

**7/10/78 [1]**

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Robert Lipshutz to Pres. Carter, w/attachments 7 pp., re:Personal matter	7/10/78	C
Minutes	Cabinet Meeting Minutes, 11 pp.	7/10/78	A
Cabinet Summaries	<del>Andrew Young to Pres. Carter, 1 pg., re:UN activities</del> <i>opened per RAC NLC-126-13-16-1-9, 6/12/13</i>	7/6/78	A
Cabinet Summaries	<del>Andrew Young to Pres. Carter, 1 pg., re:UN activities</del> <i>opened per RAC NLC-126-13-16-1-9</i>	6/30/78	A
Cabinet Summaries	Harold Brown to Pres. Carter, w/attachments 3 pp., re:Defense Summary <i>Opened 2/2/13</i>	7/7/78	A

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THE WHITE HOUSE  
WASHINGTON

July 10, 1978

Zbig Brzezinski

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

Rick Hutcheson  
cc: The Vice President  
Hamilton Jordan

DEFENSE WEEKLY REPORT

~~SECRET ATTACHMENT~~

~~SECRET~~



THE SECRETARY OF DEFENSE  
WASHINGTON, D.C. 20301

C  
/

July 7, 1978

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Significant Actions, Secretary and Deputy Secretary of Defense  
(July 1-7, 1978)

Meeting With Jewish Leaders: Charles and I hosted what proved to be a useful and constructive meeting and luncheon yesterday for 11 prominent American Jewish leaders, covering the spectrum from Klutznick to Amitay. I set the stage by discussing the U.S./Soviet balance; NATO, with particular emphasis on lifting the Turkish arms embargo; and the Mid-East arms balance, underscoring to them that all of these were complex and interrelated issues. They were also provided a briefing on the Mid-East military strength balance. As expected, their questions dealt primarily with the maintenance of Israeli military strength. They sought reassurance of the Administration's commitment to provide Israel with whatever is needed to maintain regional military superiority. The tone of the meeting was friendly rather than rancorous. There was no inclination on their part to rehash the Mid-East arms package sale. But most of the group claimed to see an erosion of the commitment to Israel under this Administration.

DoD Studies: Next week we will release two of the three Department of Defense Organization Studies -- the National Military Command Structure study directed by Dick Steadman and the study on Defense Departmental Headquarters directed by Paul Ignatius. (The Resource Management study directed by Don Rice will be ready later this year.) The study directors will also hold briefings for the appropriate Congressional staffs. Jim McIntyre and his staff have already been briefed. The study directors did an excellent job; Charles and I will now carefully review their recommendations for appropriate implementation. I shall keep you informed as we proceed.

Asian Perceptions: Admiral Weisner, CINCPAC, in his most recent quarterly report to me indicates an improvement in Asian perceptions of U.S. resolve. He credits this improvement to Vice President Mondale's trip, my recent meetings with Japanese Defense Minister Kanemaru and other initiatives. Much of it belongs to CINCPAC himself, and the effective role he has played in explaining U.S. defense policy to Asian leaders. Successful Congressional action on the Korean transfer package will help improve the perception of Asian leaders regarding our determination to maintain our Pacific presence and to protect our interests.

Difficulties with the ROK, Japan, and Congress could occur if the very uncertain evidence of the existence of more North Korean forces than we now estimate is misrepresented as fact. Stan Turner and I will work to avoid such an outcome through careful briefings.

Classified by Sec Def  
EXEMPT FROM GENERAL DECLASSIFICATION SCHEDULE OF  
EXECUTIVE ORDER 11652, EXEMPTION CATEGORY 1  
DECLASSIFY ON 31Dec2008

DECLASSIFIED  
E.O. 12356, Sec. 3.4  
PER 7/1/92 DoD Hr RE MR-NLE-92-57  
BY Jay NARS, DATE 1/26/93

~~SECRET~~

1985

NATO "Family of Weapons": Bill Perry, my Under Secretary for Research and Engineering, returned recently from Brussels and Norway where he was trying to convert the "two-way street" rhetoric into concrete programs. He placed particular emphasis on the "family of weapons" concept. The European countries want to protect their economic interests by participating in R&D and production. The "family of weapons" concept will give them an opportunity to do that but will require them to specialize to take best advantage of their limited R&D budgets. Norway concurs with our proposals and will work to bring along the other smaller industrial nations (Denmark, Holland and Belgium). FRG is convinced of the logic and may bring along France and the UK, which typically have spread their R&D budget over all weapons categories resulting in systems uncompetitive with those developed in the U.S. If they will specialize, we will be able to buy their equipment without compromising quality. Therefore, we will be able to make the "two-way street" work without impairing NATO's military effectiveness. We will work this approach hard over the next six months in order to take advantage of the NATO Summit mandate.

