald Patrick Bates
Jesse Lee Baynard
Eugene Louis Cambre
Donald Lee Carol
Marcus Lee Chaddick
Joseph Clark
Phyllis Josephine Bramich Cole
Charles Edward Connelly
Larry Lynn Corzine
Robert Wayne Cunningham
Harvey Edward Doud
Elijah David Dukes
Felix Joseph Dungca, Jr.
Donald Lee Ellis
Wilma Joan Faulkender
Phillip Joseph Fede
Antonio Sanchez Garza, Jr.
Tommy Chapman Gilbert
James William Glausier
Samuel Jaime Grosfeld
(also known as
James Grosfeld Reinerman)
John Mallory Hawkins
Gordon Schaeffer Heimbach
Domingo Flores Hernandez
Harold Edmund Hicks
Roscoe Carson Jackson
Wiley Joe Kinney
June King Krick
Frank Anthony Leone, Jr.
Paul Robert Logan
Raymond Ralph McMichael
Donald Thomas Manns
Gordon Barryington Marsden
Noberto E. Martinez
Dominick Vincent Mele
Murray Edgar Merrow
James Timberlake Murphey, Jr.
David Francis Murray
Drago Nenadovich
James Oswald Nicholson, Jr.
Joe Nobles
Rodney L. O'Brien
John Sullivan Quirk
Donald Ramsay
James Allen Robertson
Isadore Rosen
Enid Roth
Jose Manuel Ruiz
Isadore Russo
Carl William Sabato
Glenn Edward Sayne
Daniel Alter Seiger
William Stephen Serri
Arnold Claude Shaw
Nathaniel Harrison Skanes
Benjamin Townsend Smith
John Webster Smith, Jr.
Forrest Leroy Swanson
Thomas Vergne Swanson
David Ross Thomas
Lewis Gilbert Vance
Richard Jules Vorel
Fred Waddell, Jr.
William Arthur Wilson
George Louis Wuky
Gerard Frank Zoppi

and I hereby commute the prison sentence of Mario Orlando Curbelo-Talavera to eight years' imprisonment, without disturbing the six-year special parole term.

I hereby designate, direct and empower the Acting Deputy Attorney General, as my representative, to sign each grant of clemency to the persons named herein. The Acting Deputy Attorney General shall declare that his action is the act of the President, being performed at my direction.

IN TESTIMONY WHEREOF I have hereunto signed my name and caused the seal of the Department of Justice to be affixed.

DONE at the City of Washington this

day of

in the Year of Our Lord One Thousand

Nine Hundred and Seventy-Seventh and

the Independence of the United States

the Two Hundred and Second.

Jimmy Carter

Jimmy Carter
President

I certify that there are seventy-four applications for Executive clemency granted herein.

Acting Deputy Attorney General

THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EYES ONLY

December 16, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze CLS

SUBJECT: Revised Estimates of GNP for the Third Quarter, and Preliminary Estimates for the Fourth Quarter

On Tuesday, December 20, the Commerce Department will release revised estimates of GNP for the third quarter. They will also circulate for internal use within the Government only their first -- and very tentative -- estimates of fourth quarter GNP.

Third Quarter GNP

Growth of real GNP in the third quarter is now estimated at a 5.4 percent annual rate, compared with the earlier estimate of 4.7 percent. The principal revision is in personal consumption expenditures, and reflects a stronger growth of retail sales than had been indicated by preliminary data. Spending by businesses for fixed investment was also revised up, but the increase during the third quarter was still relatively small.

Fourth Quarter GNP

The Commerce Department's present guess is that real growth in the fourth quarter will be a little below 4 percent at an annual rate -- either 3.8 or 3.9 percent. The decline for the third quarter is the result of (1) a substantial drop in the rate of inventory accumulation, and (2) the effects of the dock strike on net exports.

From the standpoint of future economic growth, the main significance of fourth quarter developments lies in the performance of private domestic final sales -- personal consumption, business fixed investment, and residential construction. Adjusted for inflation, these components of GNP rose at an

annual rate of around 7 percent in the fourth quarter, compared with 3.2 percent in the third. The major source of strength is in consumer spending. The upturn in retail buying that began in the third quarter has gathered momentum, and is continuing in the fourth quarter.

As we go into the new year, businesses will probably be adjusting production schedules upward to replenish inventories -- as they did a year ago. Therefore, we are likely to see some relatively cheery economic news over the next few months, and the first quarter growth rate of real GNP may well be up substantially.

