

4/4/78 [1]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Telegram/ Memo	C. Schultze to Pres. Carter, 3 pp., re:Trade <i>Opened per RAC NLC-126-12-1-2-5, 4/19/93</i>	3/30/78	A
Cabinet Summaries	Robert Carswell to Pres. Carter, 2 pp., re:Treasury activities	3/31/78	A
Cabinet Summaries	Andrew Young to Pres. Carter, 1 pg., re:UN activities <i>Opened 11/13/93</i>	3/24/78	A
Cabinet Summaries	Frank Press to Pres. Carter, 1 pg., re:Science Adviser's report Opened 11/13/93 <i>opened per RAC NLC-126-12-1-1-6, 4/19/93</i>	3/24/78	A
Cabinet Summaries	J. Califano to Pres. Carter, 2 pp., re:personal matter <i>Opened 8/6/93</i>	3/31/78	C
Cabinet summaries note	Pres. Carter of J. Califano, 1 pg., re:personal matter <i>Opened 8/6/93</i>	3/18/78	C

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential
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~~CONFIDENTIAL~~

March 24, 1978

TO: President Carter
THROUGH: Rick Hutcheson
FROM: USUN - Ambassador Young
SUBJECT: US Mission to the United Nations Activities,
March 15 - 22

SECURITY COUNCIL

Lebanon - Acting with unusual speed over the weekend, the UN Security Council adopted resolutions on March 18 and 19 calling for respect for Lebanese territorial integrity and sovereignty, cessation of hostilities, immediate Israeli withdrawal from all Lebanese territory and establishment of a UN Interim Force for Lebanon (UNIFIL). The Council agreed on an initial six-month mandate for the Force, which can be extended by the Council. The vote on both resolutions was 12 in favor, none against, with the USSR and Czechoslovakia abstaining and China not participating. The Soviets indicated their abstention, rather than veto, was due to strong Arab, especially Lebanese, support for UNIFIL. However, they made it clear they would not support or make any financial contribution.

The new 4,000-man force began to take shape this week with the arrival in Lebanon of troops from France, along with Iranian and Swedish units borrowed temporarily from other UN Middle East forces (UNEF and UNDOF). Norway and Nepal are also sending units and we and West Germany offered to assist with airlife requirements and the UK with logistics. A Special Session of the UN General Assembly to arrange for UNIFIL financing will meet on April 20 and 21. The Secretary-General can spend up to \$10 million pending Assembly action.

Rhodesia - On March 17 the Security Council unanimously approved a resolution co-sponsored by six non-aligned members of the Council condemning the Rhodesian raid into Zambia.

AMBASSADOR YOUNG'S OTHER MEETINGS

Time/Life Dinner Briefing, (31/16); Ambassador Kabeya Wa Mukeba of Zaire (3/17); PRESS - Interview with Les Payne, Newsweek (3/16). This week Amb. Young is traveling to Lusaka and Dar es Salaam.

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~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 12356, Sec. 3.4
PER 12/1/82 SJK/W
BY Jay RE MP-NLC-92-19
NARS, DATE 11/3/93

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

April 4, 1978

done
J

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE

F.M.

The Hatch amendment vote is at 11:00 tomorrow. Please let me know after you have had your conversation with Sen. Howard Metzenbaum so that I can follow up for his vote.

THE WHITE HOUSE
WASHINGTON

April 4, 1978

Jim McIntyre

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

Please send Leonard Foote a letter in the President's behalf acknowledging his letter of 3/8/78. Thanks.

Rick Hutcheson

NON-GAME WILDLIFE

THE WHITE HOUSE
WASHINGTON

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

J.m - pls send Foote a letter in Pres.'s behalf, acknowledging

ACTION	FYI
<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

MONDALE his letter
EIZENSTAT of 3-8-78
Thanks

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

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

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

THE WHITE HOUSE
WASHINGTON

rick--

please have jim mcintyre
send a letter to foote
indicating that the president
has asked him to respond,...
etc.

thanks -- susan

THE WHITE HOUSE
WASHINGTON

4/3/78

Mr. President:

No other staff comments.

Rick



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

Jim
ok
J

MAR 24 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr. *Jim*

SUBJECT: Leonard Foote's letter on non-game wildlife

Your marginal note on Leonard Foote's letter asks if I have strong objections to supporting Conable's bill to establish a new Federal grant to States for non-game wildlife management, financed by a new excise tax on outdoor recreation equipment.

The short answer is that I do object.

Attached is a copy of the non-game decision memorandum which you returned on March 13. I believe now, as I did then, that the negative arguments outweigh the positive on this issue.

Though I recognize the popularity of additional Federal funding, I just don't believe that the case has been made for adding this new commitment to the Federal budget. States that wish to spend existing Federal grants, or raise their own funds for this purpose are certainly free to do so. (e.g. Missouri has a program financed through sales taxes. Most States do not.)

Our latest information agrees with Foote's indication that State and environmentalist support is coalescing behind the new excise tax to finance their grant - not solely because it would add no net outlays to the Federal budget, but primarily because it would add a secure dedicated source of funds insulated from the budget process.

As you know, we try to avoid earmarked taxes in the Federal budget for that very reason - they are added uncontrollables that cannot be redirected as Presidential priorities change. Also, in my view, if a new grant isn't justified on programmatic grounds to be supported with existing revenues, it is still less justification for raising taxes. If we were planning to increase excise taxes as a general source of Federal revenue (which we are not), we would, I'm sure, have several higher priority claims on that revenue than this particular grant program.

On the basis of your earlier decision, we have told committee chairmen in both Houses of our opposition to the non-game grant bill. Nevertheless it is not too late to change our stance if you decide to support the Conable bill for the new grant financed through an added excise tax.

Attachment



Department of Natural Resources

270 WASHINGTON ST., S. W.
ATLANTA, GEORGIA 30334
(404) 656-3500

Joe D. Tanner
COMMISSIONER

BOARD OF NATURAL RESOURCES

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Decatur—State-at-Large
- A. Leo Lanman, Jr.
Roswell—State-at-Large
- Wade H. Coleman
Valdosta—State-at-Large

RFD #3
Canton, Georgia 30114

March 8, 1978

*To Jim
McIntyre -
Do you have
strong objection?
J*

President Jimmy Carter
The White House
Washington, D. C.

Dear Governor:

HR 10915 by Conable (N.Y.) provides for a nongame fish and wildlife program modeled on P.R. and D.J. federal aid game and fish programs. Nearly 40 state resource agencies have supported this to the House Merchant Marine and Fisheries Committee; there is hard support by 243 public and private organizations as listed on the enclosed.

States and major conservation organizations want the Nongame Act supported by manufacturers' excise taxes on certain outdoor recreation equipment as proposed by HR 10915 to continue the precedents of P.R. and D. J. which excise tax revenue is stoutly defended by makers of sporting arms and fishing tackle and the public who hunt and fish.

OMB is drafting memos opposing the proposal, or suggesting its financing from P.R. and D.J. funds or by appropriation rather than by excise tax. These are unacceptable alternatives to Jack and me. The program will increase the enjoyment of many millions of recreating Americans who have a long record of willingness to tax products they use for funding to assure perpetuation of our native forms of life. No additional federal costs are required. Jack is attempting to contact Jim MacIntyre to remove OMB's objection to the excise tax.

The woodcock are now in full flight: if there are some brushy openings and alder runs at Camp David, they should be flying there soon after the snow goes off.

Jack tells me Vice-President Mondale has never panned gold - send him down and we will enlighten him without showing him more than the \$14.72 worth we found when Rosalyn and you panned with us.

Grace joins me in sending our best regards to you both.

Sincerely,

Lu
Leonard E. Foote

cc: Jack Crockford

THE WHITE HOUSE
WASHINGTON

March 13, 1978

Jim McIntyre

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

Rick Hutcheson

cc: Stu Eizenstat
Jack Watson

NEW NON-GAME WILDLIFE GRANT

THE PRESIDENT HAS SEEN.

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

Jim
Q
1



MAR 6 1978

ACTION

MEMORANDUM FOR: THE PRESIDENT
FROM: JAMES T. McINTYRE, JR. *W. B. Smith (12)*
Subject: New Non-Game Wildlife Grant

This memorandum summarizes the attached issue paper, prepared by Interior and CEQ staff, presenting for your decision what position the Administration should take toward congressional initiatives to establish a new grant to States for non-game wildlife management.

BACKGROUND

There are four bills pending in Congress authorizing a new grant to States for management of non-game wildlife. Grant levels of \$11 to \$40 million per year, requiring 10- to 25-percent State match, would be authorized. One bill would be financed by a new excise tax on camping equipment.

House mark-up is scheduled for March 14, forcing us to take a position now, even though Administration witnesses have urged postponement of action during hearings in both Houses.

The issue of proposing such a grant program arose during preparation of your May 1977 Environmental Message. At that time, you decided to urge States to use existing wildlife grant funds (mostly now used for game management) and defer consideration of specific proposals until alternatives were studied and until preparation of the 1979 Budget.

As of this time, there has been no marked change in States' allocation of Federal grants toward non-game management; studies to date have looked at alternative grant programs but not the basic need; and Interior requested no 1979 funds for a non-game management program, and none were budgeted.

With congressional action imminent, an alternative proposal has been developed by Interior and CEQ that would authorize, from general funds, \$10 million in FY 1979 and \$20 million per year thereafter to:

- identify needs and plan management programs for non-game fish and wildlife (\$10 million per year, 90-percent Federal, 10-percent State);
- fund State demonstration projects included in management plans (average \$10 million per year, 75-percent Federal, 25-percent State).

ISSUES

Primary: Should the Administration support establishment of a new grant program?

Secondary: If so, which proposal?

Agency arguments for a new grant program are summarized as:

- There is widespread public interest in non-game wildlife, evidenced by growing numbers of bird watchers, photographers, hikers, observers, and members of wildlife groups.
- State wildlife management agencies strongly support a new Federal grant.
- There is organized public support for such a program.
- Wildlife habitat is being diverted to other uses.
- State laws and political obstacles prevent both sufficient use of existing Federal grant funds for non-game wildlife management and appropriation of sufficient State funds.
- Agencies believe a new grant bill will be enacted, regardless of an Administration position. thus the political cost of opposition will be high and unsuccessful.

Arguments against a new grant program are summarized as:

- There is no quantitative assessment of--
 - ° Whether any significant problem exists for which enhanced expenditures for wildlife management is the solution;
 - ° The benefits of enhanced management by States;
 - ° The need for a new Federal grant to generate those benefits.

- States could use existing Federal wildlife grants or their own appropriations to enhance non-game species should they consider it sufficiently important to do so. Sufficient public support should change the political climate within States.
- State administrative agencies will virtually always support additional Federal grant funds, either to bypass or exert leverage on their legislatures, thus this is no test of program merit.
- Once a new State grant program is started, it tends to grow, regardless of merit.
- Achievement of fiscal policy goals and of improved management objectives mandate that the Administration (a) oppose new restricted categorical grants when existing broader grants can be used, and (b) oppose creation of new grant programs at all unless they are clearly justified and carefully designed to achieve solutions to major social problems.
- Administration opposition, properly applied, could head off enactment.

RECOMMENDATIONS

DECISION

1. Should the Administration support establishment of a new grant program for non-game wildlife?

Yes: Recommended by Interior, Agriculture, and the Council on Environmental Quality, Watson

No: Recommended by OMB, DPS

2. If a new grant program is supported, what should it be?

Interior and CEQ strongly support the Interior alternative program (\$10 million in 1979, \$20 million per year thereafter). Agriculture believes it acceptable.

Agriculture's first choice is to support one of the pending congressional bills.

OMB would defer on this question.

Attachment

I prefer that within existing \$ states have right to support non-game wildlife programs

NON-GAME WILDLIFE STATE GRANTS

ISSUE

What position should the Administration take on bills to authorize a new program of grants to States to plan and implement programs to manage non-game species and to facilitate public benefit from such species?

BACKGROUND

There are four bills pending in Congress authorizing a non-game grant program. Three of the bills (H.R. 8606, H.R. 10255, and H.R. 10915) require comprehensive fish and wildlife planning at 90-percent Federal funding as a basis for obtaining implementation grants at 75-percent Federal funding. S. 1140, the fourth bill, authorizes 75-percent operational grants with 90-percent Federal funding for multi-State projects. The bills provide for authorizations as follows (dollars in millions):

<u>Bill</u>	<u>FY 1</u>	<u>FY 2</u>	<u>FY 3</u>	<u>Average Per Year</u>
S. 1140	20.0	30.0	40.0	30.0
H.R. 8606:				
Planning	3.0	3.0	3.0	3.0
Operating	25.0 total for 3 years			8.3
Total				11.3
H.R. 10255:				
Planning	10.0	10.0	10.0	10.0
Operating	90.0 total for 3 years			30.0
Total				40.0
H.R. 10915	11 percent excise tax on certain camping and bird-related equipment (revenues unknown)			

Hearings have been held in both the House (September 30, 1977 and February 16, 1978) and Senate (August 3, 1977) on this legislation, and further action is imminent. Administration witnesses requested the Committees to defer action pending completion of a review of

alternative approaches to ". . . improve the conservation of non-game wildlife" as directed in your Environmental Message of May 23, 1977. Committee action on these proposals is scheduled for March, and a bill will probably pass both Houses this spring.

The issue of proposing such a grant program arose during preparation of your 1977 Message. At that time, you decided to:

- defer development of a specific proposal for conserving non-game wildlife until after the Council on Environmental Quality (CEQ) had completed a wildlife law codification study; and
- review the funding issue in connection with the FY 1979 Budget.

In your Message, you urged States to apply existing Federal funds to non-game programs and directed the Secretary of the Interior to study alternative measures for improved conservation of non-game wildlife.

Status of actions resulting from your previous decisions is as follows:

- Interior has written to the States informing them that existing Federal Aid to Wildlife Restoration Act funds can be used for non-game purposes.
- The Council on Environmental Quality's wildlife codification study is only in draft form; it includes a specific recommendation for a categorical grant non-game program.
- Interior did not request funds for any non-game grants, and none were included in the FY 1979 Budget.
- Interior's Fish and Wildlife Service completed a study that addressed alternatives to be considered in development of a program of non-game grants to the States.

DISCUSSION

There is widespread interest in non-game and support for a Federal/State non-game grant program.

Interior estimates that 70 million were involved in non-game activities in 1975 and, of these, one-half were hunters and fishermen. About 96 million Americans 9 years or older participated in various wildlife-related activities in 1975. Approximately \$500 million was spent on

the enjoyment of non-game birds in 1974. In addition, memberships in nature-oriented societies and subscriptions to nature magazines continue to grow rapidly. Memberships in the National Audubon Society expanded from 41,000 in 1963 to 321,000 in 1975. Subscriptions to the National Wildlife Federation's National Wildlife grew from 60,000 in 1963 to 600,000 in 1977. Studies have documented loss of habitat and consequent declining populations of non-game wildlife. Surveys by the Council on Environmental Quality, Interior, and Agriculture indicate unanimous State support for a non-game grant program. The House Merchant Marine and Fisheries Committee has letters from 35 States urging enactment of legislation.

However, there is some question as to the need for such a program. There is no complete quantitative assessment of (a) whether any significant problem exists for which enhanced expenditures for non-game wildlife is a solution, (b) the need for enhanced management of non-game species by the various States, or (c) the need for a new Federal grant to States for non-game wildlife management purposes.

Information needed for such assessments which is not now available includes:

- the identification of major non-game wildlife species of significant cultural, educational, esthetic, or ecological value, their present status, and population dynamics;
- determination of the costs and benefits of enhanced management of each;
- identification of existing non-Federal, non-game planning or protection programs, the non-Federal expenditures, and the sources of additional funds if needed, including trade-offs with the levels of game species management.

Existing Federal fish and wildlife grants to States (estimated total of \$78 million in outlays for Federal Aid in Wildlife Restoration Act funds (Pittman-Robertson program) and \$26 million in outlays for Federal Aid in Fish Restoration Act funds (Dingell-Johnson program) in FY 1979) may be applied for comprehensive plans and their implementation. Only Pittman-Robertson funds could be specifically used for non-game programs. Eleven percent of the FY 1978 Pittman-Robertson funds are being used for non-game species. Officials tend to focus on game species since there are strong political, legal, or policy obstacles in most States to the

use of hunting and fishing based funds for non-game purposes. Many State game and fish agencies are operated solely with license fees and related Federal funds. Additional funds for non-game species provides an opportunity to break this cycle.

OPTIONS

1. Support enactment of one of the four non-game bills currently pending in Congress.

Pros

- Agriculture, Interior, and CEQ have significant public interest in non-game management.
- CEQ, Interior, and the environmental community generally believe that the benefits of such programs will exceed their costs but acknowledge the lack of quantified studies in this area.
- The conservation community, States, Agriculture, CEQ, and Interior believe that new Federal funds must be made available to States to assure adequate management of non-game species by them.
- Interior, CEQ, and Agriculture believe the State fish and wildlife agencies have been unable to allocate sufficient amounts from existing funds for non-game programs, and their legislatures have not appropriated sufficient funds from other revenue sources.
- Agriculture believes such a program will be extremely popular with the Western States.

Cons

- There is no complete quantitative assessment which indicates either the need for such a new program or what benefits would result from it on a nationwide basis.
- States could use existing Federal wildlife grants or their own appropriations to enhance non-game species should they consider it sufficiently important to do so.
- Achievement of fiscal policy goals and of improved management objectives mandate (a) that the Administration oppose new

restricted categorical grants when existing broader grants can be used, and (b) that the Administration oppose creation of new grant programs at all unless they are clearly justified and carefully designed to achieve solutions to major social problems.

2. Propose a non-game grant program as follows:

- Provide 90-percent Federal matching money from general funds for States to survey, inventory, and develop management plans for non-game fish and wildlife.
 - ° Authorize funds to be appropriated at an amount not to exceed \$10 million per year for 3 fiscal years, beginning in FY 1979 and ending in FY 1981. Funds appropriated to remain available until the close of the succeeding fiscal year.
- Provide for 75-percent Federal matching money from general funds for States to implement demonstration projects pursuant to approved plans for non-game fish and wildlife.
 - ° Authorize funds to be appropriated at an amount not to exceed a total of \$20 million for the 2-year period beginning in FY 1980 and ending in FY 1981. Funds appropriated to remain available until the close of the succeeding fiscal year.

Pros

- Provides the means necessary to identify, in quantitative terms, non-game needs.
- Ninety-percent funding for surveying, inventorying, and planning, coupled with project implementation funds upon plan approval, will provide incentives for States to obtain appropriate authority and/or funding.
- Two-year authorization for implementing projects provides flexibility to propose appropriation in each of the two outyears based on needs identified in the initial planning stage, States' ability to provide matching funds, and overall Federal priorities.
- Consistent with directives in your Environmental Message.

Cons

- Same as under option 1.
- 3. Oppose enactment of new Federal categorical grant program.

Pros

- For same reasons as given under "Cons" of option 1.

Cons

- Will not provide constructive Administration input into anticipated congressional passage of non-game legislation.

DECISION

- Option 1. Support enactment of any one of the four bills.
 - ° Agriculture strongly supports option 1.
 - ° Interior and CEQ could accept option 1.
- Option 2. Support enactment of the modified grant program.
 - ° Interior and CEQ strongly support option 2.
 - ° Agriculture could accept option 2.
- Option 3. Oppose enactment of all legislation.
 - ° The Office of Management and Budget strongly opposes enactment of a new Federal grant program and supports option 3.

ID 781642

THE WHITE HOUSE
WASHINGTON

DATE: 24 MAR 78

FOR ACTION:

INFO ONLY: ✓STU EIZENSTAT

FRANK MOORE (LES FRANCIS)

JACK WATSON *nc by pm*

nc by pm

SUBJECT: MCINTYRE MEMO RE LEONARD FOOTE'S LETTER ON NON-GAME
WILDLIFE

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON

April 4, 1978

Jim McIntyre

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

Rick Hutcheson

RE: STATUS REPORT ON RATIONING
PLAN

THE WHITE HOUSE
WASHINGTON

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

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

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

	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

4/3/78

Mr. President:

No staff comments.

Rick



THE PRESIDENT HAS SEEN.

cc N^c Intyre

J

Department of Energy
Washington, D.C. 20461

March 27, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM SCHLESINGER

SUBJECT: Status Report on Rationing Plan

This memorandum is to apprise you of the status of the gasoline rationing plan development.