Executive Appointments: I am told that Stan Resor's nomination to be the Under Secretary of Defense for Policy will be ready for your signature early next week. Stan will be a most welcome addition to the Department. Your staff is also working on the nomination package for Dr. Arnold Leff to be Assistant Secretary of Defense for Health Affairs. He will be directing our anti-drug abuse efforts under Charles' supervision.

Turkish Embargo: Next week will be key to prepare for the Senate vote now scheduled for the week of July 17. I have arranged for the senior officials of the Department to place calls to members of the Senate, and later the House. Our calls will include members in all categories -- for, against, and undecided.

Last week at the SASC hearing on this issue, Senator Hart asked me what we would do if we lost our bases in Greece through a change in government there. I said we had contingency plans for our operations in that case. Papandreu and some of the Greek press thereupon described this as evidence of a U.S. plan to overthrow such a new government. So far this hasn't spilled over into the U.S. press, which therefore can't be the most irresponsible in the world. ?

Law of the Sea Treaty: Elliott Richardson met with Charles Duncan, the Service Secretaries, and the Chiefs yesterday to outline major problems and prospects for achieving a treaty and ratification. There are important Defense issues involved and we believe the current draft accommodates them adequately. U.S. mining interests are concerned over current draft provisions for deep-sea mining and the possibility that further revision in treaty language deemed adverse to their interests could be necessary to secure agreement. Mr. Richardson stressed the importance of Defense support in the ratification effort.

Appointment Ceremony: Your participation last Friday in the appointment ceremony for Dave Jones, Tom Hayward and Lew Allen was most appreciated by all of us.

*Harold Brown*

THE WHITE HOUSE  
WASHINGTON  
July 10, 1978

Hamilton Jordan  
Tim Kraft  
Frank Moore  
Anne Wexler  
Joe Aragon  
Landon Butler  
Jim Gammill  
Dick Moe  
Jerry Rafshoon  
Phil Wise

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

Rick Hutcheson

DEMOCRATIC  
NATIONAL COMMITTEE

1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

John C. White  
Chairman

MEMORANDUM  
July 7, 1978

TO: PRESIDENT CARTER

THROUGH: RICK HUTCHESON

FROM: JOHN C. WHITE 

RE: WEEKLY STATUS REPORT ON DNC OPERATIONS

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CANDIDATE CONTACT AND ASSISTANCE

We are continuing to provide information and assistance to Democratic candidates.

We are monitoring all Congressional races targeting toward the November election.

I have also been in touch with party officials around the country to gather advice, direction and emphasis for the rest of the year and next year on Administration programs. Discontent is real, but they are vague about reasons and fall back on generalizations. I will submit a more detailed report after having completed my phone calls.

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MID-TERM CONFERENCE

We have started a mailing of questionnaires to DNC members, Democratic Senators, Congressmen and others to formulate a program and agenda for the National Party Conference (Mid-Term) in December.

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ISSUES TASK FORCE

The Issues Task Force is concentrating on tax issues. In particular we are planning anti-Steiger activities, such as mailings, anti-Steiger guest columns, radio call-ins and use of the Democratic Study Group for educating House members. We are also working on counter measures to respond to the GOP announcement on Kemp-Roth.

# DEMOCRATIC

NATIONAL COMMITTEE 1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

MEMORANDUM  
June 29, 1978

John C. White  
Chairman

①

TO: PRESIDENT CARTER  
THROUGH: RICK HUTCHESON  
FROM: JOHN C. WHITE *John C. White*  
RE: WEEKLY STATUS REPORT ON DNC OPERATIONS

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## VOTER REGISTRATION

Our next meeting on Voter Registration will be held on July 10th with high level labor leaders and other constituent groups. Chip will be assuming a high profile leadership role in this area and in meeting with Democratic leadership groups throughout the nation.

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## CANDIDATE CONTACT AND ASSISTANCE

We are continuing to provide information and assistance to Democratic candidates.