The basic factors likely to shape the course of economic growth in 1978, however, have not changed. The substantial rise in social security and unemployment insurance taxes and the failure of business investment spending to show a real pickup will begin to exert an increasing drag on the economy as the year wears on. We still expect real GNP growth next year, in the absence of tax reductions, to slow to about 4 percent, measured fourth quarter to fourth quarter, compared with 5-3/4 percent in 1977.

11:45 AM
12/19/77

C

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

DEC 14 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: Charles L. Schultze CLS and James T. McIntyre, Jr. Jim McIntyre

SUBJECT: Need for Third Budget Resolution

It is not now clear that a Third Resolution is needed in the absence of a tax cut in July. If it later becomes evident that a Third Resolution is needed, it will probably result from the need for an increase in budget authority. If that happens, it would be desirable to include the effects of a July tax cut in the Resolution if the Congress does not strongly oppose early action. We suggest that you raise the possibility of a July tax cut in your meeting with Senator Muskie to ascertain his views.

The case for an early tax cut

CEA has analyzed the macroeconomic effects of three differently timed tax cuts:

1. Tax Cut Effective January 1, 1979. With no tax reduction in 1978, economic growth would drop from an annual rate of 4-1/2 percent in the first half of the year to 3-3/4 percent in the second half. The slowdown reflects the fact that the expansive effects of the stimulus package introduced last spring will be largely behind us by mid-year. There is little reason to expect the slack to be taken up by growth in the major sectors. Moreover, fiscal drag from inflation-caused increases in average tax rates will be working against us.

2. Tax Cut Effective July 1, 1978. If the effective date of the Treasury tax package were accelerated to July 1, 1978, the annual growth rate of real GNP in the second half of next year would increase to about 4-3/4 percent. A large part of this improvement, however, would be "borrowed" from growth in 1979. The unemployment rate at the end of 1979 would be only about 0.1 percentage point lower because of the acceleration of the tax cut. This earlier tax cut would reduce fiscal 1978 receipts by $3.2 billion from what they would otherwise be and would clearly require a Third Resolution.

3. Tax Cut Effective October 1, 1978. Advancing the effective starting date of the tax cut only to the start of the 1979 fiscal year would result in real GNP growth in the second half of 1978 of about 4-1/4 percent.

With a mid-year tax cut, unemployment would probably be declining at the time of the Congressional elections. If no tax reduction occurs before October 1, 1978, the unemployment rate would be likely to remain relatively flat from the spring of 1978 until late in the year, and it might even be nudging upward at the time of the Congressional elections. By roughly the middle of 1979, however, the level of real output, employment, and unemployment would be about the same as if the tax cut occurred at mid-year 1978.

We reach the following conclusions:

(1) On economic grounds, making the tax cut effective on July 1, 1978 is preferable.

(2) But, compared to an October 1 effective date, the economic gains are small -- mainly in terms of speeding up the economic improvement by about three months. By mid-1979, the advantage will have disappeared.

(3) Therefore, it would not be worthwhile to try to force the adoption of a Third Budget Resolution over strong opposition, simply to advance the tax cut by three months.

Budget totals without a July tax cut

Current OMB estimates for 1978 are so close to those in the Second Budget Resolution that they do not support the need for a Third Budget Resolution if there are no tax cuts in fiscal year 1978:

	Second Budget Resolution	Current OMB Estimates
Receipts	$397.0	$399.8
Outlays	458.25	459.9
Deficit	-61.25	-60.1
Budget authority ..	500.1	499.6

Aside from tax cuts, Congressional and OMB staff agree that the need for a Third Resolution will be determined by budget authority requirements, not receipts or outlays.

Receipts. Congressional estimates of the margin remaining before the receipts floor is breached is around $1 billion. This margin could be affected by the energy bill but not significantly.

Outlays. Congressional estimates of outlays are currently above $5 billion below OMB's estimates for the same programs. The Congress will probably adjust their estimates upward somewhat for some significant outlay differences, such as interest on the debt and farm price supports. The Administration will also be proposing several hundred millions in spending increases in budget supplementals that are not now included in Congressional estimates. Nevertheless, it now appears that the difference between Administration estimates and the Congress will be small enough to permit the Congress to keep their estimates within the outlay ceiling.

Budget authority. The budget authority picture is less clear:

-- The OMB estimates assume the conference version of the Social Security amendments, which increase 1978 receipts (or, therefore, budget authority) by only a minor amount. The Administration bill would have added over $5 billion to 1978 budget authority.