We are nearing completion of the plan development process and expect to publish the proposed plan in the Federal Register in mid-April. There would then be the opportunity for oral and written public comments on the proposal. Prior to the publication of the proposed plan, we intend to brief key members of Congress, the governors and other Federal, state and local officials on the proposed plan.

The plan calls for ration entitlements to be provided to individuals and firms with validly registered motor vehicles and to farmers and other users of gasoline for off-highway equipment. A percentage of the entitlements would be provided directly to the states for dealing with hardship cases. The purchase and sale of coupons on a "white market" would be permitted.

The Department of Energy would print and mail ration checks quarterly to eligible recipients, who could exchange these checks for coupons at any commercial bank. Coupons would be produced by the Bureau of Engraving and Printing and would be serialized and of high quality to minimize the risk of counterfeiting. DOE would provide for the distribution of coupons to the banks, using normal Federal Reserve channels.

To permit us to respond quickly in the event of a petroleum supply interruption, the plan will be capable of implementation within 45 days. To achieve this 45-day readiness, we will have to spend about \$120 million for the production of coupons and ration checks, the development of computer software, the preparation of forms and informational materials, and other items. This expenditure will not be undertaken until Congress has approved the plan and will require a supplemental appropriation, the request for which would be submitted as soon as Congress approves the plan.

The plan will propose that the cost of rationing during implementation be paid for by adding a small per-gallon fee on gasoline. The authority to impose the fee will not require separate legislation if it is included in the plan we submit to Congress and the plan is approved.

ID 780673

THE WHITE HOUSE
WASHINGTON

DATE: 27 MAR 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT - nc from Kelly

JACK WATSON *nc*

JIM MCINTYRE

CHARLES SCHULTZE *nc by phone*

SUBJECT: JIM SCHLESINGER MEMO RE: STATUS REPORT ON RATIONING PLAN

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

~~SECRET~~

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF SCIENCE AND TECHNOLOGY POLICY
WASHINGTON, D.C. 20500

March 24, 1978

C

MEMORANDUM FOR: THE PRESIDENT
FROM: Frank Press *FP*
SUBJECT: Science Adviser's Status Report

Domestic Policy Review of Industrial Innovation: Technological innovation provides a basis for economic growth and is thus intimately related to productivity, inflation, unemployment and competitiveness of U.S. exports. The proposed review of Federal policy relative to industrial innovation, drafted by OSTP and DOC, awaits Stu's approval.

Carter Administration Space Policy: Options are being prepared for your consideration with participation of cognizant agencies.

Patent Policy: Formulation of Administration position is moving too slowly as a result of the difficulties of reaching consensus on this long-standing and thorny issue. Options are being developed but the issue needs the priority attention at policy levels by agencies and EOP offices.

FY 79 Basic Research Initiative: I have testified before appropriate Congressional committees and am coordinating agency implementation.

(S) China - an initiative based on technological cooperation: Following your instructions, specific proposals in science and technology are being prepared in cooperation with Zbig.

Developmental Aid: A Foundation for Technological Cooperation, as part of a new AID organization, has been proposed to you as part of the PRC's recommended administration position on the Humphrey-Case Bill. This concept was worked out in cooperation with Governor Gilligan, Ambassador Henry Owen, Peter Bourne and builds on a recommendation in the Brookings Institution report.

Hazard Mitigation: Implementation plans for earthquakes and dam safety are being worked out with cognizant agencies and EOP offices.

E-W Technology Transfer: Options paper for you is near completion. (PRM 31).

Telecommunication Security: PD-24 being implemented by SCC subcommittee chaired by me; some delay, because of late transfer of OTP from EOP to DOC.

Non-Ionizing Radiation: Microwave transmission stations and ovens, high voltage lines, nearby radar and TV stations produce radiation with uncertain health effects. Our safety standard of 10 milliwatts/cm² is 1000 times higher than the Soviet standard; neither is well-founded. Existing programs on non-ionizing radiation are widely dispersed and poorly coordinated. OSTP convened an interagency committee to help establish an effective and coordinated research agenda.

DECLASSIFIED
Per. Rac Project

ESD: M. C. 126-12-1-1-6

BY K.S. NARA DATE 4/12/13

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~~CONFIDENTIAL~~

- 2 -

The Committee this week reviewed the House version of the Humphrey-Hawkins Bill, and agreed that we must work very hard in the Senate to peel away the numerous House floor amendments, some of which (e.g., 100% farm income parity) would virtually dictate a politically difficult veto of the Bill.

Next week, the Steering Committee reviews U.S.-Japanese economic relations in preparation for Charlie Schultze's trip to Japan in mid-April and Prime Minister Fukuda's later visit to the United States. Our relations have been severely strained by the recent, precipitous fall of the dollar against the yen. The unavoidable assessment of duties (described in the next paragraph) also will not help.

Antidumping

The Customs Service today assessed antidumping duties aggregating approximately \$45 million on Japanese color televisions imported into the United States during 1972 and 1973. Those duties are due as a result of a 1971 Treasury Department finding of "dumping" and must be paid by the U.S. importer. The largest importer will be Sears, Roebuck.

This assessment, which has been the subject of insistent demands for action from various committees on the Hill, is part of a larger program aimed at eliminating a five-year backlog in Customs' assessment of antidumping duties on Japanese color television sets. While there have been extensive consultations with the Japanese on the case, they remain predictably unhappy about the result.

Tax Program

We have accelerated our efforts to bring the merits of your tax program to the public and the Congress in anticipation of Ways and Means mark-up which Chairman Ullman has tentatively scheduled to begin on April 17. Speeches, local media appearances and visits with editorial boards are being scheduled in key cities across the country during the next three weeks. Next week, Mike will meet with labor leaders to enlist aggressive support and a group of 10 to 13 tax reformers from Ways and Means for a jackets off session. Mike plans to ask you to meet with key Congressmen and to schedule a fireside chat.

CLASSIFIED BY Robert Carswell

Exempt from General Declassification

Schedule of Executive Order 11652

Exempt Category _____

Automatically Declassified on March 31, 1984



Robert Carswell
Acting Secretary

~~SECRET~~

WHF019

Received at Rio
31/0253Z

PP WTE17
DE WTE #2689 0900202
P 310128Z MAR 78
FM THE WHITE HOUSE SITUATION ROOM
TO SUSAN CLOUGH FOR THE PRESIDENT
ZEM
~~SECRET~~ DELIVER AT OPENING OF BUSINESS WH80408

MARCH 30, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: CHARLIE SCHULTZE

SUBJECT: FEBRUARY TRADE RESULTS

1. FEBRUARY RESULTS

THE DATA ON THE U.S. TRADE BALANCE WILL BE RELEASED ON FRIDAY, MARCH 31, AT 10:00 A.M. EST. THE NEWS IS VERY, VERY BAD. THE TRADE DEFICIT IN FEBRUARY JUMPED TO A -\$4.5 BILLION FROM -\$2.4 BILLION IN JANUARY. THIS IS A RECORD HIGH (THE PRIOR HIGH WAS -\$3.6 BILLION IN OCTOBER 1977).

EXPORTS FELL SLIGHTLY (-\$0.1 BILLION); IMPORTS JUMPED BY \$2 BILLION.

THE RESULTS ON IMPORTS WERE SPREAD WIDELY ACROSS DIFFERENT SECTORS (ALL FIGURES ARE RELATIVE TO JANUARY):

- FUELS (MAINLY OIL) WERE UP FROM \$3.2 BILLION TO \$3.5 BILLION (UP 11 PERCENT FROM JANUARY). THE COAL STRIKE AND COLD WEATHER PLAYED A PART.
- GENERAL MANUFACTURED GOODS WERE UP FROM \$2.1 BILLION TO \$2.5 BILLION (21 PERCENT).
- MACHINERY AND TRANSPORT EQUIPMENT WERE UP FROM \$3.6 TO \$4.0 BILLION (11 PERCENT).

THERE WERE MIXED RESULTS ON EXPORTS, BUT NOTHING WHICH LOOKS PARTICULARLY HOPEFUL.

2. INTERPRETATION

THE MONTHLY TRADE DATA ARE EXTREMELY VOLATILE. MONTH-TO-MONTH JUMPS OF THIS SIZE OFTEN OCCUR AND ARE OFTEN REVERSED THE NEXT MONTH. ALSO, BECAUSE THE METHOD OF MEASURING

END OF PAGE 01

~~SECRET~~

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Per: Rac Project
ESDN: NLC-126-12-1-2-5
BY: KS NARA DATE 4/12/13

~~SECRET~~

IMPORTS HAS CHANGED. THERE IS LIKELY TO BE A CHANGE IN THE SEASONAL PATTERN OF THE FIGURES. IN FEBRUARY 1977, FOR EXAMPLE, IMPORTS ALSO ROSE BY ALMOST \$2 BILLION.

NONETHELESS, WE MUST PROVISIONALLY INTERPRET THESE RESULTS AS AN INDICATION THAT THE TRADE DEFICIT HAS TAKEN ANOTHER TURN FOR THE WORSE. WE HAD HOPED THAT THE SPEEDUP IN GROWTH ABROAD, THE FALL OF THE DOLLAR, AND THE IMPROVED OIL SITUATION WOULD LEAD TO A LEVELING OR DECLINE OF THE TRADE DEFICIT IN 1978; THIS IS CAST IN VERY SERIOUS DOUBT BY THE LATEST DATA.

I EXPECT THAT THIS NEWS WILL BE VERY BADLY RECEIVED IN FOREIGN EXCHANGE MARKETS, PROBABLY IN FINANCIAL MARKETS, BY FOREIGN MARKETS, AND BY THE CONGRESS.

3. SUGGESTED REACTIONS:

- (A) THE MONTHLY TRADE FIGURES ARE VERY VOLATILE. LARGES INCREASES AND DECREASES OCCUR FROM MONTH-TO-MONTH.
- (B) THE PROLONGED COAL STRIKE AND THE COLD WEATHER LED TO HIGHER OIL IMPORTS.
- (C) NEVERTHELESS, THERE IS NO DISGUIISING THE FACT THAT THIS IS VERY BAD NEWS.
- (D) IT RE-EMPHASIZES THE IMPORTANCE ON THE PART OF THE UNITED STATES AND OTHER GOVERNMENTS OF DEALING WITH THE FUNDAMENTAL FACTORS THAT CAUSE THESE LARGE TRADE IMBALANCES.

- . ON THE PART OF THE UNITED STATES THESE DEVELOPMENTS UNDERSCORE THE VERY HIGH COSTS OF INACTION ON THE ENERGY BILL. THEY ALSO UNDERLINE HOW IMPERATIVE IT IS THAT WE MAKE BETTER PROGRESS IN DEALING WITH INFLATION. I WILL BE TURNING MY ATTENTION TO BOTH OF THESE PROBLEMS IMMEDIATELY UPON MY RETURN TO WASHINGTON. IN PARTICULAR, I INTEND TO CONSULT WITH CONGRESSIONAL LEADERS TO EXPEDITE PROGRESS OF ENERGY LEGISLATION AND ALSO TO CONSIDER WITH THEM OTHER ALTERNATIVES FOR URGENT ACTION TO REDUCE OIL IMPORTS.

- . ON THE PART OF FOREIGN COUNTRIES THESE DEVELOPMENTS AGAIN CALL ATTENTION TO THE NEED FOR COUNTRIES WITH

LARGE CURRENT ACCOUNT SURPLUSES TO TAKE THE NECESSARY ACTIONS TO BEGIN REDUCING THE SURPLUSES.

(I HAVE DISCUSSED THIS WITH MIKE BLUMENTHAL AND WE JOIN IN

~~SECRET~~

~~SECRET~~

URGING THE ENERGY STATEMENT INCLUDED ABOVE.)

BT

0648

#2689

NNNNAMQJAA

~~SECRET~~

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

3 April 1978

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

1. VALERIE PINSON prepared a memo summarizing your meeting with Chairman Neal Smith on agriculture issues, at your request. Copies have been sent to Stu Eizenstat and Secretary Bergland. ✓
2. SECRETARY BROWN, following up on a comment you made at a recent Cabinet meeting, sent you a memo regarding possible involvement of the Army Corps of Engineers in railroad and pipeline inspection management. Secretary Brown concludes that "the Corps has much to offer in both these missions." He has sent Secretaries Adams and Schlesinger an outline of duties which the Corps could perform for DOT and DOE. "The Secretary of the Army will be pleased to work with them in these areas, if they desire to pursue the matter." ✓
3. LYLE GRAMLEY MEMO on S. 71, the "Safe Banking" bill. Treasury is negotiating on a compromise bill with Congressman St. Germain and the House Banking Committee. OMB has cleared the Treasury proposal, which is spelled out by Gramley. "However, Chairman St. Germain has not fully endorsed the Administration's position... The legislative course will be difficult." ✓
4. SECRETARY CALIFANO sent a memo to you and to Mrs. Carter suggesting that congressional prospects for the Administration's Child Health Assessment Bill (CHAP) "would unquestionably be furthered if each of you made reference to the program in speeches and other public comment." ✓
5. SECRETARY ANDRUS sent you a memo spelling out the Interior Department's role in US development assistance programs. OMB comments that it is looking into how best to coordinate the foreign development efforts of various government agencies, in light of the "large and ever growing degree of involvement of US domestic agencies in development assistance." ✓

ID 781546

T H E W H I T E H O U S E

WASHINGTON

DATE: 21 MAR 78

FOR ACTION:

INFO ONLY: ✓ THE VICE PRESIDENT

JACK WATSON *nc*

ZBIG BRZEZINSKI *attached*

✓ STU EIZENSTAT *nc* *12:30 pm* *attache*

JIM MCINTYRE - *agrees* *at 12:30*

FRANK PRESS - *concur*
~~but comment by 12:30 pm~~

SUBJECT: SECY ANDRUS LETTER RE: INTERIOR'S ROLE IN U.S. DEVELOPMEN
ASSISTANCE PROGRAMS TO INCREASE U.S. FOREIGN ASSISTANCE
TO THIRD WORLD COUNTRIES

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

MEMORANDUM

NATIONAL SECURITY COUNCIL

March 24, 1978

MEMORANDUM FOR: RICK HUTCHESON

FROM: CHRISTINE DODSON *Chino*

SUBJECT: Secretary Andrus' Letter on Interior's
Role in U.S. Development Assistance
Programs

NSC welcomes the initiative by the Interior Department to assess its international role and the technical assistance it provides to developing nations. The inventory cited by Secretary Andrus, when completed, will be valuable in helping to determine the priorities for Interior's technical assistance activities. As those activities should be coordinated with other U.S. foreign assistance programs, NSC recommends that the completed inventory be referred to the Development Coordination Committee for review; the policy guidance that Secretary Andrus requests regarding the Administration's foreign assistance efforts could be prepared at that time.



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

RL

MAR 15 1978

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

Dear Mr. President:

Frank Press wrote to me recently, suggesting that Interior has a potentially important role in U.S. development assistance programs which would implement your earlier stated intention to increase U.S. foreign assistance in order to meet more effectively the basic needs of people in the Third World. He also suggested I alert you, as Joe Califano and Bob Bergland had done, to what that potential role might be.

A number of the technical agencies, which constitute the core of the Interior Department, have been assisting developing countries scientifically and technically for almost half a century. Most of this work was done at the request of and was funded by AID, as part of U.S. foreign policy. The underlying principle of the programs carried out was, and still is today, the nurturing of indigenous capabilities to manage and wisely use valuable natural resources.

I believe the experience acquired by these agencies could be of considerable help in planning and carrying out your desire to have a more effective technical assistance program in developing countries. That experience covers the following principal types of assistance: (1) Minerals: Strengthening of earth-resource institutions, including the capacity to discover, appraise, and manage minerals resources; training in mining and metallurgical technology, minerals economics surveys, improving minerals operations efficiency, and improving health and safety protection for miners. (2) Water: Training in the skills of devising water objectives; of establishing water standards and procedures, designing organizations to implement water objectives and preparing water legislation; of selecting water development priorities; of analyzing river basin potentials; and of planning for construction of dams. (3) Land: Advising on the technical aspects of land reform; training in land classification, land use planning, land appraisal, environmental analysis, fire control, and cadastral surveying. (4) Fish and Wildlife: Studying the distribution, abundance, and ecological relationships of plant

and animal species, training in production and management, especially of species threatened with extinction and remedying vertebrate pest infestations of agriculture and cattle. (5) Parks and Recreation: Counselling on proposed parks management programs, training in parks management, and assisting in research, planning, and development of recreational facilities.

If the Department of the Interior is called upon to help study or increase present assistance to developing countries, we are of course ready to assist. However, we are increasingly pressed to respond to international requests. This has prompted me to call for a total inventory of our international activities and relationships, as well as for estimates of the funds and personnel resources devoted to these efforts. Because our priorities must be properly focused on the Department's domestic mission, we will be seeking guidance as to which international activities are most supportive of the Administration's foreign assistance efforts.

In the interim, Interior will continue to cooperate with other Cabinet level Departments and Federal agencies as necessary to assist in coordinating ongoing international developmental assistance programs.

Sincerely,


SECRETARY

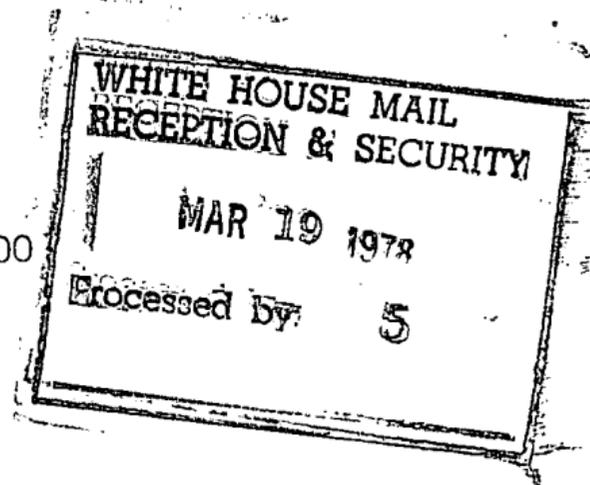
UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20240

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



THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
/	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
/	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND <i>Trow</i>

ACTION	FYI	
/		MONDALE
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		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
/		WATSON
/		McINTYRE
		SCHULTZE

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

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

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



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

April 3, 1978

MEMORANDUM FOR: RICK HUTCHESON
THRU: Bo Cutler *WB*
FROM: Randy Jayne *RJ*
SUBJECT: Secretary Andrus Letter on Foreign Development Assistance

While OMB applauds the kind of interest and activity in development assistance described in Secretary Andrus' letter, we are concerned that these programs be adequately coordinated with overall U.S. foreign assistance in each recipient country. The large and ever growing degree of involvement of U.S. domestic agencies in development assistance heightens the risk of duplicative or even counter-productive efforts in individual cases.

We have asked State and AID to begin a more rigorous country-by-country assessment of U.S. foreign policy and development programs and objectives. It is not clear to us that even a strengthened aid agency will be able to "enforce" the necessary coordination to insure coherent efforts in recipient countries. OMB will try to provide the appropriate cross-agency analysis (of Interior's and all department's foreign development efforts) in the budget process, but we may conclude that some type of formal Executive Office mechanism is needed to perform the policy coordination function properly.

ID 781717

T H E W H I T E H O U S E

WASHINGTON

DATE: 30 MAR 78

FOR ACTION: STU EIZENSTAT

INFO ONLY: THE VICE PRESIDENT

SUBJECT: VALERIE PINSON MEMO RE: CHAIRMAN NEAL SMITH AND USDA
REGULATIONS ADOPTED ON GRAIN

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1200 PM SATURDAY 01 APR 78 +

ACTION REQUESTED:

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON

send cc to
Bergland of
Val Harris
already

THE WHITE HOUSE
WASHINGTON

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		SCHULTZE

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

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

THE WHITE HOUSE
WASHINGTON

March 22, 1978

TO: FRANK MOORE
FROM: VALERIE PINSON *WFP*

The President requested that I prepare a memo concerning his meeting with Chairman Neal Smith regarding agricultural issues and send copies to Secretary Bergland and Stu Eizenstat. I have attached the memo.

3/29/78

TO: RICK HUTCHESON
FROM: KAREN FIZER
OFFICE OF FRANK MOORE

FYI, Frank Moore saw the attached memo and approved submitting to the President.