We are monitoring all Congressional races targeting toward the November election.

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## TEXAS TRIP

As I have reported, the feedback from our constituencies in Texas has been most favorable. The Texas press was especially positive.

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## MID-TERM CONFERENCE

The staff for the Mid-Term Conference spent three days in Memphis this week and report excellent progress with regard to the convention facility, housing and transportation.

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## NATIONAL PRESIDENTIAL DINNER

At a luncheon meeting with Tim Kraft, Chuck Manatt, and Evan Dobelle Thursday, we firmed up the National Presidential Dinner for September 27, 1978.

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## ISSUES TASK FORCE

The Issues Task Force and our political office are continuing to assist in areas of Civil Service Reform and Tax Reform, especially with regard to the Steiger and Kemp-Roth Amendments.

3529

THE WHITE HOUSE  
WASHINGTON

July 10, 1978

Stu Eizenstat

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

Rick Hutcheson

cc: Phil Wise  
Fran Voorde

NHI

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION -

ACTION  
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
✓	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
✓	VOORDE
	WARREN
✓	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

top  
new  
only

THE WHITE HOUSE  
WASHINGTON

*Stu - have this  
ready to release  
when I return from  
FRG - involve CEA,  
OMB - Refelson -  
You can call me  
in Germany if  
necessary  
JC*

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Hyler*  
JOE ONEK  
SUBJECT: NHI Directive and Principles

Attached is a draft directive and principles on NHI. HEW approves the draft. OMB and CEA's comments are attached. The other concerned agencies have reviewed the draft but have not fully agreed to it. We will continue to discuss the draft with them and will provide you with their comments and views when they are available. The agencies would appreciate the opportunity to consider the draft for a few more days.

1. The directive focuses on your concern with the effect of NHI on the economic and budgetary situation. It leaves you with the option of rejecting Secretary Califano's subsequent proposal as not adequately responsive to your concerns.
2. The principles reflect these economic and budgetary concerns. Principle 5 states that "When the plan is fully implemented, total public and private health spending should be no greater than the spending that would have occurred without NHI." Principle 6 states that new benefits will not be automatically phased in if the plan is unsuccessful in controlling health expenditures, or if economic and budgetary conditions at the time are unfavorable.

The wording of Principle 6 leaves open the possibility that you will describe your approach to achieving comprehensive national health insurance, but only legislate the first phase of a comprehensive plan now. In view of the economic and political situation, and in view of the need for "bargaining room" in our negotiations with labor, we believe there are advantages to leaving this option open, even though we might prefer to legislate the entire program now.

3. Organized labor will probably oppose any phasing scheme which is not automatic. Senator Kennedy may accept phasing with triggers, but he would not accept legislating only the first phase now. Organized labor will also oppose Principle 7, which leans in favor of patient cost-sharing.

We believe that, despite labor's opposition, you should include these principles because they are central to our anti-inflation posture. We may, however, wish to give labor leaders advance warning of these principles, since these officials believe that the principles will paper over our differences.

4. The directive and principles could be announced either immediately before or immediately after your trip to Bonn. We strongly recommend the later date so that the announcement can be smoothly handled. *sk*

5. We are assuming that you will simply release the directive and principles to the press or make a short statement from the briefing room. You may wish to expand on the themes in the directive and principles in your speech on preventive health, tentatively scheduled for the last week of July. *sk*



THE WHITE HOUSE

DRAFT

WASHINGTON

MEMORANDUM FOR: THE SECRETARY OF HEALTH  
EDUCATION AND WELFARE

SUBJECT: NHI DIRECTIVE AND PRINCIPLES

I have consistently expressed my support for the goal of a universal, comprehensive national health ~~[insurance]~~ plan which would provide all Americans with coverage for basic health services and with protection from catastrophic expenses, and which would contain skyrocketing health costs. 7

Such a plan would be the cornerstone of a broader national health policy designed to improve the health of Americans through efforts to reduce environmental and occupational hazards and encourage health-enhancing personal behavior, as well as through efforts to improve the effectiveness of our medical care system.