-- Administration amounts not now included in Congressional estimates would add $1.4 billion to interest on the debt, around $3.5 billion to military assistance advances, and $1 billion or more for supplementals not now included in Congressional estimates. This is mostly offset by $3.8 billion included under the Second Budget Resolution for forward funding of public service jobs and $2.0 billion for GNMA energy loans, which are not included in Administration estimates. Also, the Congress is unlikely to agree with all the add-ons for interest and military assistance advances.

-- Failure of the Congress to rescind B-1 Bomber authority will add $462 million to the estimates.

-- Congressional action on the energy bill will affect 1978 budget authority but is more likely to decrease than increase the Administration's estimates.

Attached is a paper briefly describing some technical aspects of the Congressional resolution.

Attachment

ATTACHMENT

Key Features of the Congressional Budget Resolution

1. The Resolution does not set final limits on the 1978 budget totals. Rather, it holds the Congress to actions that keep total outlays and budget authority under the ceiling and receipts above the floor. Any action that would breach these limits is subject to a point of order unless Congress passes a waiver (requiring a two-thirds majority) or a new resolution (by a simple majority).

2. Only the specific action that would breach a limit is subject to a point of order. Up to that time, the effect of any action is not subject to a point of order even though it was not previously contemplated under the Resolution.

3. Bills that breach specific functional totals for budget authority and outlays but not the grand totals are not subject to a point of order.

4. Amounts available under the Resolution are determined by Congressional judgments on the economic outlook and budget costs, not the Administration's.

BLUMENTHAL COMMENT

THE SECRETARY OF THE TREASURY
WASHINGTON

December 16, 1977

MEMORANDUM FOR THE PRESIDENT

Subject: Need for Third Budget Resolution

I have reviewed the McIntyre/Schultze memorandum to you dated December 14, 1977, re Need for Third Budget Resolution. I concur with their recommendation that the individual tax cut should be effective July 1, 1978, unless there is strong Congressional opposition to a Third Budget Resolution. You should sound Senator Muskie out on this subject. If he opposes a Third Resolution, the individual tax reductions should become effective October 1, 1978.

Mike

W. Michael Blumenthal

THE WHITE HOUSE

WASHINGTON

Date: December 15, 1977

MEMORANDUM

FOR ACTION:
Stu Eizenstat
Hamilton Jordan
Frank Moore (Les Francis)

FOR INFORMATION:
The Vice President
Bob Lipshutz
Jody Powell
Jack Watson — N.C.

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Schultze/McIntyre memo dated 12/14/77 re Need for Third Budget Resolution.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME:

DAY: IMMEDIATE TURNAROUND

DATE:

ACTION REQUESTED:

X **Your comments**

Other:

STAFF RESPONSE:

____ **I concur.** ____ **No comment.**

Please note other comments below:

SC

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

Date: December 15, 1977

MEMORANDUM

FOR ACTION:

Secretary Blumenthal concur

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: McIntyre/Schultze memo dated 12/14/77 re Need for Third Budget Resolution.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME:

DAY: IMMEDIATE TURNAROUND

DATE:

ACTION REQUESTED:

X **Your comments**

Other:

STAFF RESPONSE:

____ **I concur.** ____ **No comment.**

Please note other comments below:

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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

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

Patti - call Gavel's office -
Action: Blumenthal

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

WASHINGTON

Date: December 15, 1977

MEMORANDUM

FOR ACTION:
Stu Eizenstat
~~Hamilton Jordan~~
Frank Moore (Les Francis)

FOR INFORMATION:
The Vice President
Bob Lipshutz
Jody Powell
Jack Watson

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Schultze/McIntyre memo dated 12/14/77 re Need for Third Budget Resolution.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME:

DAY: IMMEDIATE TURNAROUND

DATE:

ACTION REQUESTED:

X Your comments

Other:

STAFF RESPONSE:

X I concur. HJ 12/15 ___ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Date: December 15, 1977

MEMORANDUM

FOR ACTION:

Secretary Blumenthal

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: McIntyre/Schultze memo dated 12/14/77 re Need for Third Budget Resolution.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME:

DAY: IMMEDIATE TURNAROUND

DATE:

ACTION REQUESTED:

X Your comments

Other:

STAFF RESPONSE:

____ I concur.

____ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Date: December 15, 1977

MEMORANDUM

26330

FOR ACTION:

Secretary Blumenthal

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: McIntyre/Schultze memo dated 12/14/77 re Need for Third Budget Resolution.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME:

DAY: IMMEDIATE TURNAROUND

DATE:

ACTION REQUESTED:

X Your comments

Other:

STAFF RESPONSE:

____ I concur. ____ No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

THE WHITE HOUSE
WASHINGTON

DECEMBER 20, 1977
10:30 A.M.