THE WHITE HOUSE

WASHINGTON

March 29, 1978

MEMORANDUM FOR:

THE PRESIDENT *wsp*

FROM:

VALERIE PINSON

As you recall from your meeting, Chairman Neal Smith expressed particular concern regarding USDA regulations adopted on grain. Smith believes that the regulations adopted provide that grain will be delivered in lieu of the loan nine months after the loan is disbursed. It should provide that it will be delivered nine months after the beginning of the marketing year. If the grain is not harvested and put under loan until two or three months after the beginning of the marketing year, it will be delivered during the same period that the next year's harvest is under way. This is when transportation is the tightest and the elevators are already loaded to capacity. USDA regulations also make it too difficult for people who use a purchase agreement to put grain in a reserve. Unless this change is made now, there will be a transportation and handling glut, and the Administration will be embarrassed next fall.

Under the Feed Grains Program, grain sorghum has been given a higher cost of production than corn. To make that finding, the USDA economists had to compare production costs of grain sorghum in stress areas with production costs of corn in non-stress areas. Smith believes that this is not a fair comparison. If the cost of production were in fact higher, producers would not raise grain sorghum (because it sells for less). Using a higher cost of production for grain sorghum than for corn results in a distortion of the target price and will compel some people to raise grain sorghum instead of corn. They should be given a choice depending upon the weather and their own desire without artificial economic pressure. Smith says "It is this kind of nonsense which makes farmers say 'don't those people in Washington know anything about anything about farming.'"

In the double crop area some people raise wheat and grain sorghum on the same land. Under the regulations the Department has issued, such a farmer would need to set-aside two acres for each 10 acres planted in wheat. They

would also be required to set-aside an additional one acre to each 10 acres planted to grain sorghum. Acreage not planted to wheat which would normally be planted to grain sorghum must also remain idle through the grain sorghum season. This means that grain sorghum production is really reduced in an amount of three acres for each 10 acres he plants. Smith says the Feed Grains Program is unattractive to start with but common sense would seem to indicate that each crop would have to be treated separately and that the double cropper who sets aside two acres of wheat land for each 10 acres planted should not also be required to set aside three acres from the second crop for each 10 acres planted. These are the kinds of obvious discrepancies and inequities which will soon make the farm program unpopular and could be avoided. The Congressman seems to think that second and third level people at the Department of Agriculture simply do not understand the practical application of some of these regulations.

ID 781675

T H E W H I T E H O U S E

WASHINGTON

DATE: 27 MAR 78

FOR ACTION:

INFO ONLY: ✓ STU EIZENSTAT

JACK WATSON

JIM MCINTYRE

SUBJECT: SEC. BROWN MEMO RE: ARMY CORPS OF ENGINEERS -RAILROAD
AND PIPELINE INSPECTION

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON

for summary

	FOR STAFFING
X	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
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	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
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	/	EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
	/	WATSON
	/	McINTYRE
		SCHULTZE

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	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

STAFF



THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

83 MAR 1978

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Army Corps of Engineers - Railroad and Pipeline
Inspection

During the last Cabinet meeting you mentioned the possibility of the Army Corps of Engineers becoming involved in railroad and pipeline inspection management. I have looked into this and believe that the Corps has much to offer in both these missions.

I understand that names of candidates for the Federal Pipeline Inspector position have been submitted to your staff, and that these include a retired Corps of Engineers Officer. As for the potential role of the Corps in the Alaska Natural Gas Pipeline construction surveillance, the Corps could be used by the Inspector as his agent for inspection management.

Attached is a brief outline of duties which the Corps could perform for the Department of Transportation and for the Federal Inspector, should appropriate memoranda of agreement for Corps services be concluded. Of course, the Corps would need some additional assets to perform those functions.

By copy of this memorandum I am sharing the enclosure with Jim Schlesinger and Brock Adams. The Secretary of the Army will be pleased to work with them in these areas, if they desire to pursue the matter.

Harold Brown

Attachment

cc: Secretary of Transportation
Secretary of Energy

POTENTIAL ROLE OF CORPS OF ENGINEERS
IN PIPELINE CONSTRUCTION SURVEILLANCE
AND RAILROAD INSPECTION

- o General duties - pipeline and railroad
 - Permit processing and enforcement
 - Design review
 - Contract document review
 - Quality assurance
 - Safety
 - Compliance with environmental protective aspects

- o Alaska Natural Gas Pipeline Organization
 - Small, highly skilled organization
 - Operating group specifically tailored for the task
 - Large dependence on Title II contracting

- o Railroad Inspection (Northeast Corridor) Organization
 - Work for DOT or National Railroad Passenger Corporation
 - Mission assigned within existing Corps Organization

ID 781652

T H E W H I T E H O U S E
WASHINGTON

DATE: 24 MAR 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT
BOB LIPSHUTZ
JACK WATSON

✓STU EIZENSTAT
FRANK MOORE (LES FRANCIS)
JIM MCINTYRE *nc by phone*

SUBJECT: GRAMLEY MEMO RE SAFETY BILL IN THE HOUSE

++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: +
++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

CHARLES L. SCHULTZE, CHAIRMAN
LYLE E. GRAMLEY
WILLIAM D. NORDHAUS

March 24, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Lyle E. Gramley *LSG*

Subject: Safe Banking Bill in the House

When Charlie Schultze reported to you on the bank regulatory bill S.71, the "Safe Banking" bill, he promised you a subsequent report on a partial compromise between the Administration and Congressman St Germain which Treasury hopes will succeed in moving this bill through the House. The Treasury proposal has now received OMB clearance and Treasury is proceeding in efforts to reach a compromise with the House Banking Committee.

If the Treasury is successful, the resulting Administration-endorsed bill would contain the provisions of S. 71 with the following modifications and additions:

- o Moderate strengthening of limitations on bank loans to insiders. (This strengthening would stop considerably short of the measures originally proposed by Mr. St Germain; his measures would make it difficult for small banks to obtain outside directors.)
- o Deletion of the S.71 amendments to the existing conflict of interest provisions pertaining to members of boards of the regulatory agencies in favor of adopting Government-wide conflict rules.
- o Provision for prior notice to the bank regulator of a change in the controlling interest of a bank, with power for the regulator to reject the change in appropriate circumstances.
- o Provisions that loans to insiders or major shareholders of correspondent banks not be made on preferential terms.
- o Provisions for disclosure to the public, on request, of final cease and desist orders against banks.

- o Establishment of a Financial Institutions Examination Council to include the Comptroller, FDIC and Federal Reserve, to provide for uniform principles and standards for bank examinations and make recommendations for uniformity in other supervisory matters. This would be a positive response to Congressional proposals to consolidate the bank regulatory agencies.

Treasury will press to have provisions in St Germain's bill relating to privacy of the financial records of individuals considered in separate legislation on the grounds that your task force on this subject has not finished its work and that legislation should not be considered until the Administration's views are known. Amendments pertaining to bank holding companies will be resisted on the grounds that separate legislation may be appropriate when the Fed completes a special study on this matter, and also that this is too complex a matter to include in the safe banking bill.

It is to be hoped that this compromise will result in a useful and responsible bill coming from Congress in this session. However, Chairman St Germain has not fully endorsed the Administration's position and is likely to insist on stronger limits on insider loans and fuller disclosure of disciplinary action by bank regulators. The legislative course will be difficult and cannot be predicated with any degree of certainty.

ID 781714

T H E W H I T E H O U S E

WASHINGTON

DATE: 29 MAR 78

FOR ACTION:

INFO ONLY:	THE VICE PRESIDENT	STU EIZENSTAT
	FRANK MOORE <i>cc by phone</i>	JACK WATSON
	JIM MCINTYRE <i>cc by phone</i>	PETER BOURNE

SUBJECT: SEC. CALIFANO MEMO RE: THE CHILD HEALTH ASSESSMENT PROGRAM

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON

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<input type="checkbox"/>	WARREN

THE WHITE HOUSE
WASHINGTON

3.28.78

TO.

Rich Hatcher

For Your Information: _____

For Appropriate Handling: ✓

RDL
Robert D. Linder



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

March 23, 1978

MEMORANDUM FOR THE PRESIDENT AND MRS. CARTER

Subject: The Child Health Assessment Program

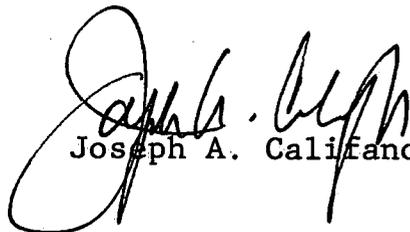
The Administration's Child Health Assessment Bill is now under consideration by the Congress. The President endorsed this major child health initiative which improves the delivery of preventive and primary care services and extends Medicaid eligibility to a larger number of low income children and pregnant women. The bill's prospects in the Congress would unquestionably be furthered if each of you made reference to the program in speeches and other public comment.

The key features of the program follow.

- CHAP makes 1.7 million poor children under 21 years old eligible for health care through the Medicaid program. These children live in families whose income meets the State's standards for Medicaid but who are now ineligible only because of their family composition - usually because the father is in the home.
- This program would increase the number of Medicaid children receiving regular preventive examinations and services to nine million poor children by 1983. Currently, only three million Medicaid children receive regular preventive examinations.
- Eligibility for Medicaid is also extended to all pregnant women whose income meets State standards for Medicaid. This will assure financing for prenatal care, delivery and postnatal care for about 100,000 women. This program will help prevent premature births and the lifelong consequences of malformations and birth injuries.

- CHAP promotes immunizations, physical exams, health education for parents and children, and other preventive care through uniform health assessments. The program also assures and covers treatment needed by assessed children.
- The program encourages States to reach more children and provide comprehensive health assessments by increasing the Federal matching rate for all ambulatory care. The higher rate averages 75 percent compared with the current average of 55 percent.
- CHAP would improve State implementation and administration of child health care services by providing a performance bonus as an additional financial incentive.
- States would enter into agreements with a wide range of health care providers to perform assessments and follow-up treatment -- private physicians, community health centers, and health maintenance organizations.
- To help assure that resources for primary health care are available, funds are provided to establish community health centers and to employ more personnel in the National Health Service Corps in underserved areas.
- The added Federal cost in FY 1979 for CHAP is \$269 million for coverage of children and \$68 million for low income, pregnant women.

Hearings and markup have occurred on the Administration's bill in the House Subcommittee on Health and the Environment (Congressman Rogers). The Subcommittee has tentatively expanded the proposal considerably. It would expand coverage of dental care, set a national floor on family income for eligibility that would override lower State income standards, and raise the Federal matching rate for each State by 25 percentage points with a maximum of 90 percent. Action will come soon. The Senate will turn the House Bill closer to our proposal.


Joseph A. Califano, Jr.

—
THE WHITE HOUSE
WASHINGTON

done
J
Tuesday

Mr. President -

The State Department "boiler room" staff on the Canal treaties is meeting between 8:45 and 9:30 this morning in the Roosevelt Room to review final strategy.

Congressional Liaison would appreciate your stopping by simply to say thank you for what you've done so far - keep it up.

fran

THE WHITE HOUSE
WASHINGTON

April 4, 1978

Frank Moore

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

Rick Hutcheson

RE: PANAMA CALLS

THE WHITE HOUSE
WASHINGTON

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THE PRESIDENT HAS SEEN,

THE WHITE HOUSE

WASHINGTON
March 28, 1978

Frank -
Done as
checked
J

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE
BOB BECKEL
BOB THOMSON *Bob*

RE: PANAMA CALLS

Hamilton has suggested we give you a list of Senators to call from the plane while you are enroute to South America. We believe such a call would underscore the critical nature of the vote on the second Treaty.

We recommend you begin the conversations by expressing concern about the right wing groups' million dollar anti-Treaty campaign that is now reaching its culmination in target states. You could also express the very real connection between the Treaties and our policy throughout Latin America and in other third world countries.

The calls would probably be most effective if they came after your meeting with the Venezuelans, but there may not be time during that leg.

The Senators to be called are as follows:

Long
Nunn
Talmadge
DeConcini ✓

Hatfield ✓
Cannon ✓
Bellmon ✓
Brooke ✓

1766

THE WHITE HOUSE
WASHINGTON

April 4, 1978

Tim Kraft

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

Rick Hutcheson

RE: APRIL-MAY: FOREIGN VISITS

THE WHITE HOUSE
WASHINGTON

4/4/78

Mr. President --

I have looked through everything
I received during the trip....and
do not have the memo from Tim.

Do you recall your comments on
it, that can be conveyed to Tim.

Thanks -- Susan

- a) Will try to hold down
Schmidt/Giscard visit to
none or to Luncheon mtgs
a la Callaghan -
- b) Genscher mtg important to
me - (for today)
- c) Will discuss at For Policy
breakfast need for minimizing
visit J

4/1/'78

TIM
J

To: President Carter

From: Tim Kraft T/K

Subj: April-May: foreign visitors

Unless the recommendations and agenda guidelines of the Executive Committee are to become academic and meaningless, our foreign policy apparatus had better learn to defer visitors with a modicum of the zeal with which they now propose and encourage them.

The situation is beginning to defy reason. In the week before this trip, the Vice-President convened the Executive Committee to discuss a very full 60-day April-May schedule. In the Committee's 3/27 memorandum to you, the following language was agreed upon:

A corollary of the recommendations which follow is therefore the need for rigid discipline in avoiding overload of what is already an extremely tight schedule. Wherever possible activities of lesser priority should be postponed or delegated to the Cabinet and senior staff. In addition, we believe that given the Kaunda and Fukuda visits already scheduled for the next 60 days, that meetings requested by President Giscard d'Estaing and Chancellor Helmut Schmidt be timed to coincide with the two days already reserved for the NATO Summit. This recommendation is offered not only to minimize the demands on your time, but also to avoid the public perception of serious imbalance in Administration preoccupation with foreign versus domestic affairs.

Now, willy-nilly, the pressure for you to see Genscher as well as Schmidt is being stepped up; and you are asked to ~~see Schmidt and Giscard~~ in the next 60 days because we went beyond the NSC's original prioritization for this year to add Callaghan and Facuda (you are already seeing Ceauscuca and Kuanda in April and May).

One of two things is happening:

- 1) the NSC is not apprising the State Dept. of the Executive Committee's agenda priorities, or
- 2) the State Dept. does not have diplomatic personnel that can tactfully defer visitor requests

for, certainly, a consequence of one or the other is that your schedule is being incessantly imposed upon and sometimes determined by someone else's NSC or State Department.

Let us adhere to your schedule. The better part of two days are being blocked out for NATO on May 30 and 31st. If Giscard and Schmidt feel they have to see you (on short notice) in the next 60 days, we could set up office bi-laterals or lunch at that time.

*Will try
to wait*

If you are going to see Chancellor Schmidt, it shouldn't be necessary to rush Genscher in on the day after you return from this trip (or at all).

_____ approve

_____ see me

*Must see
Genscher -*

I would respectfully suggest that this matter of taking the Executive Committee's agenda proposals seriously, and of prioritization and discipline, be discussed at your next foreign policy breakfast.

Will do

JC



Jimmy Carter
(January, 1977—March, 1978)

79 top-level meetings,
average of 68 a year

PICTOGRAM

Carter's Record Pace In Personal Diplomacy

Kennedy, Johnson, Nixon—the President promises to outdo them all as he takes a crash course in world affairs by meeting face-to-face with a long list of foreign leaders.

Jimmy Carter, who intended to start his Presidency by concentrating on domestic problems, is setting a record pace of meetings with foreign leaders.

On the eve of his scheduled March 28-April 3 visits to South America and Africa, Carter already had conferred face-to-face 79 times at home and abroad with national leaders. Many of them he saw more than once. It is a rate running well above that of any previous President.

Many of Carter's encounters with foreign leaders have come in clusters. He met 14 officials in London last May at the economic summit. The trip to Europe, the Middle East and India at year's end involved sessions with nine national chiefs. He was to meet at least four on his latest trip and about a dozen more at an economic summit that has been tentatively set for July in Bonn, West Germany.

Pressures of world events also influence how often the President consults with certain leaders.

Carter has met three times each, for

instance, with Prime Minister Menachem Begin of Israel, President Anwar Sadat of Egypt and Prime Minister James Callaghan of Britain. Ten other officials have conferred with Carter twice. Only 25 of the meetings have taken place abroad, the rest in the United States.

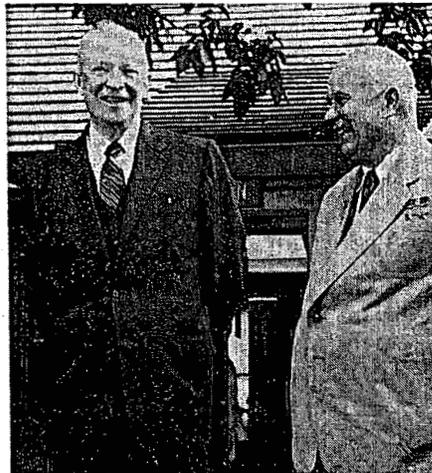
The frequency and importance of meetings between U.S. Presidents and other governments' leaders have grown rapidly in modern times. No sitting President had visited a foreign country until Theodore Roosevelt inspected construction of the Panama Canal in 1906. Woodrow Wilson's visit to Paris for the peace conference after World War I was the first time a President had crossed the Atlantic for a summit meeting. Dwight Eisenhower was the first President to visit Asia, and Richard Nixon set precedents by going to Moscow and Peking.

But if Jimmy Carter keeps up his early pace, he will easily top all his predecessors in meetings with foreign counterparts. □



Harry S. Truman
(April, 1945—December, 1952)

65 top-level meetings,
average of 8 a year



Dwight D. Eisenhower
(January, 1953—December, 1960)

151 top-level meetings,
average of 19 a year



John F. Kennedy
(January, 1961—November, 1963)

91 top-level meetings,
average of 32 a year

lead to a "genuine" transfer of power from whites to blacks. He backs a joint British-American plan that calls for participation by an alliance of black guerrillas known as the Patriotic Front, which is waging war against the Smith regime.

The President hopes Obasanjo will use his influence to persuade Front leaders to join a new high-level conference on Rhodesia's future, a proposal they have rejected in the past. Carter's aim is to end the guerrilla conflict and ward off a civil war among opposing black forces in Rhodesia.

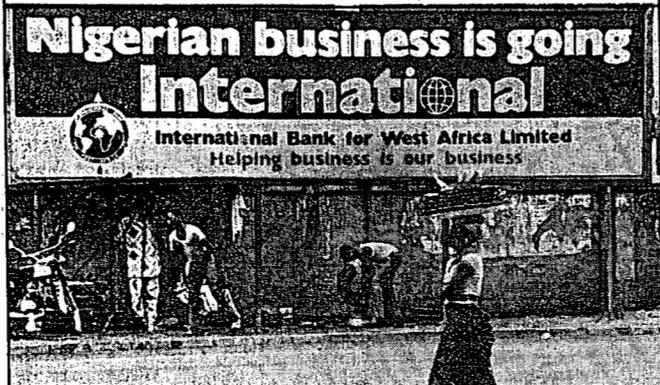
The only worry-free stop on Carter's two-continent itin-

erary is Liberia, a stable and prosperous nation established 131 years ago by former black slaves in the image of the U.S., where they had been given their freedom.

Why did the President select Venezuela, Brazil, Nigeria and Liberia for his second overseas tour of 1978?

This answer from administration officials: Aside from some nagging nation-to-nation problems, the trip would underscore Carter's decision to move the U.S. away from its preoccupation with Russia into a closer relationship with the long-neglected nations of the Third World. □

Stop 3 Nigeria



Rich in oil, Nigeria is developing rapidly, dreams of becoming the continent's most powerful and influential nation.

Carter's 2½-day stay in Nigeria points up the dramatic at-face-in American policy toward black Africa.

At one time, U.S.-Nigerian relations were so frigid that Lagos turned down a proposed visit by then-Secretary of State Henry Kissinger. Nigerians were particularly critical of Washington's reluctance to move against white-minority regimes in Rhodesia and South Africa.

Now, all that has changed, due largely to American efforts to bring black-majority rule to Rhodesia and Carter's pressure on the South African government of Prime Minister John Vorster to ease restrictions on blacks.

Nigeria's military ruler, Lt. Gen. Olusegun Obasanjo, is determined to repay the warm welcome given him on his October, 1977, visit to Washington. Carter is to deliver an important foreign-policy address at the capital, Lagos, and will hold extensive talks with government leaders.

The U.S. needs Nigeria as a friend. It is Africa's richest and most populous black nation and is a member of OPEC and the United Nations Security Council. It has played a key role in mediating African disputes—most recently the Ethiopian-Somali war—and has championed America's position in a number of African and global forums.