The current health care system has significant defects which must be remedied:

- The health care system is highly inflationary. Costs in the health care industry -- the nation's third largest industry -- are rising at an annual rate of 12%, with little improvement in the health of Americans. These spiralling costs cannot be successfully contained under current health delivery and financing methods, which encourage unnecessary hospitalization, over-reliance on highly expensive technology, and inadequate preventive care.
- At least 15 million Americans have no health insurance.
- Another 70 million Americans face, <sup>potential</sup> bankruptcy because they lack insurance protecting them against catastrophic medical expenses.

- Health resources are unevenly distributed across the country, resulting in significant medical underservice in many rural and inner city areas.

In pursuing the goal of comprehensive national health insurance, I also wish to take advantage of the strengths of the American health care system:

- American physicians and hospitals are among the finest in the world and deliver dedicated, high quality medical care.
- A growing number of Americans have private health insurance. American business increasingly is paying for health coverage for its employees.
- Various government programs have provided an opportunity for millions of elderly, poor, and geographically isolated Americans to obtain quality health care.

In past months you and other members of my Administration have been exploring the most effective means of fulfilling my commitment to a comprehensive national health [insurance] plan. You have considered a broad range of options. However, I have not been assured that the plans you have under consideration are consistent with our efforts to control inflation in the health care sector and the general economy. Before you recommend a national health [insurance] plan to me, you must analyze the issues of cost control and health system reform in greater depth. The American people would not accept, and I will not propose, any health care plan which is inflationary.

At the same time, our people should recognize that if we fail to act, health expenditures will continue to soar. In 1977, health expenditures were \$160 billion; they are expected to reach \$310 billion by 1983. This nation cannot afford the present health care system. A comprehensive national health insurance plan provides a critical opportunity to mount a national effort to bring the system under control.

U.S. -  
 70 GNP  
 growth →  
 referred  
 to Canada,  
 726)

I am directing you to develop for my approval a national health [insurance] plan for the American people. The plan must improve the health care system and combat inflation by controlling spiralling health care costs. To achieve these objectives, the plan must conform to the following principles:

1. The plan, when fully implemented, should assure that each American has comprehensive health [insurance coverage,] care, including protection against catastrophic medical expenses.

reword \*

2. The plan should extend to all Americans the high quality of care that is presently available to many. It should seek to eliminate the current "two-class" health system, in which the poor frequently receive substandard care.

3. ~~The plan should preserve the personal relationship between patients and their physicians.~~ Individuals should have freedom of choice in the selection of physicians, hospitals, and health delivery systems.

4. The plan must support our efforts to control inflation in the general economy. It must advance, not retard, our efforts to slow significantly the present, intolerable rise in health care spending. The plan should include aggressive cost containment measures [such as prospective payment methods and elimination of inflationary cost-plus payments.] and It should also strengthen competitive forces in the health care sector.

possible check language

5. When the plan is fully implemented, total public and private health spending should be no greater than the spending that would have occurred without national health insurance. Funds for the plan's comprehensive benefit package should be sought from the savings we realize by containing spending in the health care industry.

additional

6. The plan will involve no federal spending until FY 1983 [HEW prefers "1982 or 1983"], because of tight fiscal constraints and the need for careful planning and implementation. Thereafter, the plan's benefits should be phased in gradually. The initiation of new phases should take into account evaluations of the success in containing health expenditures, administrative feasibility and budgetary and economic conditions. The experience of other government programs, in which expenditures far exceeded initial projections, must not be repeated.

Stu - assess OEA/OMB language (Tier 1)

\* We can't promise everyone first class private hospital rooms, resort rest periods, private duty nurses, etc. Change to "adequate" or some equivalent descriptive word.

7. The plan shall be financed through <sup>several</sup> many sources -- including contributions from employers and employees, as well as government funding. It should take into account the other demands on government budgets, the existing tax burdens on the American people, and the ability of many consumers to share a moderate portion of the cost of their care.
8. The plan <sup>may</sup> should include a significant role for the private insurance industry.
9. The plan should provide resources and develop payment methods to encourage major reforms in delivering health care services, such as substantially increasing preventive services, attracting personnel to rural and urban areas that are badly underserved, and encouraging the use of full-service health centers or pre-paid health plans.
10. The plan should assure consumer representation throughout its operation.

To respond fully to my economic and budgetary concerns, you should develop alternative methods for phased implementation of comprehensive national health <sup>care</sup> [insurance]. You should consult fully with the Congress, state and local officials, the relevant interest groups, and consumer representatives, and report back to me as soon as possible.