MR. PRESIDENT

SECRETARY BLUMENTHAL WOULD LIKE TO TALK TO YOU AS SOON AS THE BUDGET APPEALS MEETING CONCLUDES.

T.K.

$ going down - need a statement.

THE WHITE HOUSE
WASHINGTON

TUESDAY - DECEMBER 20, 1977

11:25 a.m.

MR. PRESIDENT

BROCK ADAMS STILL FEELS THAT HE NEEDS TO TALK TO YOU URGENTLY.

80:20
Milwaukee RR

T.K.

THE WHITE HOUSE
WASHINGTON
January 9, 1978 - came from Pres.

Dec. 19

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

Cabinet Summaries from December 16, 1977 through January 6, 1978

EYES ONLY --- CONFIDENTIAL ATTACHMENTS

THE WHITE HOUSE
WASHINGTON

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

eyes only

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

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		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
	/	H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
		HARDEN
		HUTCHESON
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		KRAFT
		LINDER
		MITCHELL
		MOE
		PETERSON
		PETTIGREW
		POSTON
		PRESS
		SCHLESINGER
		SCHNEIDERS
		STRAUSS
		VOORDE
		WARREN

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: THE PRESIDENT

FROM: Jack Watson
Jane Frank

Jack

December 16, 1977

RE: Weekly Summaries

The weekly summaries are attached.

CC: The Vice President

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

December 16, 1977

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze CLS

Subject: CEA Weekly Report

This week, virtually the entire CEA staff has been involved in preparation for our fiscal policy presentation to you on Monday, and on the meeting with Congressional leaders shortly thereafter. We are preparing, in concert with Treasury, OMB, and Stu, a memo for you on tax reductions and fiscal policy, and on possible anti-inflation measures. I met, or talked with a number of Congressional leaders, and Mike Blumenthal and I met with George Meany and Lane Kirkland, on possible anti-inflation measures. We will report the results of our discussions to you when we meet on Monday.

THE SECRETARY OF THE INTERIOR

WASHINGTON

December 16, 1977

C

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Week of December 12

My Christmas present to you, Mr. President, is "no problems for the week."

Merry Christmas to you and yours.

Cecil D. Andrus

CECIL D. ANDRUS

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

December 16, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren
Gus Speth
Marion Edey

SUBJECT: CEQ Weekly Status Report

The week has been busy and productive but involving nothing to warrant your attention.

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

December 16, 1977

MEMORANDUM FOR: The President
Attention: Rick Hutcheson, Staff Secretary

SUBJECT: Weekly Report of Major Departmental Activities

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

HUD/Commerce Coordinate Economic Development Activity. As a result of a meeting on Wednesday between HUD and EDA, a working group was formed to attempt to develop a single set of planning requirements for economic development activities under Community Development Block Grants, Urban Development Action Grants, and EDA programs. A second group will work toward common standards for HUD and EDA administrative requirements both to simplify applications and reduce the administrative burdens on applicants. Representatives also exchanged information on their respective programs, and EDA agreed in principle to an interagency agreement to provide technical assistance to cities on packaging the economic development and community development programs of HUD, EDA and SBA. EDA's agreement builds on and strengthens a prior commitment of HUD and SBA to such assistance.

FHA Insurance Activity Shows Sharp Increase. During November this Department received 46,000 FHA single family loan applications, the highest monthly volume in over six years and an increase of 15 percent above the same month in 1976. The increased interest in FHA mortgage insurance has occurred because of the recent legislative increases in maximum mortgage amounts.

New Ownership Plan for Public Housing Project. The Marina Village public housing project in Bridgeport, Connecticut, soon will be converted to the cooperative form of ownership. This conversion is designed to improve project operation and management and to develop a new sense of community pride in this housing project. Public housing modernization funds have been set aside for use in renovating the project prior to conversion.

Consumers Win Major Land Settlement. More than 2,000 consumers who purchased lots at Holley-by-the-Sea, a subdivision near Pensacola, Florida, will be given an opportunity to have their money refunded. A recent lawsuit brought by HUD has resulted in a settlement with Bankers Life and Casualty Company of Chicago, one of the nation's largest insurance companies and several of its subsidiaries. The company violated the Interstate Land Sales Act by failing to comply with disclosure requirements and by engaging in fradulent sales practices.

NFIA Loses Flood Insurance Suit. On December 9 the U. S. District Court for the District of Columbia denied a motion by the National Flood Insurers Association for a preliminary injunction to restrain HUD from implementing a Government-operated insurance program and found that the HUD decision to operate the Flood Insurance Program through a contractor was lawful. Judgement was entered in favor of the Government. NFIA has decided not to appeal the ruling and is cooperating in the transition to a Government-operated Flood Insurance Program. The transition is proceeding on schedule.