Vital oil source. Nigeria, moreover, is the second largest supplier of oil to the U.S. In 1977, it shipped 2 million barrels a day to American markets, giving it a 15 percent share of U.S. imports. Carter wants this oil to remain available in the event of another Arab embargo.

Nigeria also is a profitable area for U.S. businessmen who have invested close to 1 billion dollars in the country, mostly in petroleum production. But American officials point out that Nigerian efforts to attract more U.S. investors could be complicated by Obasanjo's vow to boycott companies that have economic links with South Africa.

Above all, Nigerians want a renewed pledge that the U.S. is committed to black "liberation." Says one American official: "There is no doubt that the No. 1 reason for Carter's visit is the situation in southern Africa."

Stop 4 Liberia



Market in Monrovia symbolizes Liberia's well-being. Descendants of freed slaves from America still run the country.

U.S. ties with Liberia, a republic founded nearly a century and a half ago by freed black slaves from America, are stronger than those with any other black nation.

Yet Carter will be only the second American President to visit the Tennessee-size country. Franklin D. Roosevelt, returning home from the Casablanca Conference in January, 1943, stopped over for lunch at the Monrovia airport with then-President-elect William V. S. Tubman.

American roots. Liberia has its roots deep in the U.S. Its history dates from 1816 when the Congress gave the American Colonization Society, a private group, a charter to resettle freed slaves on the west coast of Africa.

President James Monroe helped finance the purchase of land from tribal chiefs in the Cape Mesurado area, now the site of Monrovia, the capital. The first settlement was built in 1822, and independence was declared in 1847 with a Constitution and government modeled on those of the U.S. Liberia was Africa's first independent republic.

To this day, descendants of the original settlers control much of the nation's economic and political life. American currency is used, and English is considered the official language, although there are 28 African tribal languages.

The U.S. is Liberia's major trading partner and has provided the country with about 260 million dollars in aid since the end of World War II. Economic assistance now ranges between 5 million and 20 million dollars a year, and military aid about \$675,000. Private U.S. investment is estimated at between 500 million and 600 million dollars.

American officials say there are no serious issues between the two countries. Carter's main purpose in stopping in Monrovia is to meet William R. Tolbert, who became President in mid-1971 and last visited the U.S. in 1976.

Rich in resources and with a population of just 1.7 million, Liberia is well managed and comfortably fixed economically, with a trade surplus accumulated mainly through exports of iron ore and rubber. Other exports include timber, gold, diamonds, rice, coffee and sugar.

The President's flurry of talks with world statesmen shows—

- 54 meetings with foreign leaders at the White House or elsewhere in the U.S.
- 26,700 miles of travel abroad on 2 foreign trips to 9 countries and 25 visits with foreign leaders

SO FAR in 1978, Carter has met with such key government chiefs as—



CALLAGHAN
of Britain



THE SHAH
of Iran



SADAT
of Egypt



TITO
of Yugoslavia



DESAI
of India

NOW, the President is heading to South America and Africa, and later will attend an economic summit. On those trips, he will talk with these and other officials—



GEISEL
of Brazil



of Nigeria



FURUDA
of Japan



SCHMIDT
of West Germany



GISCARD
of France

AHEAD, Carter would like to meet with top Communist leaders, but talks depend on progress in diplomatic negotiations first—



BREZHNEV
of Russia



HUA
of China

NOTE: Figures are for meetings in U.S. or abroad with foreign chiefs of state or government heads. They do not include ceremonial visits unless private sessions took place.

Source: U.S. Department of State



Lyndon B. Johnson
(November, 1963—December, 1968)

128 top-level meetings,
average of 25 a year



Richard M. Nixon
(January, 1969—August, 1974)

162 top-level meetings,
average of 29 a year



Gerald R. Ford
(August, 1974—December, 1976)

115 top-level meetings,
average of 48 a year

Mideast Outlook Now: Gloom and More Gloom

Carter-Begin talks at White House, aimed at putting new life into peace effort, ended in discord. The fallout is likely to be felt far and wide.

Reported from
WASHINGTON and JERUSALEM

Relations between Israel and the U.S. plummeted toward their lowest point ever as critical talks between Prime Minister Menachem Begin and President Carter on March 21-22 ended in almost total disagreement on how to make peace in the Middle East.

White House sources described both Begin and Carter as shellshocked by the roughness of their exchanges. Some said the atmosphere was more inflamed than in 1956, when then-President Eisenhower peremptorily ordered French, British and Israeli forces to call off their attack on the Suez Canal.

Israeli sources said the two leaders "disagreed on every issue," from the question of Israel's withdrawal from the occupied Arab lands and abandonment of Jewish settlements already there, to Carter's plans to sell warplanes to Egypt and Saudi Arabia as well as to Israel.

There was much more at stake in the conflict between the two viewpoints than the future of America's special relationship with Israel that has endured for three decades despite occasional stress.

In the balance, too, is the survival of such moderate Arab leaders as Egyptian President Anwar Sadat, who staked his own political future on the success of his peace initiative with Israel. Now both his future and his initiative are sorely jeopardized by Carter's inability to persuade Begin to be more flexible in his approach to peace.

Beyond that looms a danger to America's remarkable alliance with Saudi Arabia, whose oil is vital for U.S. economic health.

Also involved are U.S. strategic interests in the region—imperiled by re-

cent Soviet power plays in the Horn of Africa and in the Arab world.

The Carter-Begin confrontation came as tensions mounted in the wake of Israel's occupation of southern Lebanon—an action that ignited fresh rage and suspicion of Israel among Arab moderates and radicals alike.

"Peace seems far away." In Washington, Carter minced no words in summing up the consequences of the failure of his talks with Begin. "At this historic moment," he said coldly, "peace seems far away."

For his part, Begin insisted that Israel has made generous proposals for peace. They included an offer to recognize Egypt's sovereignty over the Sinai peninsula, a plan for Palestinian self-rule in the occupied West Bank of the Jordan River and the Gaza Strip, and a draft of a statement of principles under which the stalled peace negotiations with Egypt could be resumed.

"We only ask to negotiate," Begin said. "There may be counterproposals, and we shall also negotiate them."

However, U.S. officials participating in the talks indicated that the Israeli leader's proposals fell far short of what Carter and his advisers consider even minimally adequate in dealing with major differences between the Israelis and the Arabs, especially Egypt. The points of conflict:

■ Interpretation of United Nations Security Council Resolution 242 that calls for Israeli withdrawal from Arab lands occupied in the 1967 war. Begin insists the resolution does not apply to the West Bank, which he considers as part of historic Israel. Carter's view, as he phrased it after the talks ended: "I emphasized the importance of reaffirming U.N. Resolution 242, which must apply to all fronts, if the peace negotiations are to succeed."

■ The Israeli settlements in occupied territories. Begin made the point that Israel intends to build more of them in the West Bank. Carter restated the U.S. position: The settlements are illegal and an obstacle to peace.

■ Sale of American warplanes to Egypt and Saudi Arabia, linked in a package deal to the supply of jets to Israel. According to Israeli sources, Begin tried to persuade Carter to treat his country's purchases separately from those of the two Arab countries but apparently failed.

Begin later publicly protested against the American attitude, saying that Arab countries that back Palestinian enemies of Israel were "armed to the teeth by the Soviet Union and



An unsmiling Carter and Israel's Begin at end of two days of talks disclose grave disagreement on most key elements of a Mideast peace settlement. Discord marked a low point in U.S.-Israeli ties.

1770

THE WHITE HOUSE
WASHINGTON

April 4, 1978

Stu Eizenstat

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

Rick Hutcheson

RE: WEEKLY DOMESTIC POLICY
STAFF REPORT

THE WHITE HOUSE
WASHINGTON

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		PRESS
		SCHLESINGER
		SCHNEIDERS
		STRAUSS
		VOORDE
		WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 24, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Sm*
SUBJECT: Domestic Policy Staff Weekly Status
Report

POSTAL REFORM

Debate on H.R. 7700 has begun and will continue after the Easter recess.

INTEGRITY AND OPENNESS IN GOVERNMENT

Lobby Law Reform: We continue to work with Frank's staff to move the Senate Governmental Affairs Committee to mark-up, and on House floor strategy.

CIVIL SERVICE REFORM

Civil Service Reform Initiative: Hearings will resume after the Easter recess. The legislative team is visiting with Committee members.

ENERGY

National Energy Act (NEA): Natural Gas Conference discussions have resumed. DPS, OMB, Frank Moore, CEA and Schlesinger's staff continue to monitor closely and will make reports and/or recommendations to you as necessary.

Energy Impact Assistance: Final decision memorandum is in preparation. Options for announcement of program are being evaluated.

CRBR Agreement with the Congress: Continuing negotiations with Congressional Committees. Final resolution expected just after the Congressional recess.

NATURAL RESOURCES

Water Policy Study: Injunction on transmittal has been lifted. Andrus is working out final positions and recommendations with McIntyre and Warren.

Alaskan D-2 Lands: House Interior Committee reported bill March 21st.

Law of the Sea: Muskie has said he will oppose treaty if marine pollution provisions are not strengthened. Working with State, EPA, and OMB.

Redwoods: Has passed Congress in final form. The enrolled bill memo will be to you this weekend as bill must be signed before your trip.

OCS: Conferees were named this week. Conference expected to begin in April.

HEALTH

Hospital Cost Containment: Serious negotiations are underway with both Talmadge and Kennedy. The full House Commerce Committee (Staggers and Rogers) will take up the bill right after recess. The major stumbling block appears to be the full Ways and Means Committee.

National Health Insurance: The first draft of the PRM memorandum on principles, prepared by HEW, is expected shortly. DPS and other White House Staff have been meeting with organized Labor to explore differences.

HUMAN RESOURCES

Welfare Reform: We are meeting with HEW and Labor to carry-out a strategy of probing the Congress on the feasibility of enacting portions of the welfare reform bill this year. There is a considerable risk that we could find ourselves at the mercy of the Finance committee late in the session, which would be undesirable. Corman and Moynihan are cooperating in these explorations.

Discharge Upgrading: The law passed by Congress to cut back the special discharge upgrading program will result in about 1500 upgraded Vietnam-era veterans losing their GI Bill benefits around April 7. A total of 3,000 of these veterans are currently receiving benefits. Others who had not yet applied for benefits when the law took effect will be barred from benefits even though their discharges have been upgraded. We are exploring whether anything can be done to temper the effects of the law but are not hopeful.

AGRICULTURE AND RURAL DEVELOPMENT

Administration Farm Policy Statement: We are working with USDA, CEA, OMB, and the Vice President's staff to develop a statement announcing the Administration initiatives you recently approved. The announcement will be made by the Vice President Wednesday.

Crop Insurance Options: A decision memorandum has been prepared and will be to you soon.

URBAN POLICY

We will follow preparation of legislation and administrative actions to implement your Message.

THE WHITE HOUSE

WASHINGTON

April 4, 1978

Your Eminence:

His Beatitude Cardinal Medeiros

Thank you for your expression of concern about resettlement opportunities for Indochinese refugees.

I am also very conscious of the distressing problems of refugees from Indochina. My administration is now developing a long term refugee policy which will accommodate flows of refugees from Indochina and elsewhere on a regular basis. We believe that coherent United States policy will not only further our own humanitarian goals, but also stimulate other countries to increase their resettlement efforts.

The government by itself will never be able to bear the active burden of integrating refugees into our society. Effective resettlement depends very heavily on the efforts of volunteer, religious, and charitable organizations. I commend these groups for their work -- in particular, the outstanding contribution which the United States Catholic Conference has made in the resettlement of Indochinese refugees. Well over one-third of the 170,000 here or soon to arrive have been sponsored through the USCC's Migration and Refugee Service. The admission of additional refugees will require a continuing generous response from the American public and from private voluntary agencies such as USCC. I am heartened by your assurance that jobs and housing will be available for these desperately needy people.

Yours sincerely,

RECEIVED

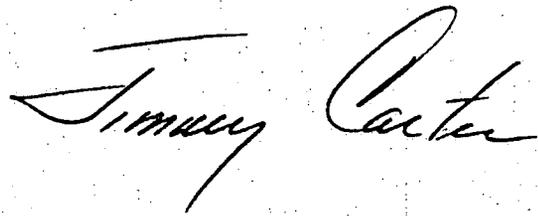
SEP 16 1980

CENTRAL FILES

60

The cooperative efforts of the government and private organizations will, I believe, enable us all to make a significant contribution to solving this tragic aftermath of the wars in Southeast Asia. Thank you again, Your Eminence, for being concerned with this endeavor.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the typed name.

His Eminence
Humberto Cardinal Medeiros
Archbishop of Boston
2101 Commonwealth Avenue
Brighton, Massachusetts 02135

THE WHITE HOUSE

WASHINGTON

Your Eminence:

Thank you for your expression of concern about resettlement opportunities for Indochinese refugees.

I am also very conscious of the distressing problems of refugees from Indochina. My administration is now developing a long term refugee policy which will accommodate flows of refugees from Indochina and elsewhere on a regular basis. We believe that coherent United States policy will not only further our own humanitarian goals, but also stimulate other countries to increase their resettlement efforts.

The government, ^{by itself} will never be able to bear the active burden of integrating refugees into our society. Effective resettlement depends very heavily on the efforts of volunteer, religious, and charitable organizations. I commend these groups for their work -- in particular, the outstanding contribution which the United States Catholic Conference has made in the resettlement of Indochinese refugees. Well over one-third of the 170,000 here or soon to arrive have been sponsored through the USCC's Migration and Refugee Service. The admission of additional refugees will require a continuing generous response from the American public and from private voluntary agencies such as USCC. I am heartened by your assurance that jobs and housing will be available for these desperately needy people.

NATIONAL SECURITY COUNCIL

4/04/78

to Central Reference :

for dispatch

Nsc/s

DOCUMENT DESCRIPTION

U S T S S N C O
Log in & Out ()

TO: President

FROM: MED. EIROS (Cardinal)

DATE: _____

(Via: _____)

KEYWORDS: LAOS : _____

Expanded Subject (If needed) Refugees

	Action	Comments	Info	Rec'd	Action Required:
Advance Cv ZB/Aaron					Prepare memo for President . . . ()
Staff Secretary					Prepare memo for Brzezinski . . . ()
Western Europe/Canada					Prepare reply for _____ ()
USSR/Eastern Europe					Prepare memo _____ to _____ ()
Far East			X	X	Prepare SP. ()
PRC & ROC			X	X	Recommendations ()
Mid-East/No. Africa					Concurrence/Comments ()
N/S Issues: Gen/UN/Asia					Appropriate Action. ()
N/S: Latin America					Any Action Necessary ()
N/S: Africa					
N/S: Dev Economics					
Horn of Africa/Social					Due Date: _____
Global Issues			X	X	COMMENTS:
Security Analysis					<u>Pres notes too.</u>
Economics					
Intelligence					
Congressional/Press					
Scientific					
Crisis Management					
Washington					
INDEX				X	

Date	To	Sta	Action Required or Taken (Updates)	Due	Copy(s) to
3/7	State	D	Draft uph for Pres	3/13	See above
3/8	—	—	Rec'd state draft 7804750		
3/8	Tuchman	S	prepare memo for Pres	(3/24)	Annals of discovery
3/23		X	Send to Pres for signature	3/24	
3/27	Pres	P	sgn		
4/1		C	Pres sqd Ur to Cardinal Medeiros		

Dispatch/Instructions: Via Mail. done via central reference 4/04/75 M/F'd By
 Indexing: _____ Suspense cy attached Filed: PA (WH) NS D
 IF

THE WHITE HOUSE

WASHINGTON

March 27, 1978

ACTION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

ZBIGNIEW BRZEZINSKI *DB*

SUBJECT:

Proposed Reply to
Cardinal Medeiros

Attached at Tab A is a proposed reply to the letter sent you (Tab B) by the Archbishop of Boston, Cardinal Medeiros, on the refugee proposal. State and Jim Fallows have cleared the text of the letter to Cardinal Medeiros.

RECOMMENDATION:

That you sign the letter at Tab A.

*proposed
4-4-78*

*Susan -
Retype
1st page
J*

1308

NATIONAL SECURITY COUNCIL

ACTION March 20, 1978

MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI

FROM: JESSICA TUCHMAN

SUBJECT: Proposed Reply to
Cardinal Medeiros

The attached is self explanatory.

Jim Fallows has cleared the text of the
letter to Cardinal Medeiros.

RECOMMENDATION:

That you sign the memorandum to the
President.

*David
Hagen*

Matthew STM

NATIONAL SECURITY COUNCIL

March 20, 1978

MEMORANDUM FOR JIM FALLOWS

FROM: JESSICA MATHEWS /-3393

SUBJECT: Attached

May I have your clearance of the attached text.

Many thanks.

JTM
This is the cleaned draft
by FalloWS - if you have no
Sunkless clean in I JF.
will be final. 3/20/78
no.

OK

DRAFT LETTER TO CARDINAL MEDEIROS

Dear Cardinal Medeiros:

Thank you for your expression of concern about resettlement opportunities for Indochinese refugees.

I am also very conscious of the distressing problems of refugees from Indochina. My administration is ^{now} ~~presently~~ developing a long term refugee policy which will accommodate flows of ~~Indochinese and other~~ refugees on a regular basis. ^{we believe that} ~~A~~ coherent United States policy will ~~we hope~~ not only further our ^{our} humanitarian goals, but ^{also} stimulate other countries to increase their resettlement efforts.

from Indochina and elsewhere.

^{The government will never be able to bear the entire burden}
Effective resettlement depends ^{very heavily} greatly on volunteer, religious, and charitable organizations. ~~I commend the~~ ^{have} ~~efforts of such groups and note~~ ^{for their work} in particular, the outstanding contribution which the United States Catholic Conference has made in the resettlement of Indochinese ^{volunteer} here. Well over one-third of the 170,000 here or soon to arrive have been sponsored through the USCC's Migration and Refugee Service. The admission of additional refugees will require a continuing generous response from the American public and from private voluntary agencies such as USCC. I am heartened by your assurance that jobs and housing will be available for these desperately needy people.

of integrating refugees into our society.

the efforts of

F

The cooperative efforts of the government and private organizations will, I believe, enable us all to make a significant contribution to solving this tragic aftermath of the wars in Southeast Asia. Thank you again, Your Eminence, for being concerned with this endeavor.

(signed)

DRAFT LETTER TO CARDINAL MEDEIROS

Dear Cardinal Medeiros:

Thank you for your expression of concern about resettlement opportunities for Indochinese refugees.

I am also very conscious of the distressing problems of refugees from Indochina. My administration is presently developing a long term refugee policy which will accommodate flows of Indochinese and other refugees on a regular basis. A coherent United States policy will we hope not only further our humanitarian goals but stimulate other countries to increase their resettlement efforts.

Effective resettlement depends greatly on volunteer religious and charitable organizations. I commend the efforts of such groups and note in particular the outstanding contribution which the United States Catholic Conference has made in the resettlement of Indochinese here. Well over one-third of the 170,000 here or soon to arrive have been sponsored through the USCC's Migration and Refugee Service. The admission of additional refugees will require a continuing generous response from the American public and from private voluntary agencies such as USCC. I am heartened by your assurance that jobs and housing will be available for these desperately needy people.

The cooperative efforts of the government and private organizations will, I believe, enable us all to make a significant contribution to solving this tragic aftermath of the wars in Southeast Asia. Thank you again, Your Eminence, for being concerned with this endeavor.

(signed)

CLASSIFICATION: unclassified

7804750

NATIONAL SECURITY COUNCIL
REFERRAL

Date: 3/7/78
NSC log # 1308

MEMORANDUM FOR:

Peter Tarnoff
Executive Secretary
Department of State

DOCUMENT DESCRIPTION:

To: President Carter
From: Cardinal Madeiros
Date: 3/1/78
Subject: Southeast Asian Refugee situation

ACTION REQUESTED:

<u>XXXX</u> Draft reply for:	<u>XXXX</u> President's Signature
	<u> </u> White House Staff
	<u> </u> Other <u> </u>
<u> </u> Direct reply	<u> </u> Furnish info copy
<u> </u> Dispatch	<u> </u> Translation
<u> </u> Recommendations / Comments	<u> </u> Appropriate Handling
<u> </u> Other	<u> </u> Information

DUE DATE: 3/13/78

COMMENTS:

Christine Dodson
for CHRISTINE DODSON
STAFF SECRETARY

CLASSIFICATION:

1308



CARDINAL'S RESIDENCE
2101 COMMONWEALTH AVENUE
BRIGHTON, MASSACHUSETTS 02135

March 1, 1978

The Honorable James E. Carter
President of the United States
The White House
Washington, D. C. 20500

Dear Mr. President:

I write with reference to the deteriorating Southeast Asian Refugee situation.