← be more specific re data

Strengthen references to preventive,  
out patient care

SCHULTZE/MCINTYRE  
COMMENT

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

June 30, 1978

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *C.S.*  
Jim McIntyre *Jim*

Subject: Draft NHI Directive

In general, we endorse the NHI directive that Stu has prepared for you to send to Secretary Califano. However, we suggest several amendments to the directive:

First, on page 3 of the directive, we suggest that you insert a paragraph stating that you intend (a) to implement the plan in stages, and (b) to take into account before each stage is put into effect the lessons we can learn from the experience with previous phases of the plan. Our ability to predict today whether the successive elements of the NHI plan will effectively achieve our goals for the plan is imperfect. Therefore, we should evaluate the results of each phase carefully. We should then be prepared to make mid-course corrections in the plan to eliminate flaws in earlier steps, to reorganize priorities, or to address new problems that have emerged.

We would appear extremely imprudent to propose a plan to be phased-in over many years that did not include the flexibility to learn from experience with each phase of the plan. The following language, inserted before the paragraph that begins "I am directing you to develop for my approval an NHI plan for the American people" would convey these concerns:

"Finally, history teaches us that new social programs often develop in ways very different than their designers intended. In developing something as important to the nation as a long-range national health plan, we should learn from this history, and proceed in stages. We should seek to design procedures which allow us to apply to each subsequent stage the insights we have gained from evaluating the earlier ones."

Specific revisions of the principles are also required:

Principle 2. We are concerned that Principle 2 could be read as urging a very "rich" benefit package. All of the cost estimates presented by HEW, on the other hand, assume a relatively lean package of basic benefits. That package would exclude from the ultimate comprehensive system some services now available to Medicaid recipients in many states, such as long-term care, most mental health care, dental care and payments for out-patient drugs. We, therefore, suggest the following wording for Principle 2:

"The plan ultimately should extend to all Americans high quality medical care. It should seek to eliminate those aspects of the current system that cause the poor too often to receive substandard medical care."

Principle 3. The meaning of the phrase "personal relationship" in Principle 3 is not clear. It either means that patients should retain freedom of choice, in which case it is redundant with the following sentence, or it implies opposition to such arrangements as HMOs, which you implicitly endorse in Principle 9. We suggest that the first sentence of Principle 3 be dropped.

Principle 4. We believe that it is extremely important that we not foreclose any cost containment options at this time, or signal to the private sector that we are prepared to accept a massive new Federal regulatory role in the health care system. We believe that such massive Federal regulation should be accepted only as a last resort, if other measures prove infeasible. The final sentence of Principle 4, specifying that the plan should include prospective payment methods, could be interpreted as an endorsement of federally administered fee schedules for doctors and hospitals or prospective budgeting by the Federal Government. We may ultimately wish to pursue such mechanisms, but we recommend that you delete that sentence from these principles until you are prepared to make decisions on specific cost containment mechanisms.

Principle 5. Principle 5 is extremely ambiguous. It can be read to promise that total spending under the NHI plan should be no greater than would have occurred in the absence of such a plan, a statement that some of your advisers believe promises more success in cost containment than we can be assured of delivering. Alternatively, the sentence can be read to suggest that we can accept total

spending in the future as high as would occur if health costs grew, in the absence of the plan's containment measures, at a pace that is described previously in the directive as "intolerable." This rate of spending could be interpreted to be too high. In fact, neither HEW nor anyone else can predict the savings which will occur from as yet untested cost containment measures in the highly complex \$166 billion health care system. We think Principle 5 should be dropped. To get across the basic point about the importance of cost containment, we suggest the following principle be added at the end of Principle 4:

"The plan should be designed so that additional national expenditures for improved health benefits and coverage would be offset, or largely offset, by improvements in the effectiveness and efficiency of the health care system."

Principle 9. This principle may commit us to a number of HEW health initiatives other than NHI, initiatives which were not accepted during the last budget cycle. While some such increases may be justified in the final analysis, we do not believe, given our immediate budget constraints, and the questionable nature of these initiatives, that you should commit yourself in these principles to expand Federal health spending for programs other than NHI. Therefore, Principle 9 should be unspecific in terms of programs and resource commitments. We suggest that Principle 9 be reworded as follows:

"By improving and building upon existing Federal programs, and through the structure of the national health insurance system, the plan should promote major reforms in the health delivery system."