Improved Payment System to Benefit Mortgagors. Final plans are being developed to combine two existing automated data processing systems used to process and pay distributive shares to mortgagors when mortgages are prepaid or reach maturity. The combined systems will reduce computer processing time and payments will be made up to 30 days sooner. Our improved processing also is expected to reduce letters of complaint from mortgagors by up to 25 percent and improve our relationship with the public.

HUD to Adopt Audits Management System. At a press conference on December 20, I will announce a new, improved management system for prompt action on recommendations resulting from both internal and external audits of HUD activities. The audits management system is designed to eliminate the current backlog of unresolved audit findings, identify quickly for top management any major problems discovered through audits, and build audit follow-up into the Department's management system. The system will be used to clear some 4,500 audit findings resulting from management failures during the Republican Administrations.

Pat

Patricia Roberts Harris

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

December 16, 1977

MEMORANDUM FOR THE PRESIDENT

ATTENTION: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

SUBJECT: Weekly Report on Significant Issues Pending at the Department of Transportation

Northeast Corridor - Award of Concrete Ties — Information

On Tuesday, we awarded a $37.8 million contract to supply 1.1 million concrete ties for the Washington-Boston rail corridor. The award went to Santa Fe/San Vel, a Massachusetts firm, in a competitive bidding process among twelve firms which submitted technical proposals to Amtrak. Under the Santa Fe/San Vel contract, 48 percent of the contract monies will go to minority-owned firms as subcontractor. Further, the Northeast Corridor projects comprehensive goal of 15 percent minority involvement is being met.

Railroad Bankruptcies — Information

Two railroads, the Delaware and Hudson (D&H) and the Milwaukee, may face such severe cash problems this winter that they may be forced into bankruptcy and rail service may be threatened. I believe that the United States Railway Association will be able to make available to the D&H sufficient cash to keep it going through 1978, and the Department is seeking ways to be of assistance to the Milwaukee. In both cases, we will be working with the railroads in the Middle West and New England to seek permanent solutions through consolidation of facilities or mergers.

Coast Guard Icebreaker Grounding — Information

On December 13, 1977, while conducting a familiarization cruise in northern Lake Huron, the Coast Guard icebreaker WESTWIND grounded near the southern end of St. Mary's River. WESTWIND

is solidly aground on a rock and boulder bottom and suffered sufficient hull damage to hole at least one fuel tank and one void tank. Approximately 500 gallons of diesel fuel were spilled but rapidly dissipated. Pollution containment equipment has been staged nearby for use if required. Refloating efforts will commence shortly.

WESTWIND is a 269-foot icebreaker, built in 1945, and carries a crew of 136. No personnel were injured in the grounding. The icebreaker NORTHWIND has been dispatched from Baltimore to relieve WESTWIND of her Great Lakes' winter icebreaking duties and will arrive at the St. Lawrence Seaway entrance on December 22. Coordination is in progress to keep both the St. Lawrence Seaway and the Welland Canal open beyond their published December 15 closure dates.

Tentative Air Traffic Controllers Labor Agreement — Information

Federal Aviation Administrator Langhorne Bond and John Leyden, President of the Professional Air Traffic Controllers Organization - the labor union which represents FAA's air traffic controllers - have confirmed that the parties reached agreement on a tentative contract on Thursday, December 15. The tentative agreement is beneficial to both sides and will be in effect through January, 1981. This is the first three-year agreement ever concluded between the parties. The culmination of the negotiation process avoids the threat of a nationwide air traffic controller slowdown over the coming holidays. The above tentative agreement must be ratified by the members of the Professional Air Traffic Controllers Organization.

Truck Brake Standard — Information

The American Trucking Association has petitioned the Department to repeal the antilock requirements from the current truck brake standard. These requirements were to allow for better driver control of large trucks, particularly under conditions where their traction may be poor. Truck fleet owners have complained of failures and maintenance problems. On December 15, 1977, the National Highway Traffic Safety Administration and the Federal Highway Administration held a joint hearing on the antilock requirements to isolate some of the issues raised. Fleet owners, manufacturers, and other experts were in attendance to answer questions. We will keep your appropriate staff informed of our review of these standards.