I respectfully urge that a renewed and more liberal approach be taken to provide resettlement opportunities for these desperate people and I am happy to be able to assure you, Mr President, that jobs and housing are available for these refugees in the United States without displacing United States citizens.

Thanking you for your kind attention to my request and with prayerful best wishes and a hearty blessing, I remain

Devotedly yours in Our Lord,

+ Humberto Cardinal Medeiros

Archbishop of Boston



1308

CARDINAL'S RESIDENCE
2101 COMMONWEALTH AVENUE
BRIGHTON, MASSACHUSETTS 02135

1150

March 1, 1978

The Honorable James E. Carter
President of the United States
The White House
Washington, D. C. 20500

Dear Mr. President:

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I respectfully urge that a renewed and more liberal approach be taken to provide resettlement opportunities for these desperate people and I am happy to be able to assure you, Mr President, that jobs and housing are available for these refugees in the United States without displacing United States citizens.

Thanking you for your kind attention to my request and with prayerful best wishes and a hearty blessing, I remain

Devotedly yours in Our Lord,

+ Humberto Cardinal Medeiros

Archbishop of Boston

1765

THE WHITE HOUSE
WASHINGTON

April 4, 1978

The Vice President
Midge Costanza
Stu Eizenstat
Hamilton Jordan
Bob Lipshutz
Frank Moore
Jody Powell
Jack Watson
Hugh Carter

Re: Cabinet Summaries

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

Rick Hutcheson

EYES ONLY ----- SECRET ATTACHMENTS
CONFIDENTIAL

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

March 31, 1978

"FYI"

REPORT TO THE PRESIDENT

The Department of Commerce considers Monday's urban policy announcement as a very significant step toward achieving an effective and comprehensive national urban policy. We are especially pleased that your announcement calls for the active participation of all levels of government and the private sector, concepts repeatedly stressed during the recent White House Conference on Balanced National Growth and Economic Development.

A sharp \$2.1 billion increase in imports and a modest decline in exports led to a record \$4.5 billion U.S. merchandise trade deficit in February. Special contributing factors included an increase in petroleum imports because of cold weather and an increase in steel imports prior to imposition of the reference price system. However, approximately two-thirds of the import increase was more broadly based, reflecting higher import prices due to declines of the dollar, as well as the increasing needs of a growing U.S. economy. Stronger growth abroad continues to be critical to reducing the U.S. trade imbalance.

The first successful deep ocean testing of a complete manganese nodule mining system was started this week approximately 1,000 miles southeast of Honolulu. This test involves depths of approximately 5,000 meters, and is being performed by Ocean Mining, Inc., an international consortium which includes a major U.S. offshore drilling firm (Sedco, Inc.) as well as firms from Canada, Germany, and Japan. Test monitoring is being conducted by the NOAA Ship OCEANOGRAPHER as part of the Deep Ocean Mining Environmental Studies Project DOMES II.

Next week a Department of Commerce options and recommendations paper on product liability will be released to the Congress and to the public concurrently with the Administration's interagency review process. This unusual procedure has been authorized by OMB and the Domestic Policy Staff because of the strong interest of manufacturers, insurers, consumer groups, and legislators in this complex issue, and because of the paper's potential contributions to related legislative deliberations now underway in over 40 states as well as in Congress.


Sidney Harman
Acting Secretary

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

C
/

March 31, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren *Chamber*
Gus Speth

SUBJECT: Weekly Status Report

Water Policy: In your absence, a coalition of 24 environmental organizations, including all of the national large membership groups, held a press conference to express their concern with water policy actions of the Administration. The two key issues raised by the coalition are:

(i) a recent action by the Interior Department that will permit construction of a large dam in Colorado (the Foothills project), and two proposed actions that would permit two large water projects to proceed in Colorado (the Narrows project) and North Dakota (the Garrison project); and

(ii) the reported weakening of water policy reform recommendations to be presented to you in the near future.

This expression of concern comes in part in response to the months of lobbying by beneficiaries of large water resources projects in order to minimize water resources policy reform efforts of the Administration.

We will identify major and serious concerns and advise you at the time the reform recommendations are submitted to you.

World Heritage Trust Register: CEQ with the other agencies represented on the World Heritage Committee, decided upon submitting Yellowstone and Mesa Verde National Parks as the first U.S. nominations for areas for inclusion in the World Heritage Trust Register. The Register is to be established under the International Convention for Protection of the World Cultural and Natural Heritage, an international agreement developed by this Council and initiated by the United States as, in effect, an international extension of the U.S. National Park concept.

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON
20506

March 31, 1978

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss

Subject: Weekly Summary

We have had extensive inter-agency trade talks this week and I will be leaving Tuesday for several foreign capitals, including a round of meetings between Ushiba of Japan and Haferkamp of the EC, as well as meetings with about 24 of the LDCs in Geneva. These will take place on April 10th and 11th. Helen is going on the trip with me and I am going to take off a few days after Geneva, returning here on the 15th.

We are working on the fastener override. Joe Waggoner has just agreed to help work the Committee for me and he will be helpful.

The steel jawboning went well. It demonstrated good cooperation between your agencies. Bosworth is a pleasure to work with as, of course, is Charlie.



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

9
1

OFFICE OF THE ADMINISTRATOR

MAR 31 1978

MEMORANDUM FOR

THE PRESIDENT
THE WHITE HOUSE

SMALL BUSINESS EXTENSION SERVICE -- Interest is mounting in SBA's two-year pilot Small Business Development Center Program. The program currently provides a small business extension service similar to the County Extension Service of the Department of Agriculture at eight universities across the United States. The Senate recently passed a bill containing an authorization of \$97.7 million over the next four years to expand the program, and the House Small Business Committee has reported a bill which would authorize \$60 million to expand the program in 1979. (SBA's 1979 appropriation for the program is \$2.25 million.) The Administration position is that no legislation to expand the program should be passed until a complete evaluation of the program is made at the end of the two-year period. However, the preliminary first-year evaluation indicates that the pilot SBDCs have demonstrated a potential capability to provide higher quality management and technical assistance, and financial planning assistance to a higher percentage of small businesses within a state than has previously been possible.

SBA BANK CERTIFICATION PLAN -- SBA is developing a pilot program to have certified banks process, service and liquidate guaranteed and immediate participation loans with minimal SBA involvement. Certified lenders would have primary responsibility in these areas subject to SBA guidelines and final approval. These lenders would take a leading role in liquidation although SBA would have greater involvement in this aspect than in the processing and servicing aspects. In order to be certified, a bank would be required to have successfully completed a training and information program conducted by SBA. The intent of this program is to save SBA time in review and analysis in order to expedite the loan process.

for *Patricia M. Cloderty, Acting*
A. Vernon Weaver
Administrator



Community WASHINGTON, D.C. 20506
Services Administration



21

31 MAR 1978

MEMORANDUM TO: Rick Hutcheson, Staff Secretary
The White House

FROM: Graciela (Grace) Olivarez *GO*
Director

SUBJECT: Weekly Report of Significant Agency
Activities (March 27 - 31, 1978)

Migrant Hotline

CSA has funded a project which will provide a toll-free number that migrants can call from anywhere in the United States to obtain immediate assistance. A telephone specialist using a central information system will be able to provide the caller with information on a variety of services such as food and nutrition, housing, transportation, minimum wage, and relocation assistance. Each telephone specialist will be bilingual. Local agencies have agreed to participate in the Hotline network and will assist in appropriate follow-up activities. The Migrant Hotline is set to become operational on April 1, 1978.

Emergency Energy

The Community Services Administration's emergency crisis intervention assistance to blizzard-stricken states was widely reported by newspapers across the country, including Newsday and the Boston Herald American.

Urban Initiatives Approved

In the President's Urban Policy Statement, approval was given to two urban initiatives to be administered in the Office of Economic Development. The amount of \$20 million was recommended for increased funding of five successful CDC's (Community Development Corporation) and \$12 million was recommended for a credit union program to be administered in conjunction with the National Credit Union Administration.



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

C
/

March 31, 1978

MEMORANDUM FOR THE PRESIDENT

ATTENTION: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

SUBJECT: Significant Issues Pending at the Department of
Transportation

A large, handwritten signature in black ink, which appears to be "Brock Adams", is written over the "ATTENTION" and "FROM" lines of the memorandum.

Collapse of U.S.-Japan Bilateral Aviation Discussions - On Monday our negotiations with the Japanese on a new aviation agreement broke off without any progress being made and Japan announced it would wait until the fall to resume talks.

We have been in sporadic discussions with Japan on a new air accord since 1976. The Japanese have prevented U.S. carriers from instituting low fares on scheduled services, have denied U.S. charter carriers the right to operate low cost charters to Japan, and have been unwilling to let our scheduled carriers expand their existing scheduled services. Moreover, they have refused to issue the necessary licenses to our cargo carriers to handle cargo being imported to Japan. The Japanese seek additional operating authority for Japan Air Lines but have been unwilling to offer the U.S. anything in return other than more restrictions. I believe this matter as so serious that it should be raised in your talks with Prime Minister Fukuda in early May. I will provide you with a briefing paper on these matters prior to these talks.

ok

As I have stated to you previously in my memoranda of March 6 and March 20, I believe this breakdown in the negotiations is caused in part by the fact that the United States lacks a focus for international aviation policy. As your principal transportation advisor, I continue to believe that I should provide focus within the Administration regarding international aviation policy unless you have some other overriding foreign policy concern.

ok

Russian Shipment of Buses - There has been considerable adverse publicity concerning a procurement of about 398 buses by a consortium of ten U.S. cities. Eighty percent of the cost of this procurement was funded through a grant from this Department.

The buses are partially manufactured in Germany and shipped to Houston for completion by AM General, the bus division of American Motors. About 50 of the buses arrived in Houston last week on a Russian vessel.

Various maritime labor unions picketed briefly when the vessel arrived, apparently more because of the use of Russian ships than because the buses are partially manufactured in Germany, but they did unload the buses. It is our best information that the remaining buses are to be shipped in the same manner.

Although the cargo preference statutes would have restricted this shipment to an American vessel if this had been a direct Federal procurement (as the press erroneously characterized it), the cargo preference statutes did not apply here because the statutes have long been interpreted as not applying to procurements by Federal grantees. We were, therefore, legally powerless to stop the use of Russian vessels.

Subsequent to this procurement, the Commerce Department promulgated a regulation which, while not applying to this procurement, extends the cargo preference statutes to future procurements by grantees of the Federal Government. We are, therefore, implementing this new requirement by making it a condition of our grants, and it will therefore apply to all future procurements shipped from abroad.

Update on Potential Bankruptcy of Delaware & Hudson Railroad - In its meeting on Thursday, March 30, the U.S. Railway Association's (USRA) Board of Directors voted to provide only \$250,000 in further funding to the Delaware and Hudson Railway (D&H). These funds are limited to current operations and are intended to gain a few weeks time for continuing negotiations between D&H and its creditor insurance companies, and also between New York State and the N&W Railroad. The Norfolk and Western owns the D&H and the State of New York is interested in purchasing that ownership. I believe the USRA Board's decision is a sound one. Our policy is not to subsidize fundamentally uneconomic rail operations which are not essential for interstate commerce or national defense. Should the further negotiations fall through, it is likely that bankruptcy would soon follow. In such an event, we will take necessary measures to insure that any essential services are not impaired, and we should initiate a long term rail plan for the region. Nevertheless, considerable negative political reaction can be expected from officials in New York and New England.

Promotion of Administration's Energy Program - Attached is a recent newspaper article supporting our Department's efforts to encourage use of alternatives to the automobile for energy conservation purposes. The article discusses a recent DOT survey which indicates public recognition of the energy crisis and public support for efforts to reduce energy consumption.

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

2
/

March 31, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *Ray*

SUBJECT: Major Departmental Activities, March 25-31

Campaigned for Democratic Congressional candidates.
I spent Wednesday in Kansas helping the campaigns of Representatives Martha Keys, Dan Glickman and Senate candidate Bill Roy. Over the next seven months, I intend to spend as much time as possible performing similar campaign chores.

Coal wrap-up. This week the UMW agreed to a contract covering the mine construction workers who work under a separate contract than other UMW members. This construction contract should be ratified this week-end, ending the last vestiges of the strike. There is considerable interest in the forthcoming White House Commission on the Coal Industry. In the next week, I will be working on selecting a chairman of this Commission and doing the other necessary preliminary work.

ok



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

C
/

March 31, 1978

Re: Principal Activities of the Department of Justice
for the Week of March 27 through April 2

1. Meetings and Events

The Attorney General had the following meetings this week: a conference with the investigative team on the FBI break-in case; a question and answer session with businessmen in the Stanford Sloan Executive Fellows program; interviews with reporters from the New York Daily News and the New York Times; a meeting with the new Advisory Committee for United States Attorneys; a conference with the British Home Secretary; and a meeting with Secretary Marshall concerning Justice-Labor coordination in the organized crime field.

2. Appointments

The Attorney General recommended to the President the appointment of Philip Heymann as Assistant Attorney General for the Criminal Division. Mr. Heymann is a Harvard Law professor who previously served as Associate Watergate Special Prosecutor, a public defender, an Assistant Solicitor General, a Supreme Court law clerk, and at the Department of State.

The Attorney General appointed Terry Adamson to serve as Director of the Office of Public Information, as well as Special Assistant to the Attorney General. He succeeds Marvin Wall, who will serve as Special Assistant to the Attorney General to write a history of the Department since 1937.

3. Neighborhood Justice and Arbitration

Next week the second Neighborhood Justice Center will open in Los Angeles; experimental arbitration plans will be initiated in three federal district courts to handle civil claims under \$50,000.

4. Mitchell Medical Furlough

The Attorney General approved an extension of the medical furlough from prison for former Attorney General John Mitchell to permit him to undergo hip surgery.

5. Omnibus Judgeship Bill

Senate and House conferees will meet soon to resolve differences in the Omnibus Judgeship Bill. The Department is working with Senators to plan for the district judge selection process, and encouraging the use of nominating commissions.



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

C
/

March 31, 1978

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

Several Members of Congress, including Chairmen Talmadge and Foley, are expressing concern over and asking the status of discussions to dramatically increase timber cutting on National Forest lands (request from the Council on Wage and Price Stability). Has a decision been made?

American vegetable farmers have been complaining because we allow Mexican products into the country that have been exposed to pesticides we have banned. EPA suggests that any residue is due to past applications and not current practices. In all probability the complainers want to either stop imports or start using DDT again -- rather than trying to protect our health.


CAROL TUCKER FOREMAN
Acting Secretary



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

March 31, 1978

Q
/

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

SUBJECT: Weekly Report of Major Departmental Activities

Legislative Activity Beginning on Urban Policy. Following your Urban Policy Announcement, I sent the text of the National Urban Policy Statement, a copy of your remarks, and a Fact Sheet to every Member of Congress. On Monday I will testify before the House Budget Committee in support of the Administration's proposals.

"Synthetic" House Abuilding. An experimental house being built in Atlanta will use a product developed by HUD, the Forest Service, and the American Plywood Association. The product, called "com-ply" (composite plywood), is to be used in place of traditional lumber for floor panels, roof sheathing, studs, and joists. This will represent the first use in a house of the com-ply joist system. Com-ply increases the useable value of a tree four times by using parts that were previously considered scrap.

The \$64 Difference. The energy-efficient residence in Mt. Airy, Maryland, on which we've reported before, is very well insulated and is heated by an electric pump. The comparison "house next door" is a conventional electrically-heated house. Both houses have 2400 square feet of heated space (including full basements), with similar floor plans, appearances, and occupants (a couple with two children). The February heat bill for the energy-efficient house -- \$23; for the "house next door" -- \$87.

Solar Grants Announced. HUD grants totaling \$2.6 million will be used to buy and install solar heating and hot water equipment in 2,002 single and multi-family dwelling units. The HUD solar demonstration grants, involving 48 projects in 22 states, went to builders and developers who will install solar equipment in model and production housing, housing authorities and community groups seeking alternatives to high fuel costs, and multifamily property owners looking for ways to lower tenants' operating costs. The grants are the fourth in our series of demonstration cycles under the National Solar Heating and Cooling of Buildings program. HUD manages the residential part of the solar program in cooperation with the Department of Energy.

Condominium Legislation. The proposed Condominium Act of 1978 was cleared by OMB this week. We are now working with Committee staff and aides to Senators Chiles and Stone and Florida Congressmen Lehman and Rogers to conduct briefings, at their request, before the Bill is introduced.

Pat

Patricia Roberts Harris

THE WHITE HOUSE
WASHINGTON

3-18-78

To Joe Califano

Wouldn't
runaway father
act apply?
Have someone check
on it - Thanks

JC



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

March 31, 1978

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:

- Adolescent Pregnancy. As you requested, I will hold a press conference next week, with as many Congressional sponsors as possible, to announce introduction in Congress of the Adolescent Health Services and Pregnancy Prevention and Care Act of 1978 -- your adolescent pregnancy initiative. The legislation has strong sponsorship in both houses. The Senate Human Resources Committee will hold hearings in late May, and on the House side the bill will be referred jointly to the Education and Labor Committee and the Interstate and Foreign Commerce Committee.
- Child Support Case. In your note of March 18, you asked whether the "runaway father act" deals with the concerns raised in a letter to you from Mrs. [REDACTED] (see attachment). It does. The program provides a mechanism for States to establish paternity and secure support from absent fathers for AFDC and non-AFDC mothers. After receiving your inquiry, I asked HEW's Child Support Enforcement Office to arrange for the relevant Florida agency to contact Mrs. [REDACTED]. I have been advised that the meeting, which took place on March 20, went well. Mrs. [REDACTED] authorized the child support agency to take appropriate action, and the case has already been referred to the courts for a hearing next month.
- Social Security. Next week, we should have a clearer indication of what Congress, particularly the House, intends to do about Social Security financing. Both Budget Committees begin work on the first budget resolution. Chairman Giaimo is expected to propose that \$7.5 billion of the tax

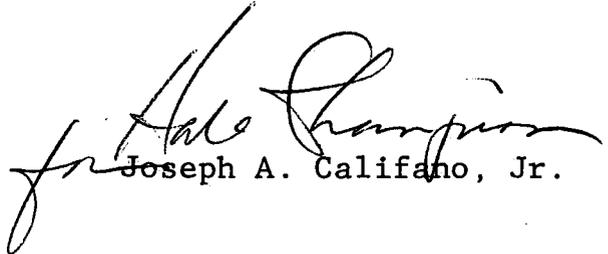
SANITIZED
CARTER LIBRARY

Good

reduction package be accomplished through reduced Social Security taxes. The Democratic Caucus will also consider the issue and is expected to ask the Ways and Means Committee to recommend legislation that would use general revenues to finance social security and to complete its work in time for passage of a financing bill this year. As you know, I think the Administration should begin consultations with the Congressional leadership to develop a substantive and tactical strategy to deal with the questions being raised about the increase in Social Security taxes -- questions that will almost surely lead to House action, and possibly to Congressional action, this year.

- Annual Report of the Inspector General. This report will be forwarded to Congress next week. It will recapitulate our efforts to control fraud and abuse and to institute better management systems. It also will estimate the total fraud, abuse and waste in HEW programs. This figure is given in a range -- between \$6.7 and \$7.6 billion -- which constitutes between 5 to 6 percent of the \$136 billion in major Departmental programs surveyed for FY 77. One of the report's most interesting findings is that most of this loss is attributable to errors and faulty management systems -- i.e. waste -- rather than fraud and abuse (which accounts for only about 14 percent of the amount lost). In addition to the efforts already underway, the Inspector General recommends that the losses can be reduced by increasing staff for "front end" program controls, such as eligibility determinations and claims payment procedures. My own immediate staff is studying those recommendations which we are not already implementing, and I will submit a further report to you with our conclusions.

The Inspector General also reports that during the past year there have been 265 convictions obtained against defrauders of HEW programs, with approximately half of these obtained by State authorities.


Joseph A. Califano, Jr.