Finally, the directive now calls upon Secretary Califano to report to you "as soon as possible." If you wish not to have a draft plan before the public prior to the November election, the wording of the directive may be appropriate. However, if you intend to present a plan in August or September, in keeping with your commitment to NHI sponsors, you may wish to reword the directive to call for the publication of a draft plan "by the end of the summer, with a report on the public response as soon as possible."

General Note:

Principle 6 in the draft deals with the problem of phasing. Its carefully worded language covers over some very critical issues. They do not have to be decided now -- and the draft principles leave many options open -- but you should be aware of them.

There are four basic ways in which the successive stages of a comprehensive national health insurance system can be phased in:

- A. A pre-set schedule for the introduction of successive phases could be enacted in a comprehensive piece of legislation. We believe that this would flatly violate the basic proposition that early stages should be shown successful, cost containment measures working, and budgetary room available before later stages are introduced.
- B. A set of quantitative "triggers" could be incorporated in the basic legislation, which when met, would automatically institute successive phases. The trigger might be based on such things as the rate of increase in medical care prices, the share of health expenditures in GNP, or related data. We believe this is far too mechanistic to be workable. It could not incorporate, realistically, measures that relate to the economic and budgetary outlook. Finally, it would violate the basic proposition that we ought to use our experience in early phases to help improve the design of later phases.
- C. Legislation could be designed to implement the first phase of the legislation, and outline broad guidelines for a comprehensive system under which the President -- after evaluating each stage of implementation -- could submit specific proposals for succeeding stages under a Reorganization Act-type approach -- i.e., Presidential submission subject to a two-House veto. Substantively this is attractive, but we seriously question whether the Congress would give the President such authority in such a controversial area.

*This is a  
good  
approach  
if Congress  
will buy  
it.*

- D. We could present a long-range, staged, health care plan for the nation and specific legislation for the first stage. The plan would indicate the broad nature of the legislation that would be submitted in subsequent stages, and the criteria or milestones to be reached before successive stages were submitted. This approach, we believe, is substantively the most desirable, but would be subject to criticism that it did not really meet your commitment to submit a comprehensive health care proposal.

The draft directive leaves open the last three options. The language in Principle 7 effectively forecloses the first. The introductory language we have suggested in the first numbered paragraph of this memo tilts HEW in the direction of either C or D, but does not flatly foreclose B.

We think it would be useful, in a private communication from Stu Eizenstat to Joe Califano, for HEW to be asked to present all three approaches (B, C and D) as options. We could then gauge the public reaction.

PRESIDENT JIMMY CARTER  
LEAA REORGANIZATION ANNOUNCEMENT  
MONDAY, JULY 10, 1978

1

EVERY AMERICAN IS CONCERNED ABOUT CRIME.

EVERY AMERICAN IS A POTENTIAL VICTIM OF CRIME.

BUT THAT IS ONLY A PART OF THE CONCERN.

CRIME DESTROYS THE ESSENTIAL FABRIC OF SOCIETY IN WAYS THAT GO  
FAR BEYOND INDIVIDUAL SUFFERING AND LOSSES.

IN THAT SENSE, WE ARE ALL VICTIMS.

(--OVER--)(IF OUR COMMUNITIES,.....)

2

IF OUR COMMUNITIES ARE TO BE VIBRANT AND SAFE, OUR PEOPLE CANNOT  
LIVE IN FEAR.

WE CANNOT LET CRIMINALS CONTROL OUR LIVES.

THE PRIMARY RESPONSIBILITY FOR LAW ENFORCEMENT RESTS WITH STATE  
AND LOCAL GOVERNMENTS, WITH THE FEDERAL GOVERNMENT PROVIDING IMPORTANT  
ASSISTANCE.

(--NEW CARD--)(WITHIN THE LAST YEAR,.....)

WITHIN THE LAST YEAR, WE HAVE MADE SOME PROGRESS IN REDUCING CRIME.

NEW JOBS HAVE BEEN CREATED.

CRIME RATES IN NEARLY ALL MAJOR CATEGORIES HAVE GONE DOWN.

BUT THE RATES ARE STILL TOO HIGH, . . . . AND CRIME IS STILL A GRAVE  
CONCERN.

(--OVER--) THERE IS CLEARLY MORE THAT THE . . . .)

4

THERE IS CLEARLY MORE THAT THE FEDERAL GOVERNMENT CAN AND SHOULD  
DO TO SOLVE THIS PROBLEM.