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo w/att.	From Lipshutz to The President (3 pp.)re: Secret Service Uniformed Division Protection for UN Delegations/enclosed in Hutcheson to Lipshutz 12/19/77	12/17/77	A
memo	From Young to The President (1 page) re:US Mission to the UN Weekly Activities/enclosed in Hutcheson to Cabinet Members 12/19/77	12/16/77	A
memo	From Blumenthal to The President (4 pp.) re: Highlights of Treasury Activities/enclosed in Hutcheson to Cabinet Members	12/16/77	A

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.-Pres. Hand - writing File 12/19/77 [2] BOX 64

RESTRICTION CODES

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(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.

United States
Environmental Protection Agency
Washington, D.C. 20460

C

The Administrator

December 16, 1977

WEEKLY REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

WATER BILL: Yesterday both Houses of Congress formally passed the water pollution control bill, which should come to you for signature early next week. This is a major legislative victory for your Administration. The issues were complex, and the disagreements in Congress were numerous and bitter. With the help of Frank Moore and his people, we got a bill that substantially embodied the Administration's position. Of particular note are the provisions ratifying our strategy of controlling toxic pollutants in wastewater--through requiring the best available technology economically achievable, industry by industry--and authorizing a five-year $24.5 billion construction grant program for funding publicly owned treatment facilities. The latter program is now the country's single largest public works program. For every billion dollars spent, we estimate that it creates more than 15,000 direct jobs (construction, manufacturing, etc.) and about 19,000 indirect jobs (resulting from people spending their paychecks or finding employment in related supply or service industries).

Doug

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

C

December 16, 1977

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

USSR. Assistant Secretary Hathaway reports from Moscow a firm denial that they have completed any contracts for wheat or corn that have not yet been reported. USDA information confirms this claim and suggests that most of the criticism and speculation in the press of secret deals are unfounded.

The Soviets also agreed to report monthly their intended purchases from the U.S.

EEC. Planning meetings for Secretary Bergland's meeting with EEC officials on the wheat agreement and the agricultural aspects of MTN indicate that they are retrenching and the outlook for any cooperation is grim.

PRICES. Large supplies of fed beef, pork and broilers indicate lower retail prices on all but beef during 1978 and only slight increases in beef prices are expected.

USDA forecasts steady to lower fertilizer prices through spring. There are large supplies and a weaker demand.

TIMBER. The study on National Forest Timber Sales Policy is completed and being forwarded to the White House.

USDA has distributed $225 million to 39 states and Puerto Rico as their 25 percent share of FY 1977 forest product sales.

MISCELLANEOUS. ~~Attached~~ are a summary of USDA Hill contacts and the ASCS/FmHA weekly update of appointments. to Frank + HJ

John C. White

JOHN C. WHITE
Acting Secretary

~~Attachments 2~~

U. S. DEPARTMENT OF LABOR "FYI"

OFFICE OF THE SECRETARY

WASHINGTON

December 16, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall Ray (RAS)

SUBJECT: Major Departmental Activities, December 12-16

COAL STRIKE

As the strike by almost 160,000 UMW coal miners entered its second week, negotiations between the union and the coal operators have continued. The Federal Mediation and Conciliation Service has successfully kept the parties working together and major progress has been made. The negotiations are at a very critical stage and there is a prospect for agreement by Christmas. However, even if an agreement can be reached, the UMW will still face the difficult task of getting ratification by the membership. If the current talks breakdown, it will be difficult to get the parties back together, and the strike will become serious in terms of duration and the escalation of violence in the coal fields. The Justice Department is continuing to monitor the sporadic outbreaks of violence.

WELFARE REFORM

The Welfare Reform Subcommittee chaired by Congressman Corman has been moving rapidly on the Better Jobs and Income legislation. It is expected that they will have completed work today on a set of principles to guide the legislative drafting for the cash component of the program. However, in adopting these principles, the Committee has made several changes in the Administration's bill which would have the effect of severely reducing the work incentives in the program. For example, as currently agreed to an "expected to work person" will in most states net only 18 cents for each additional dollar earned.

This low return for work effort will make operation of a productive jobs program difficult. But even more important, it can be expected to result in substantially less work on the part of recipients in private sector jobs. My staff is now working with members of the Committee and their staffs to reverse these initial decisions, and next week I will be meeting with Congressman Hawkins and other members of the Committee to express my concerns on this and related issues.

Office of the Attorney General

Washington, D. C. 20530

December 16, 1977

Re: Principal Activities of the Department of Justice for the Week of December 12 through 16

1. Meetings, Events and Testimony

During the past week the Attorney General spoke on problems confronting education to 4,000 educators attending the annual meeting of the Southern Association of Colleges and Universities in New Orleans; attended the 175th Anniversary celebration of the Philadelphia Bar Association, at which Chief Justice Burger gave the main address; spoke on antitrust enforcement to 400 business persons at a University Club dinner in New York; attended a testimonial dinner for retiring FBI Director Clarence Kelley; answered questions for a half hour on the local television program "Panorama," hosted by Los Angeles Times Bureau Chief Jack Nelson; and testified before a House subcommittee on proposed bankruptcy legislation.