Attachment

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENT'S TITLE	DATE	RESTRICTION
Telegram Memo	C. Schultz to Pres. Carter, 3 pp., re Trade	3/30/78	A
Cabinet Summaries	Robert Carewell to Pres. Carter, 2 pp., re treasury activities	3/31/78	A
Cabinet Summaries	Andrew Young to Pres. Carter, 1 pg., re IN activities	3/24/78	A
Cabinet Summaries	Frank Press to Pres. Carter, 1 pg., re Science Adviser's report	3/24/78	A
Cabinet Summaries	J. Califano to Pres. Carter, 2 pp., re personal matter	<i>See Frank 2/6/78/31/78</i>	C
Cabinet Summaries Memo	Pres. Carter of J. Califano, 1 pg., re personal matter	<i>Open 6/6/93</i> 3/18/78	C

FILE LOCATION

Carter Presidential Papers - Staff Offices, Office of Staff Sec. - Presidential
 Records, File 4/4/78(1) Box 79

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with an article contained in the donor's deed of gift.



THE SECRETARY OF THE INTERIOR
WASHINGTON

21

March 31, 1978

MEMORANDUM TO THE PRESIDENT

From : Secretary of the Interior

Subject : Major Topics for the Week of March 27

While we (USGS) were drilling for gas in the Barrow Field (Alaska), we discovered crude oil indications. It is not unusual and may be insignificant, but it could possibly be more substantial. I will keep you advised.

Otherwise, a quiet week without any major problems to bring to your attention.


Cecil D. Andrus
Secretary

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

April 1, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*
Subject: CEA Weekly Report

Steel Price Situation. It is clear that the more moderate price moves launched by The National Steel Corporation will prevail in the market place. The \$5.50 per ton price increase announced by National has now been emulated by all other major producers, and U. S. Steel has indicated privately that it will be competitive with the rest of the industry. The Council on Wage and Price Stability has no quarrel with the \$5.50 estimate of cost increase. Credit for the rollback is due to Barry Bosworth at CWPS and to the critical assistance of Bob Strauss.

Japan Trip. On April 11, I will be leaving for a four-day trip to Japan to resume a traditional exchange of views between CEA and the Japanese Economic Planning Agency. Ordinarily, these visits are technical discussions, without great publicity. The Japanese Government, however, has escalated the meetings to a much higher visibility level. They have made it known to the press that I will be pressed about the U. S. position on support of the dollar and, in particular, on why we don't support it against the yen, as well as on other major issues of concern to the Japanese Government. While in Japan I will meet with the Prime Minister and other top officials. CEA is working with Treasury, State, and other agencies to prepare for my visit.

Anti-Inflation. We and other agencies are working rapidly to present to you this week a draft speech on anti-inflation policies. Barry Bosworth last week presented to the Federal Pay Council the rationale behind the proposal to reduce the Federal pay increase. The overall response to the proposal was unfavorable but not belligerent. The unions emphasized that they were willing to do their share, but wanted assurances that others would do likewise. Bosworth is scheduled to appear before the Pay Council again on Wednesday to respond to questions raised by the Council. A more formal response to the proposal will be forthcoming from the Council at that time. Several other items have been developed for the anti-inflation program, and these are being staffed.



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

March 24, 1978

MEMORANDUM FOR THE PRESIDENT

ATTENTION: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

SUBJECT: Significant Issues Pending at the Department
of Transportation

Oil Tanker Safety - On March 14, 1978, I issued an interim navigation rule which continues the prohibition of large tankers in Puget Sound. Oil tankers over 125,000 deadweight tons had been prohibited by Washington state law, but the U.S. Supreme Court on March 6 held that Federal law preempted the states. The Coast Guard is following through on your recommendations on tanker vessel operations to decide the best method for protecting the environment from tanker oil spills. On March 23, 1978, the Coast Guard issued an advanced notice of proposed rulemaking for public comment. A public hearing will be held.

Fuel Economy Standards - Update - The automobile manufacturers' responses to the final truck and bus fuel economy rules issued on March 15 have been favorable. In March 16, 1978, Wall Street Journal, General Motors is reported to have called the standards a "tough target", but said that they can be met. Ford is quoted as saying the Department reacted thoughtfully. Chrysler had threatened to close the Jefferson Avenue plant in Detroit, which employs a high percentage of minority auto workers. The company has now indicated it will keep the plant open and can meet the standards. I have attached the press release of Chrysler President John Riccardo.

Airline Regulatory Reform - The House Aviation Subcommittee in a 13 to 11 vote adopted Representative Levitas' substitute which was a significant setback for the Administration's regulatory reform proposals. It contains none of the important reforms we advanced and abolishes the CAB in 1983. Further action was postponed by the Subcommittee Chairman until after the Easter recess. I am working with the Committee Chairmen Glenn Anderson and "Bizz" Johnson to change as many votes as possible and have personally contacted all of the Subcommittee Members urging them to reconsider this action.

Potential Bankruptcy of the Delaware and Hudson Railroad - It appears probable that the United States Railway Association (USRA) Board will decide at its Thursday, March 30, meeting to withhold further

Federal funding from the Delaware and Hudson (D&H) Railway, a move that would almost certainly precipitate the bankruptcy of the company since the Norfolk and Western, which owns the D&H, does not want to support this railroad. The Department agrees with the Board's analysis and will support its decision. The Federal Railroad Administration (FRA) is working with the Interstate Commerce Commission, which has the relevant legal authority, to ensure the continuation of essential services at minimum cost to the public, should a cash shortage force the railroad to cease operations. FRA is also initiating a study to determine the long-range requirements for rail service in the D&H and New England region and how that service can most efficiently be provided.

While bankruptcy of the D&H may not surprise New York and New England public officials, it surely would result in a negative political reaction.

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

C

March 24, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *Ray*

SUBJECT: Major Departmental Activities, March 18-24

No serious problems emerged during House oversight hearings on Teamsters' investigation and Labor Department participation in Organized Crime Strike Force. I think we satisfactorily answered the concerns of Rep. Sam Gibbons' Ways and Means Subcommittee on March 23 about coordination between Labor and the Justice Department. Regarding the organized crime strike force, our current plan is to assign one full-time Labor Department investigator to each of the 15 strike forces. We will assign other Labor Department personnel to the strike forces, as needed. I discussed this matter with Attorney General Bell yesterday and I believe we came to a meeting of the minds. To clear up this problem, I will meet next week with the Attorney General and Ben Civiletti.

Good response to CETA reauthorization and the jobs component of welfare reform in recent Congressional testimony. In recent weeks, I have testified a number of times on both CETA and welfare reform. This testimony has been surprisingly well received. Committee members have been particularly supportive of our private sector initiatives and our planned welfare reform demonstration projects. I think a major reason for this response has been the record of the CETA expansion under the Economic Stimulus Package. CETA met its hiring target on schedule and a recent Brookings Institution study found only a minimal level of substitution of CETA workers for regular city employees.



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

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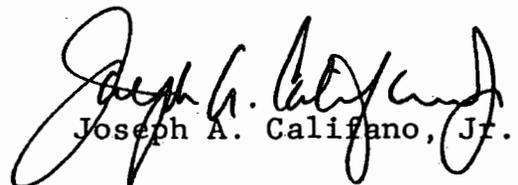
March 24, 1978

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:

- North Carolina. After announcing that the General Counsel would begin formal enforcement proceedings, I spoke again with Governor Hunt, President Friday and the Chairman of the Board of Higher Education. I reiterated my personal desire to negotiate to conclusion. The Board is meeting late this afternoon to decide whether President Friday should meet with the General Counsel next week.
- Tuition Tax Credits. The Ways and Means Committee has scheduled a markup on tuition tax credits for April 10-11. If the Committee treats the tax credit matter apart from the tax bill -- as appears likely right now -- then you will be able to veto it easily. Nonetheless, even if you were to veto the tax credit in this form and if there were no override, the tax credit can, of course, be tacked on to other measures later in the Session. In the near future, you should indicate again forcefully that you will not accept both a tuition tax credit and the Administration's increased assistance for families with children in college. I suggest you talk openly of a veto so that the Congress understands that the Administration is adamant in its opposition to the tuition tax credit proposal. It is important for you to speak out on the tuition tax credit and for other members of your administration to do so as well.
- Leave. I will be on vacation from Tuesday through Saturday next week. Hale Champion will be Acting Secretary.


Joseph A. Califano, Jr.



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

March 24, 1978

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

SUBJECT: Weekly Report of Major Departmental Activities

Public Opinion of Cities. Large cities receive high ratings by most Americans -- and considerable patronage -- as service centers offering the best commercial, cultural and recreational attractions, medical care, and employment opportunities according to a HUD-funded opinion survey. Any illusion that cities should be abandoned is challenged by the survey's major implication: "Although the suburbs and outlying areas have been spun off from the central city, they have not spun free and have not supplanted the city in the public's mind." The majority of respondents believe America would be a worse place without cities.

Reduction in Multifamily Project Defaults. For the first time in seven years our inventory of projects in default has dropped below the 300 project level. As of the end of February, 292 projects were in default, compared with a high of 792 projects in June 1975. In addition to general economic improvement, February's progress comes from successful use of Section 8 assistance and improved loan management by our field offices.

Block Grant Rules for Indians. For the first time, Indian Tribes and Alaska Natives have block grant regulations tailored to meet their needs. Interim regulations published this week call for consultation with Tribes before field offices decide how funds will be allocated and on other program issues. Tribes will receive \$25 million of community development funding this fiscal year.

Fair Housing in Georgia. An Affirmative Fair Housing Agreement will be signed on April 6 by HUD and the Georgia Real Estate Commission. Under the agreement, which also provides for disciplinary action against license holders, the Commission will insure that candidates for real estate licenses receive training in fair housing principles and practices and then pass State licensing tests.

Disaster Activity. A preliminary survey of flood damage in eastern Nebraska is now underway. We expect the Governor to request Federal assistance.

Temporary housing operations in New England are proceeding. Only four families in Maine and New Hampshire still need housing. Approximately 1,300 of 3,000 eligible Massachusetts applicants -- 42.5 percent -- are now housed.

In California we now expect to provide housing for 1,200 families, double the number expected to need assistance when the disaster was first declared.

Pat

Patricia Roberts Harris



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

March 24, 1978

Re: Principal Activities of the Department of Justice for
the Week of March 20 through March 24, 1978

1. Department Personnel Matters

The Attorney General discussed with the President earlier this week several impending personnel decisions in the Department. Thus far, the Attorney General has announced two of them: Peter Vaira as United States Attorney in Philadelphia, and Gil Pompa as head of the Community Relations Service. Attached is a New York Times article on Vaira.

2. Witness Protection Program

The Department has circulated for public comment a report on the U.S. Marshals Service's witness protection program, which has received severe criticism in the last couple of years.

3. Socialist Workers Party Case

Last week the Attorney General reported on a threat by a district judge to hold the Attorney General in contempt for refusal to turn over to counsel for the Socialist Workers Party the names and files on eighteen FBI informants. The Solicitor General has decided to seek certiorari from the Supreme Court in this case. This action will postpone the showdown, and there is a possibility that the Supreme Court will vacate the district judge's order.

4. FBI Break-in Case

The special team of ten lawyers working on the FBI break-in investigation has submitted a report with specific recommendations to the Attorney General. The Attorney General is reviewing the report and hopes to make decisions by April 1 or shortly thereafter.

5. Snepp Case

The United States has filed a motion for summary judgment in United States v. Snepp, and Snepp's attorneys will file a motion to dismiss on March 27. It is possible that both motions will be argued as early as March 31. Whenever it occurs, this hearing will receive substantial publicity and could determine the eventual outcome of the case.

6. Taft Hartley Injunction

Jack Watson chaired a meeting of the Attorney General and others Thursday afternoon to decide the course of action in the district court. If the miners approve the proposed contract, no further court action will be necessary. If they reject the contract, the Justice Department either will seek to win an injunction on Tuesday, March 28, or will request an indefinite continuance from the district court so that a case for an injunction can be made at a later date.

THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

March 24, 1978

"FYI"

REPORT TO THE PRESIDENT

This week Secretary Schlesinger and I forwarded to you an Energy Impact Decision Memorandum, which presents a series of options for helping states prevent or mitigate adverse impacts of major energy development efforts -- principally in the West and Appalachia. The memorandum is based upon many months of study, and my meetings with Western leaders last July. This subject was also high on the list of issues troublesome to Western officials who met with the Vice President on his recent trip.

A memorandum from the EPG has also been forwarded to you proposing the establishment of a Presidential task force to study, and make recommendations on, the issue of National Export Policy. Our continuing trade deficits and the concomitant weakness in the value of the dollar clearly require additional and significant governmental actions to increase U.S. exports. The creation of this task force would be welcomed by the business and financial communities here and abroad.

An Interagency Committee for Small Business Export Development has been established by the Department of Commerce, the Export-Import Bank, the Small Business Administration, and the Overseas Private Investment Corporation. The purpose of this committee is to encourage and assist more small and minority businesses in marketing their products overseas. A nationwide series of seminars will be initiated next week and we will be working with Stu Eizenstat on ways you could publicly endorse this effort.

A major reorganization of the National Bureau of Standards (NBS) will become effective on April 9. We expect that this reorganization, the first major one at NBS in 13 years, will significantly enhance the operational effectiveness of NBS and improve its capabilities. To achieve greater flexibility, the number of formal NBS units will be reduced from 249 to 186. It is noteworthy that the staff at all levels of NBS were given opportunities to participate in the reorganization process.

It now seems quite likely that Congressman Lehman will drop his Census Reform Bill. We have continued to oppose this bill because of provisions in the bill which would be costly and largely unworkable. The bill would also preempt Executive Branch responsibilities in this area. Testimony this week by Chief Economist Slater and Census Bureau Director Plotkin described the administrative changes now planned for the 1980 Census. We are pleased that Congressman Lehman and other Members of his Subcommittee appeared to accept the Department's approach on this issue.


Juanita M. Kreps



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

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March 24, 1978

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

ENERGY. The Farmers Home Administration has been asked to develop a preliminary plan, within 120 days, which could require -- but at least encourage -- that a significant portion of the energy requirements of FmHA financed housing be provided by alternate fuel sources during the 1980's.

RESERVE. Sign up for the farmer-owned reserve program continues to be strong. Thursday figures: wheat 250,847,636; barley 9,784,727; oats 11,736,218 bushels. (Wheat goal 330 million bushels.)

GENEVA. Delegates to the Wheat Conference have gone home. The EEC continues to push for fixed maximum and minimum prices. They will reconvene this summer, after further instructions from their governments, to see if there is any basis for continuing negotiations. It may be necessary to have Ambassador Strauss reemphasize the importance of agricultural agreements if there are to be agreements on other MTN matters.

A handwritten signature in cursive script that reads "Alex P. Mercure".

ALEX P. MERCURE
Acting Secretary



THE SECRETARY OF THE INTERIOR
WASHINGTON

March 24, 1978

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Week of March 20

Alaska land selection legislation is out of Committee. There are several deficiencies, but we will attempt to make changes on the floor. Time schedule looks good.

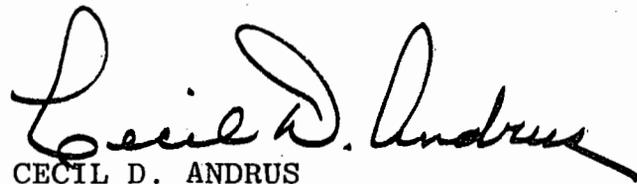
Arizona trip went well. The new Governor, Bruce Babbitt, will be helpful in the area of water. He feels that the Administration has taken a "bum rap" because there are water problems that need resolution. He has the right philosophy, but will have a primary battle with Senator DeConcini's brother.

The Federal Courts have overturned the North Dakota decision which prohibited me from presenting to you the Water Policy Review report. The final report will be on your desk when you return April 3rd. We have "sanitized" some of the politics, but there is a lot of meat and needed reform.

Budget hearings have been completed and your recommendations are intact. There appears to be an attempt by Senator Jackson to increase our Petroleum Reserve exploration program, but we have opposed the increased amounts.

Phil Burton is talking about making a Christmas tree out of the Chattahoochee Bill. I don't know whether he is serious or not, but we will keep McIntyre informed.

Have a good Easter.


CECIL D. ANDRUS

*I agree with your assessment of
weekly Cabinet meetings.*



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

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March 20, 1978

MEMORANDUM TO RICK HUTCHESON, WHITE HOUSE

From: Chuck Parrish

Secretary Andrus was asked at Cabinet meeting on March 13 how many Interior Department personnel were attached to embassies worldwide.

Currently we have no personnel as an attache to any embassy. Often in respect to international activities the embassy provides backstop service or in kind contributions to facilitate or expedite a special program. The attached information reflects Department of Interior personnel that interact with embassies in the various countries.

Chuck

Executive Assistant to
the Secretary

Attachment

COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

CHARLES L. SCHULTZE, CHAIRMAN
LYLE E. GRAMLEY
WILLIAM D. NORDHAUS

March 24, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Lyle Gramley *LG*

Subject: CEA Weekly Report

Presidential Initiatives. Most of this week has been devoted to working with other agencies to develop the memoranda to you on urban policy, inflation, and other matters. We will continue to work with those agencies to implement your decisions.

Food Price Outlook. We met this week with economists from the USDA and others from the private sector that specialize in agricultural supply and price developments. There is universal agreement that the food price outlook for 1978 has deteriorated, but estimates vary as to how much. Expected increases in retail food prices from the fourth quarter of 1977 to the fourth quarter of 1978 are now generally in the range of 6 to 8 percent. Developments affecting meat prices are chiefly responsible for the worsened outlook -- supplies of both pork and beef will be less this year than had been anticipated several months ago.



THE SECRETARY OF THE TREASURY
WASHINGTON 20220

F.Y.I.

March 24, 1978

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. THE DOLLAR

Activity in the European foreign exchange markets was reduced due to the upcoming Easter holiday but the markets remained nervous. Demand for yen in the Tokyo market was especially strong; the dollar has depreciated against the yen by 4.4 percent so far this month, despite intervention by Japanese authorities totaling \$4.1 billion.

To date this year, the U.S. has spent \$2 billion net in intervening against the German mark and the Swiss franc. Intervention by all the foreign central banks in dollars has totaled roughly \$27 billion; net dollar purchases have totaled \$9.3 billion.

I am very concerned about the impact on the market of next week's release of the CPI and leading indicators for February. Farm and food prices at the wholesale level have been rising sharply; it is likely that the February CPI will be as high as January's 0.8 percent (9.6 percent annual rate). The leading indicators may be down due to a decline in money supply and weather effects, following a decline in January of 1.9 percent. It is unlikely that figures of this kind will be well received, especially after we just this week revised upward our estimate for the 1977 current account deficit to \$20.2 billion.

2. NEW YORK CITY

We can expect progress in the Congress but confusion in the City itself. We send our bill to the Hill early next week. Subcommittee Chairman Moorhead introduced his own bill this week which differs from our proposal on one major point: it permits guarantees for seasonal as well as long-term financing. Moorhead's subcommittee has tentatively scheduled markup for April 5, with full committee action possible by mid-April. The Senate Committee will be much more difficult.

March 31 is the deadline for conclusion of wage negotiations with City transit workers. The chances are better than even that there will be a strike. Its impact on the bill's prospects is an open question.

3. EPG ACTIVITIES

The EPG has been totally absorbed on the related inflation, dollar, and energy matters on which we sent you memoranda this week.

On inflation, I am concerned that we are not giving you a regular analysis of the inflation impact of every program proposal reaching your desk. CEA, OMB, CWPS, and Treasury should form a small unified staff group to give you immediate analysis and to keep a "running score" of the impact of government actions on the price level.

I am leaving today on a short Easter vacation in Florida, where I can of course be reached through my office.

I wish you a Happy Easter, and a fruitful trip.



W. Michael Blumenthal



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

Administrator

March 24, 1978

MEMORANDUM FOR THE PRESIDENT

THUR: Rick Hutcheson

SUBJECT: Weekly Report of GSA Activities

Injunction Denied

On March 20, 1978, U.S. District Judge Louis F. Oberdorfer denied granting an injunction prohibiting the move of Department of Defense employees from the Forrestal Building to the leased facility at 1900 Half Street, SW, Washington, DC (Buzzards Point). As a result of Judge Oberdorfer's decision, the move of the Army Surgeon General is scheduled for the weekend of April 1, 1978.