WORKING IN PARTNERSHIP WITH STATE AND LOCAL GOVERNMENTS, COMMUNITY  
ORGANIZATIONS, AND CONCERNED CITIZENS, WE CAN MAKE A SAFER AMERICA.

SINCE ITS CREATION, A DECADE AGO, THE LAW ENFORCEMENT ASSISTANCE  
ADMINISTRATION HAS BEEN THE FEDERAL GOVERNMENT'S MAJOR TOOL TO HELP LOCAL  
GOVERNMENTS CARRY OUT THIS RESPONSIBILITY.

(--NEW CARD--) (BUT IT HAS NEVER REALIZED . . . .)

BUT IT HAS NEVER REALIZED ITS POTENTIAL.

AS PART OF OUR REORGANIZATION EFFORTS, THE JUSTICE DEPARTMENT AND THE OFFICE OF MANAGEMENT AND BUDGET HAVE SPENT MORE THAN A YEAR INTENSIVELY REVIEWING L.E.A.A.

WE HAVE INVOLVED COMMUNITY LEADERS, PUBLIC OFFICIALS, AND LAW ENFORCEMENT SPECIALISTS FROM EVERY PART OF THE NATION.

(--OVER--)(WE HAVE ALSO HAD VALUABLE COUNSEL....)

WE HAVE ALSO HAD VALUABLE COUNSEL AND ASSISTANCE FROM CONGRESSIONAL LEADERS, SUCH AS SENATOR KENNEDY AND CONGRESSMAN RODINO.

THE PROPOSALS I AM SENDING TO THE CONGRESS TODAY WILL MAKE THE FEDERAL GOVERNMENT A MORE EFFECTIVE AND COMPETENT PARTNER IN THE FIGHT AGAINST CRIME.

FIRST, WE WILL GREATLY SIMPLIFY THE GRANT PROCESS, ELIMINATING 75 PERCENT OF THE PAPERWORK.

(--NEW CARD--)(FOR INSTANCE, CITIES NOW REQUIRED.

FOR INSTANCE, CITIES NOW REQUIRED TO SUBMIT 40 APPLICATIONS  
ANNUALLY TO GET L.E.A.A. FUNDING, WILL ONLY HAVE TO SUBMIT ONE  
APPLICATION PER YEAR.

SECOND, WE WILL STRENGTHEN THE PARTNERSHIP, ALREADY ENHANCED  
BY THE URBAN POLICY, BETWEEN THE FEDERAL GOVERNMENT AND STATE AND  
LOCAL COMMUNITIES.

(--OVER--)(FOR THE FIRST TIME, HUNDREDS OF...)

FOR THE FIRST TIME HUNDREDS OF CITIES AND COUNTIES WILL HAVE THE  
FLEXIBILITY TO DECIDE HOW L.E.A.A. FUNDS CAN BEST BE USED TO ATTACK  
CRIME IN THEIR COMMUNITIES AND WILL RECEIVE FIXED ALLOCATIONS OF L.E.A.A.  
FUNDS FOR THAT PURPOSE.

IN ADDITION, WE WILL TARGET RESOURCES TO THOSE AREAS OF THE  
COUNTRY WITH ESPECIALLY SEVERE CRIME PROBLEMS.

(--NEW CARD--)(THIRD, WE WILL CONSOLIDATE AND...)

THIRD, WE WILL CONSOLIDATE AND STRENGTHEN RESEARCH AND  
STATISTICS PROGRAMS WITHIN THE DEPARTMENT OF JUSTICE.

A NATIONAL INSTITUTE OF JUSTICE WILL BE CREATED TO REPLACE  
SEVERAL EXISTING RESEARCH UNITS IN THE DEPARTMENT OF JUSTICE.

IT WILL BE CHARGED WITH CONDUCTING INDEPENDENT STUDIES TO  
DETERMINE HOW WE CAN BEST SOLVE OUR CRIMINAL AND CIVIL JUSTICE PROBLEMS.

(--OVER--) (A BUREAU OF JUSTICE STATISTICS WILL BE..)

A BUREAU OF JUSTICE STATISTICS WILL BE CREATED TO PROVIDE, FOR  
THE FIRST TIME, A CENTRAL FOCUS FOR THE GATHERING AND ANALYSIS OF  
STATISTICS CONCERNING CRIME AND OUR JUSTICE SYSTEM.