2. FBI Break-in Investigation

The Attorney General has named a new ten-member team of attorneys to take over this case from the task force of Civil Rights Division attorneys who asked to be relieved last week. The lead trial attorney will be Barnett Skolnik from the U.S. Attorney's office in Baltimore, who recently completed the prosecution of Governor Mandel. The lead investigative attorney is Paul Boucher of the Criminal Division, who headed Attorney General Levi's investigation into CIA mail opening. Responsibility for the overall investigation lies with the Assistant Attorneys General for the Criminal Division and the Civil Rights Division.

3. Farmers' Strike

On Thursday Judge Wilber D. Owens, Jr. of the Middle District of Georgia issued an injunction against the blocking of railroads by striking farmers. Deputy U.S. Marshals were sent to Moultrie, Georgia, on the evening of the 15th in response to reports that strikers were preventing the passage of a train at that location. Upon arrival at Moultrie the Deputy Marshals

found that any interference with the railroad had ceased and most demonstrators had disbanded. Six strikers found in the general area were advised of the injunction. At this time the injunction is not being violated and it is not known if future violations will occur. The Department continues to monitor the farm strike situation in Georgia and elsewhere in the nation.

4. Crime Message

The Attorney General met with the Vice President, the Acting Director of OMB, and Stu Eizenstat and agreed that, to have maximum impact, the President's Crime Message should be prepared for delivery in March, shortly before the delivery of the Urban Message. It was also agreed that state and local law enforcement officers should be consulted as the message develops so that their support at the time of release is assured.

5. OECD Meeting

During this week the Assistant Attorney General for the Antitrust Division attended a meeting of the Organization for Economic Cooperation and Development in Paris at which the major topic for discussion was the need for more notification and consultation among the developed nations on the extra-territorial enforcement of antitrust laws.

6. Justice Department Cafeteria

After having been closed for over a year for remodeling, the Justice Department cafeteria was officially reopened Tuesday with a ribbon-cutting ceremony attended by Judge Bell and GSA officials. The new cafeteria is expected to boost employee morale significantly.

7. The Department's weekly report on status of appointments is ~~attached~~. to H J

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

Administrator

December 16, 1977

MEMORANDUM TO THE PRESIDENT

THRU: Rick Hutcheson

SUBJECT: Weekly Report of GSA Activities

Nixon Public Access Regulations

December 12, 1977, marked the passage of the 90th legislative day since the submission of the proposed Public Access Regulations implementing the Presidential Recordings and Materials Preservation Act to Congress by GSA. These Regulations will be effectuated by publication in the Federal Register this week. We anticipate that former President Nixon will file suit challenging the constitutionality of the Regulations within the next 30 days. We also anticipate that we will seek several amendments to the Regulations (previously agreed to by the Congressional staffs) as quickly as possible after the convening of the second session of the 95th Congress.

Mail Management

The new GSA Supply Catalog will be distributed by commercial mailer rather than by the Printing and Publications Division as has been the usual practice. It is anticipated that postage savings for one mailing will exceed $25,000.

Establishment of Temporary Office for Former President Ford

Former President Ford has requested the establishment of a temporary office in Vail, Colorado. He has been informed that the former President's appropriation may not be used to pay for office space in a second location. The decision was based upon a 1969 Comptroller General decision.

Jay Solomon

JAY SOLOMON
Administrator

THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

C

December 16, 1977 "FYI"

REPORT TO THE PRESIDENT

Steel Industry and Trade Adjustment Assistance Problems
I am becoming increasingly concerned about the adequacy of funding for the related problems of steel and trade adjustment assistance for next year. The sources of my concern are: a) your endorsement of the steel report's recommendation for additional funds for EDA for industrial loan guarantees; b) your pledge in April of this year to make recommendations to Congress that would strengthen and improve the basic trade adjustment assistance program; c) the rising tide of protectionism in Congress and the public at large; and d) our lack of any tools to deal with such protectionism if no funding is provided for (a) and (b) above. I have raised these questions with OMB and we are attempting to reach a resolution of them. It may be necessary, however, to discuss these issues with you before you leave for the holidays.