Federal Supply Service Small Business Performance vs. Goals

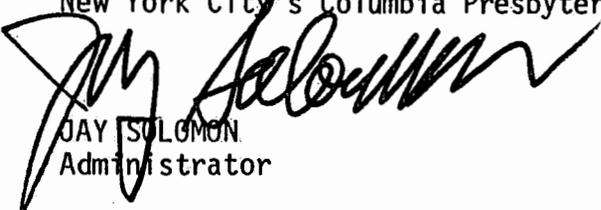
In February 1978 the Federal Supply Service placed contracts nationwide which resulted in total prime procurement of \$89.9 million. Small business received \$48.3 million or 53.7% of this total amount. The Federal Supply Service goal for FY 78 is 47%.

Possible New York Transit Strike

We are prepared to work with the Department of Defense in preparing for alternate means of transportation for Federal employees in essential jobs in New York City in the event of a possible transit strike on June 1, 1978.

New Member of National Health Resources Advisory Committee Sworn In

Today I presided over the swearing in of Dr. Francis L'Esperance as the newest member of the National Health Resources Advisory Committee. Dr. L'Esperance is an associate professor of clinical ophthalmology at New York City's Columbia Presbyterian Medical Center.


JAY SOLOMON
Administrator



VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420

March 24, 1978

•TO : The President
THRU: Rick Hutcheson, Staff Secretary
FROM: Administrator of Veterans Affairs

VA Presidential Update

"Unprecedented Pressures" - The Proxmire Senate Appropriations Subcommittee reports it is receiving "unprecedented pressures and correspondence" in regard to two F. Y. 1979 budget items. The items are VA plans to close more than 3,000 hospital beds, and cancellation of the planned new hospital at Camden, N. J.

Pension Reform - The HVAC reported out H. R. 10173 on 3/13/78. The measure included an amendment paying a special "housebound" rate to veterans at age 80 (at a first year cost of \$55.4 million.) It will be at least 5/15/78 before the bill is taken up on the floor. The amendment is seen as a possible alternative for the 200 co-sponsors of H. R. 9000, a general service pension bill with an astronomical price tag. The SVAC is expected momentarily to report out its own pension reform bill (S. 2384.)

Supreme Court Decision - On 3/20/78, the Supreme Court upheld two rules used to curb abuse in the G. I. Bill education program. Overturning a lower court ruling that the rules were unconstitutional, the Supreme Court opinion said experience has shown a need for legislation to prevent the benefit from being used for education of little value. This important ruling permits VA to continue withholding approval of courses where veteran enrollment already exceeds 85%, and of courses not in operation for at least 2 years. It will also assure favorable disposal of suits on the same issues now pending in other jurisdictions.

Budget Increase of \$2.1 Billion - This addition to VA's F. Y. 1979 budget was requested by the SVAC in a letter to the Senate Budget Committee. In the letter, Chairman Alan Cranston said, "the Administration's budget request for the VA medical system is, in the Committee's strongly held view, far too stringent." The letter requested \$18.3 million more for medical research, and a \$203 million increase in other medical programs, and said the latter boost would prevent reduction of 2,532 hospital beds and add 4,485 medical employees. The bulk of the \$2.1 billion would be for increases in the education, compensation and pension reform areas.

Community WASHINGTON, D.C. 20506
Services Administration



2

MEMORANDUM TO THE PRESIDENT March 24, 1978

Attention: Rick Hutcheson, Staff Secretary

FROM: Grace Olivarez *GO*
Director

SUBJECT: Weekly Report of Significant Agency Activities
(March 20 - 24)

New Program to Assist Farmworkers

The Community Services Administration has held 3 days of intensive discussions with Caesar Chavez regarding current farmworker socio-economic conditions. These sessions have resulted in a proposal for a program of coordinated activities including credit union strengthening, language skills development, vocational and community service training, resource center improvement and implementation of a rural communications network.

Emergency Energy Assistance Program Guidelines

On March 8, 1978 the guidelines for the Emergency Energy Assistance Program appeared in the Federal Register as a final rule to become effective immediately. Eligible grantees were then issued grants amounting to 25% of what they were eligible to receive from last year's Special Crisis Intervention Program. To date, 21 states have been declared as Energy Emergency Areas by the Director of CSA and are now authorized to expend funds under this program.

Interagency Agreement with Office of Minority Business Enterprise

Pursuant to an interagency agreement CSA's Office of Economic Development is transferring a \$50,000 grant for technical assistance to the Office of Minority Business Enterprise(OMBE). The OMBE and the State of California are cooperating in the development of an industrial park in Calexico, a border town with a 20 percent unemployment rate. The program will enable the Calexico Community to acquire the necessary business and technical assistance for the development and packaging of construction projects within the park.

Appropriations Hearing

On Monday, March 13, the Senate Labor-HEW Appropriations Subcommittee held a hearing concerning the Department of Labor and related agencies. The subcommittee heard a significant amount of testimony from public witnesses. Several local program directors argued that weatherization is a poverty program as well as an energy program. They suggested that federal energy programs for the poor be centralized within CSA.

State Economic Opportunity Offices (SEOs) were also discussed during the course of the hearing. Senator Thomas Eagleton noted that the states should pay a larger share of the costs of the SEOs, as recommended by the Administration.

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

March 24, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren *(Hacker)*
Gus Speth

SUBJECT: CEQ Weekly Status Report

Western States: Over the weekend I visited Arizona, California and Nevada. Bracketed by keynote speeches to the National Conference on Coastal Zone Management in San Francisco and to the North American Wildlife Annual Conference were visits with Governors Brown (in Sacramento) and O'Callaghan (in Carson City), San Francisco Mayor George Moscone, Assembly Speaker Leo McCarthy, key legislators, among whom are several Congressional candidates, and major press representatives. Moscone and McCarthy urged me to assure you of their support and desire to be of assistance.

Lake Tahoe: The principal purpose of my discussions with the governors and legislators was to explore the possibilities of resolving major and environmentally vital differences between California and Nevada over management of Lake Tahoe and its basin. I believe it is now probable to achieve an accord based on a program which is acceptable to California officials, including the governor and key legislative and Congressional leaders, and to all Nevada officials save the Congressional delegation which is now being contacted by Governor O'Callaghan. If all goes well, the next step will be to bring state officials together to negotiate the precise terms of an agreement, the general terms of which have been already identified as acceptable.

Redwood National Park: Your support of recently passed legislation to insure the integrity of the park has been widely applauded. We strongly recommend a signing ceremony. It would be welcomed by Senator Cranston, Congressman Philip Burton and your supporters in California.



U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

C

OFFICE OF THE ADMINISTRATOR

March 24, 1978

MEMORANDUM FOR

THE PRESIDENT
THE WHITE HOUSE

SMALL BUSINESS DATA BASE: SBA is in the process of developing an economic data base which will provide an expanded source of information for analysis and policy formulation on small business. Other research activities being conducted by the Agency include a capital formation study designed to determine the amount of money invested annually in small business, how the capital is used, and sources which supply the capital. SBA is also undertaking a study on comparative fuel costs of manufacturing firms.

SMALL BUSINESS INVESTMENT COMPANIES/FILM PRODUCTION: Six companies have been selected to participate in a pilot program to license small business investment companies (SBICs) which will specialize in financing small firms engaged in film production and distribution.

PROCUREMENT AUTOMATED SOURCE SYSTEM (PASS): The Agency has recently awarded a contract for the development of the Procurement Automated Source System, a centralized computerized listing of 150,000 small firms interested in securing Government contracts.

SECONDARY MARKET PROGRAM: In the near future, SBA will begin improvement of the Secondary Market Program to make it easier for participating lenders to sell the guaranteed interest in loans for liquidity purposes. SBA proposes to establish a central transfer and paying agent to receive funds from lenders and disburse to investors, and to issue freely transferable certificates of ownership.

FINANCIAL ASSISTANCE: In Fiscal Year 1977, SBA approved a total of 31,712 business loans for \$2.8 billion -- a 22 percent increase over the previous year in number of loans approved, and a 52 percent increase in dollar amount. Financing approved for regular Small Business Investment Companies in FY 1977 amounted to \$85.49 million -- a 268 percent increase over FY 1976. Financing approved for Minority Enterprise Small Business Investment Companies amounted to \$19.05 million -- an increase of 119 percent over the previous year.

A. Vernon Weaver
Administrator



Electrostatic Copy Made
for Preservation Purposes



United States
Environmental Protection Agency
Washington, D.C. 20460
March 24, 1978

C

The Administrator

MEMORANDUM TO THE PRESIDENT

FROM: DOUGLAS M. COSTLE

This week there were no actions of sufficient
significance to call to your attention.

DMC

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

March 24, 1978

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss

Subject: Weekly Summary

I had mentioned to you last week that my Deputy, Alan Wolff, was heading over to Europe for talks on grains, steel and the MTN. Alan and USDA Assistant Secretary Dale Hathaway had a good discussion with the European Community agricultural people on the problems we both see in the grains area--from their point of view obtaining price stability; from our point of view expanding our export markets. But we are still short on solutions.

On steel, we proposed that there be a standing international committee to discuss problems in steel trade, investment and adjustment. European Community Commissioner Davignon was quite receptive to the idea and I will be seeing him later this month for follow-up. I am sending a team to Tokyo next week to discuss this issue with the Japanese. This approach is something that our steel industry very much wants in order to curb future unfair trade practices.

On implementation of our Joint Statement with the Japanese, while there was progress from the joint buying mission that Frank Weil managed, a group of our beef exporters visiting Tokyo last week ran into a stone wall on implementation of the Japanese commitment to import 10,000 tons of high quality beef. I think that the Japanese will

fulfill the commitment eventually but it will be like pulling teeth to get this accomplished. The Japanese are also short on their offer to cut tariffs in the trade negotiations, we will try to get them to improve it. I feel that they should be taking every concrete step they can to offset their soaring balance of payments surplus figures which appear in our newspapers monthly.

CB radios: If you have any difficulty with the recommendation in which Stu and I join, I would like to talk with you for a few minutes before you leave on your trip.



Department of Justice

FOR IMMEDIATE RELEASE
FRIDAY, MARCH 24, 1978

AG
202-739-2017

Attorney General Griffin B. Bell today approved a medical furlough to permit John N. Mitchell to undergo hip surgery.

The 30-day furlough will begin on Monday, March 27. He is scheduled to enter a New York City hospital on April 7, with surgery planned for April 10.

Mr. Mitchell has been serving a one to four year sentence at the Federal Prison Camp at Maxwell Air Force Base, Alabama, for Watergate-related offenses.

He originally was granted a furlough last December 28 for the hip surgery. However, that operation was postponed when his physicians announced discovery of an aorta condition that required surgery first.

Furlough extensions were granted for convalescence and to permit him to testify before a Congressional committee and be interviewed by Department of Justice attorneys. The most recent extension expires on March 27.

Inmates requiring major treatment normally go to the Medical Center for Federal Prisoners at Springfield, Missouri. However, the Bureau of Prisons had earlier determined that such a transfer for Mr. Mitchell would be inadvisable because of security considerations. The Center has surgical, medical, and psychiatric patients.

(MORE)

A letter from Mr. Mitchell's physician discussing the hip surgery is attached. Please note that the date of "May 14, 1978" in the first line of the letter should be "March 14, 1978."

#

CHARLES A. HUFNAGEL, M. D.
PETER W. CONRAD, M. D.
MARIO N. GOMES, M. D.

CARDIOVASCULAR AND THORACIC SURGERY

GEORGETOWN UNIVERSITY HOSPITAL
3800 RESERVOIR ROAD, N. W.
WASHINGTON, D. C. 20007
625-7111

March 21, 1978

Robert Bruteche, M. D.
Medical Director of the Federal Bureau of Prisons
320 First Street, N.W.
Washington, D.C. 20537

RE: Mr. John Newton MITCHELL

Dear Doctor Bruteche:

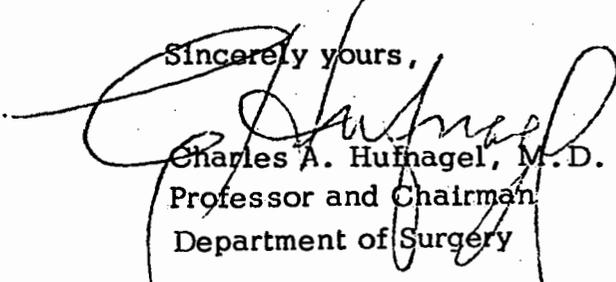
With further reference to my letter of May 14, 1978, this is to advise that I consulted today with Doctor Frank E. Stinchfield, of Columbia Presbyterian Hospital in New York, who is to perform the operation for replacement of Mr. Mitchell's hip, and we have decided that he is to be admitted on Friday, April 7, 1978, with operation planned for Monday, April 10, 1978. The selection of the date reflects a balance between the need to correct the degenerative condition of the hip at the earliest possible time, and the need for an adequate recovery from Mr. Mitchell's earlier surgery before undergoing another major operation.

In the latter connection I must report that the slow recovery rate described in my January 14, 1978 letter has continued to be slow and that his tendency toward weakness and fatigue is as pronounced as before, and perhaps moreso.

The surgical procedure on January 24, 1978, was particularly difficult because the aneurysm was unusually large and was densely adherent to the surrounding organs. In turn, the procedure to replace the hip is a serious operation under any conditions; it will be all the more so for a man of Mr. Mitchell's age who has undergone other major surgery so recently.

From my standpoint I wish to examine Mr. Mitchell at least one to two times to regulate his program before the new surgery is undertaken. Meanwhile, under these unusual conditions, anything less than optimum opportunity for rest and recovery can only increase the degree of risk. Accordingly, I strongly support the request that Mr. Mitchell not be return to the prison environment between now and the forthcoming surgery.

Sincerely yours,


Charles A. Hufnagel, M.D.
Professor and Chairman
Department of Surgery

CAH/taa

DOJ-1978-03

TRANSPORTATION

news digest

DEPARTMENT OF TRANSPORTATION/Office of Public Affairs



Washington Post, March 26

MONDAY, MARCH 27, 1978

Energy Crisis Seen Changing Auto Habits

By Douglas B. Feaver

Washington Post Staff Writer

Two out of every five Americans expect within the next few years that they will have to change the transportation method they use because of the energy crisis, according to a nationwide survey.

If changes are necessary, Americans want to exercise options ranging from more carpooling to better public transit rather than being forced to gasoline rationing, higher gasoline taxes or restrictive downtown parking policies, the survey says.

The survey, by Hart Research Associates, was released by Transportation Secretary Brock Adams Friday. Its release coincides with a major legislative debate between the administration and the House Public Works Committee on how much money will be available for future highway and transit programs.

Peter Hart, who supervised the \$54,000 survey, called it the first comprehensive look at American attitudes on transportation in a decade. Among the things learned:

- Three out of five Americans

think that there are enough interstate highways. Two-thirds of those surveyed think there are enough major and minor roads generally.

- More than half of those questioned (54 percent) think there should be more buses and almost half (46 percent) think more money should be spent to buy them.

- One American in five favors more commuter rail or subway systems, and the same number thinks more should be spent on such systems.

- Amtrak is supported by more than half of those surveyed, even though only 11 percent of those questioned had ridden a train within the past five years.

Hart said the survey showed that "the people who are going to change (their transportation habits) are under 35. People over 50 have determined their lifestyles and transportation. You will not see them on public transportation or in car pools."

Indeed, half of those between 25 and 34 years of age said they "expect change" in their personal transporta-

tion within a few years, but more than half of those between 50 and 64 said they expected no changes.

If changes are necessary, the most favored option (53 percent) was strict enforcement of the 55-mile-per hour speed limit. The least favored (51 percent) was gasoline rationing.

Adams expressed surprise at the relative acceptance of buses and car-pools as transportation options, especially since the survey was nationwide in scope and did not focus on transit-heavy urban areas.

According to a departmental analysis of Hart's findings, "fringe parking linked with buses or rail lines, special bus lanes and door-to-door bus service all were favored."

Adams said the survey, compiled from 1,538 interviews in December, was part of the basis for his legislative proposal for highways and mass transportation.

The proposal includes a deadline for the states to decide whether to complete their interstate highway systems and purports to remove the fi-

ancial advantage highway programs have over other transportation programs. That advantage comes because interstate projects receive 90 percent federal assistance while transit programs receive 80 percent.

Regardless of where the money goes, however, there is little of it, according to critics of the legislative package. The American Public Transit Association, which represents the nation's metropolitan bus and rail systems, has labeled the bill "retrogressive."

Rep. James J. Howard (D-N.J.) recently completed hearings on the administration proposal in his Public Works subcommittee on surface transportation. A draft subcommittee bill, which will be debated after the Easter recess, includes a total of \$20 million more over a four-year period than does the administration bill. It also has about \$1 billion more per year for public transportation.



News Relations Office, P.O. Box 1919
Detroit, Michigan 48231, (area code 313) 956-2894

March 16, 1978

Statement by Chrysler Corporation concerning 1980 and
1981 Light-Duty Truck Fuel Economy Standards

The 1980 truck fuel economy standards announced by DOT are considerably more realistic than those originally proposed. The 1981 standards demand an increase in fuel economy beyond our current technical capability. However, we have every intention of meeting the standards in both years.

As a result of the modification of the original proposals, it is now possible to take action to reinstate our program of converting the Jefferson Assembly Plant to the production of light duty trucks, beginning in the fall of 1978.

The workers of Michigan and other truck producing states owe a special thanks to the many civic organizations, members of Congress and other elected officials who worked to protect the jobs of automobile workers which had been threatened by the original proposals. These include the NAACP, New Detroit, the UAW, the Detroit Urban League, and the City of Detroit led by Mayor Young.

It's Getting Bigger All the Time

During his presidential campaign, Jimmy Carter railed against Big Government and what he cited as "the horrible, bloated bureaucracy" in Washington. Indeed, that was the philosophical theme of an anti-Washington campaign that carried him to the White House. With evangelical thunder, Carter declared he would slash some 1,900 federal agencies down to 300. After all, hadn't he worked a similar miracle in Georgia?

Carter, incidentally, was not the first national figure to deplore the bureaucratic colossus in Washington. Richard M. Nixon referred to it as a "faceless machine." And Gerald R. Ford often cautioned, "A government big enough to give you everything you want is a government big enough to take from you everything you have."

Carter, however, was the first to seem to really mean it and to persist in his pledge to trim government rolls. "Small is beautiful," he declared in his inaugural address. He repeatedly declared his intention to get government off the backs of the people, to cut bureaucratic red tape and to simplify federal regulations.

Yet, the number of federal civilian employees is growing. The latest figures compiled by the Civil Service Commission show that in November there were 2,842,481 civilian government workers, compared with 2,824,005 when Carter assumed office in January 1977. Even if one considers the most meaningful yardstick to be full-time permanent employment in the executive branch, there was an increase over the same 11 months from 2,439,241 to 2,442,977.

Manpower statistics for the 11 Cabinet departments in existence when Carter became President have remained fairly constant, with six reporting marginal gains and five, slight losses. But the Department of Energy, established last year under a Carter Administration reorganization, lists a whopping 19,630 employees, many but not all of whom came from disbanded agencies. That makes the infant Energy Department larger than the Housing and Urban Development or Labor Departments, each of which has fewer than 18,000 workers.

Perhaps the biggest surprise in view of Carter's exhortations about regulatory reform is that all of the major regulatory agencies have registered personnel increases. While most of the individual gains are relatively small, the fact that they have taken place at all seems inexplicable considering Carter's declaration of war against burdensome regulatory procedures. Apparently, it is a war he is losing.

Regulatory agencies showing a rise in employee levels are the Civil Aeronautics Board, the Federal Communications Commission, the Federal Maritime Commission, the Federal Trade Commission, the Interstate Commerce Commission, the Nuclear Regulatory Commission and the Securities and Exchange Commission.

Among other agencies posting marked personnel increases in Carter's first year are the Civil Service Commission, 8,545 to 8,844; the Environmental Protection Agency, 11,694 to 12,185; the National Labor Relations Board, 2,742 to 2,905; the

National Science Foundation, 1,335 to 1,550; the Small Business Administration, 4,722 to 5,520; the Tennessee Valley Authority, 33,346 to 39,954; and the Veterans Administration, 222,455 to 226,626.

As set out in the Administration's reorganization plan in July, the Executive Office of the President (EOP), which includes those agencies that serve Carter directly, was to be reduced from 1,712 to 1,459 staff positions. Civil Service Commission figures, however, show that there are still 1,682 EOP employees, which is far above the targeted reduction. Furthermore, if the 160 or so detailees normally assigned to the EOP are included, it means an increase in EOP rolls since the beginning of the Carter Administration.

This upward trend in the government work force was made against a background of numerous proclamations of intent to achieve a cutback.