Meetings with Japanese Minister Ushiba
On Tuesday, I met with the Japanese Minister of External Economic Affairs, Nobuhiko Ushiba, to review the measures proposed by the Japanese Government to bring Japan's substantial current account surplus into a sustainable equilibrium and to open up the Japanese market. We also discussed the joint U.S.-Japan Trade Facilitation Committee which was established during my visit to Tokyo last summer. On Wednesday, Assistant Secretary Frank A. Weil hosted a particularly useful meeting between Minister Ushiba and seven U.S. business leaders, including Tom Murphy of General Motors, Arthur Wood of Sears, and Walter Fallon of Kodak, who voiced their concern over a variety of trade problems.

Chamber of Commerce - Gallup Poll Survey of Business Confidence
At mid-week the Chamber and the Gallup Organization held a news conference to release the results of their newly instituted survey of business confidence, which they expect to conduct quarterly in the future. The summary of the survey, which received considerable attention from the press, was decidedly negative regarding the Administration's handling of economic policies and the outlook for a future recession. Having examined the survey questions in detail, we are skeptical of the validity of the questions asked and the analysis used to interpret the results. We feel that the results were not as uniformly pessimistic as the released summary implies. However, the survey does indicate businesses' concerns with regulatory problems as a whole.

Multifiber Agreement (MFA) Negotiations
After a year of tough negotiations, the Textiles Committee of the General Agreement on Tariffs and Trade reached a consensus to initiate procedures to renew the Arrangement Regarding International Trade in Textiles (MFA) for four years. With the renewal of the MFA, continued orderly textile trade among major exporting and importing countries will be enhanced. The next major hurdle for the U.S. will be the negotiation of a bilateral textile agreement with the Japanese.

Juanita

Juanita M. Kreps

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

December 17, 1977

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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:

- Social Security. I suggest a major signing ceremony for this legislation with a big group of senior citizens.

- Education. I met for an hour this week with John Ryor and Stan McFarland of the NEA to discuss the elementary and secondary reauthorization legislation. I was only able to sketch the outlines, and both want to get into more detail, which we will do while you are away.

- Welfare Reform. The Welfare Reform Subcommittee headed by Representative Corman has completed its conceptual decisions on the cash assistance portion of the welfare reform plan. The Subcommittee has approved the basic structure and principles of the Carter/Califano cash assistance reform proposal: consolidation of AFDC, SSI and Food Stamps; uniform federal rules; the benefit levels proposed in our plan; the two-tier benefit structure; and retrospective accounting.

  Some decisions have modified the Administration's proposal (and added $2-$3 billion to its cost). The retrospective accounting period has been shortened from six months to one month. The 52 percent limit on benefit reduction rates in State supplements for families and individuals expected to work has been eliminated (allowing the big spending States to establish benefit reduction rates as high as 70 percent).

  The Subcommittee has voted to retain existing arrangements for administering the new program as to the aged, blind and disabled (i.e., through Social Security Offices even in those States that elect to administer the new program). And it has changed our EITC proposal in a way that makes it contribute to work disincentives for welfare recipients rather than reducing them. As I mentioned last week, these more costly modifications will probably be trimmed back as the proposal moves out of the Subcommittee and back to the more conservative parent committees.

Nonetheless, although the Committee has differed with our proposal in some respects, it has endorsed all major concepts on the cash assistance side. And the product of the Subcommittee may be the catalyst around which a more broadly based coalition for welfare reform can develop.

It is still not clear how the Subcommittee will proceed on the jobs portion of the program -- whether it will accede to Gus Hawkins' desire to table consideration until his Committee has acted on the Administration's CETA proposals or whether the Subcommittee will take up the jobs program when it returns in January. In any event, the Subcommittee staff has been instructed to draft the cash assistance portion of the bill on the basis of the decisions made in the last three weeks. We must continue to push hard to keep jobs and cash together.

- Research Speech. On Sunday I will speak at the winter commencement of the University of Michigan, focusing on two questions: support for basic research, and the public policy problems presented by intimate government regulation and new scientific knowledge. I intend to affirm your November commitment to keeping Federal support for basic research rising ahead of inflation. I will also stress that we are now in a new era that requires significant public participation in and awareness of the striking questions -- like DNA research, immunization policy, psychosurgery, fetal research.

- St. Elizabeths' Hospital. On Wednesday Pat Harris and I announced that HUD had transferred an unused facility in the District of Columbia to HEW for long-term nursing care and for outpatient mental health services provided to local residents by St. Elizabeths, the only Federal mental hospital. This joint action is an important step in demonstrating our commitment -- shared by the President's Commission on Mental Health -- to developing comprehensive, community-based health and mental health care delivery systems.

Joseph A. Califano, Jr.

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