During a fireside chat to the country on Feb. 2, 1977, Carter said, "Soon, I will put a ceiling on the number of people employed by the federal government agencies, so we can bring the growth of government under control." He followed this up in March with an order that no more than 75 per cent of civilian job vacancies should be filled in the federal bureaucracy. On June 29, Bert Lance, then director of the Office of Management and Budget, told reporters that government rolls would be diminished by normal attrition—about 10 per cent a year.

Then, on July 15, Carter reported, "My goal is that at the end of the following fiscal year, on October 1st of 1978, that we would have no more employees in the federal government than we had in October of 1976."

That was generally interpreted as another presidential pledge to constrict Big Government. However, federal civilian employment in October 1976 was set at 2,835,571—11,566 more than when Carter took office. Thus, in effect, Carter was saying he planned to increase the size of the government.

Even though the Administration has eliminated more than 300 of 1,150 advisory boards and commissions, the number of statutory independent agencies has remained about the same. Thus, while the National Center for Productivity and Quality of Working Life and the National Commission on Supplies and Shortages have been discontinued, the National Commission on the Observance of International Women's Year and the President's Commission on Mental Health have been established.

Acknowledging the upswing in federal employment in Carter's fiscal 1979 budget, Administration analysts said the increases were necessary to implement new programs and to respond to the needs of a growing population. That has been the traditional explanation for a burgeoning bureaucracy since the dawn of the republic.

Federal raises, meanwhile, are expected to boost the government's civilian payroll to \$53.8 billion for fiscal 1979, a projected increase of \$12 billion over 1977.

Hence, Carter is discovering that Big Government is not only difficult to check but is expensive, as well. □

Nominee for Marston's Post

Peter Francis Vaira

By NICHOLAS M. HORROCK

Special to The New York Times

WASHINGTON, March 23—For nearly two months, Attorney General Griffin B. Bell has been gingerly trying to find a United States Attorney for Philadelphia who would not provoke another political donnybrook. Today, after several days of speculation in the press, Mr. Bell announced that he would nominate Peter Francis Vaira, an expert on organized crime prosecution and a 10-year veteran of the Department of Justice, to replace David W. Marston.

When Mr. Marston was dismissed last January, he maintained that it was because he was investigating Democrats.

Although Mr. Vaira is described as an "unaffiliated" Democrat, his selection was clearly made to try to surmount the suggestion of partisanship. He is known in the department as a professional government prosecutor with little interest in politics and a record of unbiased investigations that, on several occasions, have involved Democrats.

"We are fortunate to have an experienced litigating attorney who has a successful record for convictions in the area of public corruption and organized crime in the mold of Mr. Vaira," Mr. Bell said in a statement issued today, adding, "It is also gratifying to promote a career Justice Department employee to the position of U.S. Attorney."

'I Don't Owe Anybody'

Mr. Vaira, who heads the organized crime strike force in Chicago, told reporters: "I'm not in the political arena. I got picked for this, I understand, on the basis of my record. I don't know anyone political. I don't owe anybody anything."

For Mr. Bell, the Philadelphia situation has been for both a ticklish political problem and a complex and sensitive law enforcement challenge. After Mr. Marston's removal, Republican members of the Senate Judiciary Committee used the confirmation hearings of Benjamin R. Civiletti as Deputy Attorney General to attack Mr. Bell and Mr. Marston's removal.

Mr. Bell has been searching for a United States Attorney who would be

charges of misuse of public office through mail fraud. Although the case was overturned on appeal, it is regarded as a model for using the mail fraud statutes in corruption matters.

Mr. Vaira has directed investigations of bribery in connection with sewer contracts in East Chicago, Ind., and the strike force won convictions of several city officials.

In Chicago, Mr. Vaira's strike force set up the first "sting" operation in which Government undercover men bought stolen goods to lure professional burglars and other criminals into a police net.

Mr. Vaira rather wistfully told an associate recently that his "sting" would have been bigger and earlier than the one in Washington if it had got the same publicity.

'Talking in Shorthand'

Mr. Vaira, who is slim and careful in his dress, is known in the department for a good sense of humor and a quick mind. "You can go over the most complex case with him and he grasps the key points immediately; it's like talking in shorthand," an associate said.

Mr. Vaira was born in McKeesport, Pa., an industrial city 10 miles southeast of Pittsburgh, and his family still lives near Pittsburgh. After completing his undergraduate and legal training at Duquesne University, Mr. Vaira



United Press International

"I don't owe anybody anything"

served in the judge advocate section of the Navy from 1963 through 1967. He is a bachelor.

Asked how he would deal with the politically charged recent history of his new job in Philadelphia, Mr. Vaira reached into his Navy background to indicate that he would start with a new slate. "Whatever happened didn't happen on my watch," he said.

00 employees from guild protection, and to remove its publishing concept, and to remove publisher deems to be incompatible with o dismiss anyone in the guild who The Post Mr. Tisdell charged, "seeks welfare funds." security, place in jeopardy pension and

SSHIX

USDI Personnel Assigned* Abroad as of 3/14/78

<u>Bureau</u>	<u>No. of people</u>	<u>Country</u>	<u>Funding Source</u>
NPS	1	France (UNESCO/ICOMOS)	NPS
	1	Saudi Arabia	Host Country
LBR	3	Saudi Arabia	Host Country
	3	United Arab Emirates	" "
	3	Zaire	" " through Exim Bank Loan
	4	Nicaragua	Host Country
	2	Malaysia	" "
	1	Switzerland	LBR
FWS	1	Switzerland	FWS
LLM	3	Saudi Arabia	Host Country
OWRT	2	Saudi Arabia	Host Country
	2	Israel	AID
EGS	32	Saudi Arabia	Host Country
	1	Jordan	" "
	1	Thailand	UN
Total	60		

*On resident assignments; excludes TDY assignments.

VETERANS ADMINISTRATION
Office of the Administrator of Veterans Affairs
Washington, D. C. 20420

MARCH 24 1978

TO : The President
THRU: Rick Hutcheson, Staff Secretary
FROM: Administrator of Veterans Affairs

VA Presidential Update

"Unprecedented Pressures" - The Proxmire Senate Appropriations Subcommittee reports it is receiving "unprecedented pressures and correspondence" in regard to two F. Y. 1979 budget items. The items are VA plans to close more than 3,000 hospital beds, and cancellation of the planned new hospital at Camden, N. J.

Pension Reform - The HVAC reported out H. R. 10173 on 3/13/78. The measure included an amendment paying a special "housebound" rate to veterans at age 80 (at a first year cost of \$55.4 million.) It will be at least 5/15/78 before the bill is taken up on the floor. The amendment is seen as a possible alternative for the 200 co-sponsors of H. R. 9000, a general service pension bill with an astronomical price tag. The SVAC is expected momentarily to report out its own pension reform bill (S. 2384.)

Supreme Court Decision - On 3/20/78, the Supreme Court upheld two rules used to curb abuse in the G. I. Bill education program. Overturning a lower court ruling that the rules were unconstitutional, the Supreme Court opinion said experience has shown a need for legislation to prevent the benefit from being used for education of little value. This important ruling permits VA to continue withholding approval of courses where veteran enrollment already exceeds 85%, and of courses not in operation for at least 2 years. It will also assure favorable disposal of suits on the same issues now pending in other jurisdictions.

Budget Increase of \$2.1 Billion - This addition to VA's F. Y. 1979 budget was requested by the SVAC in a letter to the Senate Budget Committee. In the letter, Chairman Alan Cranston said, "the Administration's budget request for the VA medical system is, in the Committee's strongly held view, far too stringent." The letter requested \$18.3 million more for medical research, and a \$203 million increase in other medical programs, and said the latter boost would prevent reduction of 2,532 hospital beds and add 4,485 medical employees. The bulk of the \$2.1 billion would be for increases in the education, compensation and pension reform areas.

The Department of State

OUT



News Release

April 14, 1977
Washington, D.C.

Bureau of Public Affairs
Office of Media Services

THE UNITED STATES AND LATIN AMERICA

President Carter before the Permanent Council of the Organization of American States [OAS].

Mr. Chairman, Members of the Permanent Council, Mr. Secretary General [Alejandro Orfila of Argentina], Permanent Observers of the OAS, Chiefs of the Specialized Organizations and Agencies, and distinguished guests:

Hace tres años, tuve el honor y placer de hablar ante de la Asamblea General de la OEA celebrada en mi estado de Georgia. Igual que en Atlanta, hoy seguiré el consejo de mis compañeros, que opinan—para el beneficio de buenas relaciones—sería mejor que yo no hablar en español hoy.

[Translation: Three years ago I had the honor and pleasure of speaking before the General Assembly of the OAS held in my State of Georgia. As I did then in Atlanta, I will today follow the advice of my friends, who think that—in the interest of good relations—it would be better for me not to speak in Spanish today.]

Since I can also speak English, I'll shift to that language.

That day in Atlanta, three years ago, I shared with you some of the thoughts that my wife and I had brought back from our visits to several of the American states. I spoke particularly for the need for constant cooperation, consultation, and harmony among the nations of this hemisphere. I believe that just as strongly today as President of the United States as I did three years ago as Governor of Georgia.

I am delighted to be with you in this beautiful House of the Americas. For nearly three decades the OAS has stood for mutual respect among sovereign nations for peace and the rule of law in this hemisphere. The OAS Charter pledges us to individual liberty and social justice. I come here now to restate our own commitment to those goals.

The challenge before us today, however, is

not just to reaffirm those principles but to find ways to make them a reality. To do this we must take account of the changes in our relationships that have taken place over the last 10 years, and we must candidly acknowledge the differences that exist among us. We must adapt our current policies and institutions to those changes so that we can pursue our goals more effectively.

As nations of the "New World," we once believed that we could prosper in isolation from the "Old World." But since the Second World War, in particular, all of us have taken such vital roles in the world community that isolation would now be harmful to our own best interests and to other countries. Our joining in the International Monetary Fund, the World Bank, and the General Agreement on Trade and Tariffs are all signs that we understand this. So is the United Nations Conference on Trade and Development which Raul Prebisch of Argentina made into an important forum of the developing world. Venezuela is now cochairing the Paris Conference on International Economic Cooperation. The United Nations Economic Commission for Latin America is the source of many creative ideas on development throughout the world. The leaders of many Latin American nations have been the driving force behind the improving North-South negotiations. In all these ways the nations of Latin America were among the first in our changing world to see the importance of adapting global institutions to the new realities of our day.

The problems and the promises of our region have become as diverse as the world itself. The economies of most Latin American nations have been developing rapidly, although, of course, at different rates. Some have an impressive rate of growth. Some—a few—are among the poorest in the developing world. Some have abundant energy resources; others are desperately short of energy. Some of our countries export primary products

only. Some have become major exporters of advanced manufacturing goods while others export little at all. Your problems of market access, technology transfer, and debt management sometimes defy regional solutions.

In addition to economic diversity, we have all developed widely varied forms and philosophies of government. This diversity has brought national pride and national strength, and as you have played more independent and important roles in world politics, we have all begun to construct more normal and more balanced and more equal relationships.

In the light of these changes, a single United States policy toward Latin America and the Caribbean makes little sense. What we need is a wider and a more flexible approach, worked out in close consultation with you. Together we will develop policies more suited to each nation's variety and potential. In this process I will be particularly concerned that we not seek to divide the nations of Latin America one from another or to set Latin America apart from the rest of the world. Our own goal is to address problems in a way which will lead to productive solutions—globally, regionally, and bilaterally.

Our new approach will be based on three basic elements.

First of all is a high regard for the individuality and the sovereignty of each Latin American and Caribbean nation. We will not act abroad in ways that we would not tolerate at home, in our own country.

Second is our respect for human rights, a respect which is also so much a part of your own tradition. Our values and yours require us to combat abuses of individual freedom, including those caused by political, social, and economic injustice. Our own concern for these values will naturally influence our relations with the countries of this hemisphere and throughout the world. You will find this country—the United States of America—eager to stand beside those nations which respect human rights and which promote democratic ideals.

Third is our desire to press forward on the great issues which affect the relations between the developed and the developing nations. Your economic problems are also global in character and cannot be dealt with solely on regional terms.

However, some of our own global policies are of particular interest to other American states.

When major decisions are made in these areas, we will consult with you.

- The United States will take a positive and an open attitude toward the negotiation of agreements to stabilize commodity prices, including the establishment of common funding arrangements for financing buffer stocks where they are a part of individual and negotiated agreements.

- We will actively pursue the multilateral trade negotiations with your Governments in Geneva, Switzerland. We are committed to minimize trade restrictions and to take into account the specific trade problems of developing countries and to provide special and more favorable treatment where feasible and appropriate. We believe that this is in our mutual interest and that it will create important new opportunities for Latin American trade.

- Our own science and technology can be useful to many of your countries. For instance we are ready to train your technicians to use more information gathered by our own satellites, so that you can make better judgments on management of your resources and your environment. Space communications technology can also be a creative tool in helping your national television systems to promote your educational and cultural objectives.

- I have asked Congress to meet in full our pledges to the Inter-American Development Bank and the other multilateral lending institutions which loan a high proportion of their capital to the relatively advanced developing countries of Latin America.

- And, finally, we are directing more and more of our bilateral economic assistance to the poorer countries. We are also prepared to explore with other nations new ways of being helpful on a wide range of institutional, human development, and technological approaches which might enable them to deal more effectively with the problems of the needy. All of us have a special responsibility to help the poorest countries in the world as well as the poorest people in each of our countries.

I would like to add a word about private investment. Your Governments are understandably interested in setting rules that will encourage private investors to play an important role in your development. We support your efforts and recognize that a new flexibility and adaptability are required today for foreign investment to be most useful in combining technology, capital manage-

ment, and market experience to meet your development needs. We will do our part in this field to avoid differences and misunderstandings between your Governments and ours.

One of the most significant political trends of our time is the relationship between the developing nations of the world and the industrialized countries. We benefit from your advice and counsel, and we count on you to contribute your constructive leadership and help guide us in this North-South dialogue.

We also hope to work with all nations to halt the spread of nuclear explosive capabilities. The states of Latin America took the initiative 10 years ago when you set up the first nuclear-free zone in any populated area of the world. The treaty of Tlatelolco is a model worthy of our own admiration. For our part the United States will sign, and I will ask the Senate to ratify, Protocol I of the treaty prohibiting the placement of nuclear weapons in Latin America. However, banning the spread of nuclear explosives does not require giving up the benefits of peaceful nuclear technology. We mean to work closely with all of you on new technologies to use the atom for peaceful purposes.

To slow the costly build-up of conventional arms, we are seeking global policies of restraint. We are showing restraint in our own policies around the world, and we will be talking to supplier nations and to prospective buyers about ways to work out a common approach. We also believe that regional agreements among producers and purchasers of arms can further such a global effort. I spent most of this morning working on a new United States policy to reduce the sale of conventional arms around the world. Again, you in Latin America have taken the lead. The pledge of eight South American nations to limit the acquisition of offensive arms in their region is a striking example. If the eight nations can implement their pledge, their own people will not be the only ones to benefit. They will have set a standard for others, throughout the world, to follow.

These are challenges that face us in the future. There are also problems that plague us from the past, and we must work together to solve them.

One that addresses itself to us is the Panama Canal. In the first days of my own Administration, just a few weeks ago, I directed a new approach to our negotiations with Panama on a new Canal treaty. In the light of the changes which I discussed before, the treaty of 1903, which defines our rela-

tionship with Panama on the Canal, is no longer appropriate or effective. I am firmly committed to negotiating in as timely a fashion as possible a new treaty which will take into account Panama's legitimate needs as a sovereign nation and our own interests and yours in the efficient operation of a neutral Canal, open on a nondiscriminatory basis to all users.

Another problem which we must in a way address together is that of Cuba. We believe the normal conduct of international affairs, and particularly the negotiation of differences, require communication with all countries in the world. To these ends we are seeking to determine whether relations with Cuba can be improved on a measured and reciprocal basis.

I am dedicated to freedom of movement between nations. I have removed restrictions on United States citizens who want to travel abroad. Today there are no restrictions imposed by country. Today I have also removed similar travel restrictions on resident aliens in the United States.

We seek to encourage international travel, and we must take greater account of problems that transcend national borders. Drugs and international crime, including terrorism, challenge traditional concepts of diplomacy. For the well-being of our people, we must cooperate on these issues. With each passing year they will occupy a more and more central place in our deliberations.

I have a longstanding interest in the OAS, and I very much want to see it play an increasingly constructive role.

The General Assembly of the OAS has been an important forum for the direct exchange of views among our Governments. Such ministerial consultations are extremely useful. They allow us to apply our own collective strength to political and economic problems.

The Inter-American Commission on Human Rights has performed valuable services. It deserves increased support from all our Governments. We believe deeply in the preservation and enhancement of human rights, and the United States will work toward coordinated and multilateral action in this field. The United States will sign, and I will seek Senate approval of, the American Convention on Human Rights negotiated several years ago in Costa Rica. And we will support, in cooperation with international agencies, broadened programs for aiding political refugees. I urge this organization and all its member states to take a more active

role in the care, protection, and the resettlement of political refugees.

The peacekeeping function is firmly embedded in the OAS Charter. I want to encourage the Secretary General of the OAS to continue his active and effective involvement in the search for peaceable solutions to several longstanding disputes in this hemisphere. The United States will support his efforts and initiatives.

The OAS, of course, is not the only instrument of cooperation among the nations of the Americas. The Inter-American Development Bank is among the most important multilateral mechanisms for promoting development of the world today. By bringing in nations outside the Western Hemisphere, the IDB bears testimony to Latin America's growing involvement with the rest of the world.

Within this hemisphere many of you are working toward regional and subregional integration efforts including those in the Caribbean, in the Central American Common Market, and the Andean Pact, and we favor such efforts. They are the first steps toward Bolívar's vision of a hemisphere that's united.

Let me conclude by bringing up a matter that is particularly close to me because of my long interest in inter-American affairs. My wife and I have traveled and made many friends in Mexico and Brazil, the two largest and most rapidly changing countries in Latin America. And we've traveled elsewhere and made many friends in Central and South America. My wife is presently studying Spanish, along with the wife of the Secretary of State, and I have tried to keep up with my own Spanish that I learned at school. I have seen clearly how greatly our country has been blessed and enriched by the people and cultures of the Caribbean and Latin America. And we are bound together—and I see it very clearly—in culture, history, and by common purposes and ideals.

The United States actually has the fourth largest Spanish-speaking population in the world. I

tried to meet many of them during my campaign the last two years, and they gave me their support and their encouragement and their advice. The novels we read, the music we hear, the sports that we play—all reflect a growing consciousness of each other.

These intellectual, social, cultural, and educational exchanges will continue either with or without government help. But there are steps that Governments can take to speed up and enhance this process. In the months ahead, therefore, we plan to explore with your Governments—individually and here in the OAS—new people-to-people programs, an increase in professional and scientific exchanges, and other ways of strengthening the ties that already link us.

The challenge we face is to awake our institutions to a changing world. We must focus our attention on the problems which face our countries and tailor each solution to its problem.

As you know I'm a new President. I've got a lot to learn. My heart and my interests to a major degree are in Latin America. I welcome every opportunity to strengthen the ties of friendship and a sense of common purpose and close consultation with the nations and the people of the Caribbean and Latin America. Many of you are leaders representing your own Governments. I ask for your advice and your counsel and your support as we face problems together in the future. This means a lot to our country, and it means a lot to us also to have intimate, bilateral, and direct relationships with you. We look on the OAS, headquartered thankfully here in Washington, as a channel through which we might learn more and receive advice and make plans for the future.

Simón Bolívar believed that we would reach our goals only with our people free and our Governments working in harmony. I hope that the steps that I have outlined today, and the commitments that I have made, will move us toward those goals of peace and freedom.

Thank you very much.

DEPARTMENT OF STATE, U.S.A.
WASHINGTON, D.C. 20520

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DEPARTMENT OF STATE
STA-501





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

March 31, 1978

The Administrator

MEMORANDUM TO THE PRESIDENT

FROM: DOUGLAS M. COSTLE

This week there were no actions of sufficient significance to call to your attention.

A handwritten signature in black ink, appearing to read "Douglas M. Costle".

THE WHITE HOUSE
WASHINGTON

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MEMORANDUM FOR THE PRESIDENT

FROM:

Jack Watson *Jack*

March 25, 1978

RE:

Summaries for the Week of
March 20 - 24, 1978

I am attaching the weekly summaries.

Attachments

CC: The Vice President