THE FEDERAL EFFORT TO HELP STATE AND LOCAL GOVERNMENTS SOLVE THEIR  
CRIME PROBLEMS CANNOT BE LIMITED, HOWEVER, TO JUST IMPROVING L.E.A.A.

A SENSITIVITY TO THE CRIME PROBLEM MUST BE PART OF OTHER FEDERAL  
PROGRAMS WHICH AFFECT THE DAILY LIVES OF OUR CITIZENS.

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PROGRAMS WHICH AFFECT THE DAILY LIVES OF OUR CITIZENS.

(--NEW CARD--) (SEVERAL OF THE FEDERAL AGENCIES,

SEVERAL OF THE FEDERAL AGENCIES WHICH HAVE BEEN INVOLVED IN OUR  
URBAN POLICY WILL BE POOLING \$32 MILLION OVER THE NEXT YEAR TO DEVELOP  
AN IMPROVED ANTI-CRIME PROGRAM FOR PUBLIC HOUSING PROJECTS.

FUNDS WILL BE PROVIDED BY C.E.T.A. TO HIRE LOCAL RESIDENTS FOR  
SUCH IMPORTANT PREVENTIVE JOBS AS MANNING ELEVATORS AND PATROLLING  
UNGUARDED AREAS.

RECREATION FACILITIES WILL BE BUILT WITH INTERIOR DEPARTMENT FUNDS  
FOR THE MEN AND WOMEN WHO RESIDE IN THOSE PROJECTS.

(--OVER--)(AND L.E.A.A. FUNDS WILL BE...)

AND L.E.A.A. FUNDS WILL BE PROVIDED FOR COUNSELING AND OTHER  
SERVICES FOR JUVENILES LIVING IN PUBLIC HOUSING PROJECTS.

THE PROGRAMS I HAVE ANNOUNCED TODAY WILL HAVE A BENEFICIAL IMPACT  
ON THE CRIME PROBLEM, .. ...BUT, IF WE ARE TO BE SUCCESSFUL, WE ALSO NEED  
THE SUPPORT OF EACH OF THE DISTINGUISHED LEADERS WHO HAVE COME HERE  
TODAY FROM STATE AND LOCAL GOVERNMENTS, AND COMMUNITY AND NEIGHBORHOOD  
GROUPS.

(--NEW CARD--)(YOU HAVE THE KNOWLEDGE,.....)

YOU HAVE THE KNOWLEDGE, ABILITY AND INFLUENCE,.....AND USING  
THESE MORE EFFECTIVE PROGRAMS, OUR COMMON EFFORT CAN CONTINUE TO  
REDUCE THE EXCESSIVE CRIME RATE IN OUR NATION.

# # #

me → AG Belf

Ken

Rod

me → Sec Navis

July 6, 1978

CONFIDENTIAL

TO: President Carter  
THROUGH: Rick Hutcheson  
FROM: Ambassador Young  
SUBJECT: U.S. Mission to the U.N. Activities  
June 29 - July 5

9

U.N. SPECIAL SESSION ON DISARMAMENT

The U.N. Special Session on Disarmament concluded on July 1 with the adoption of a final document after five weeks of intensive debate and negotiation. The final document sets forth a broad agenda of goals and priorities for disarmament negotiations. It consists of an introduction, a declaration on disarmament, a statement on goals and priorities and principles to govern negotiations, a program of action, and a section on machinery. The text has generally been well received by delegations.

NAMIBIA

The Contact Group has been involved in preparations for the proposed meeting of the Contact Group with SWAPO in Luanda on July 10-12. The Group is scheduled to depart New York for Luanda on Friday, July 7.

entrostatic Copy Made  
for Preservation Purposes

CONFIDENTIAL

DECLASSIFIED

Per, Rac Project

ESDN; NLC-126-13-16-1-9

BY KS NARA DATE 1/10/13

~~CONFIDENTIAL~~

June 30, 1978

TO: President Carter  
THROUGH: Rick Hutcheson  
FROM: Ambassador Young  
SUBJECT: US Mission to the UN Activities, June 22 - 28

UN SPECIAL SESSION ON DISARMAMENT

The UN Special Session on Disarmament which was scheduled to terminate on June 28, has now been extended, to end Friday, June 30. After long and exhausting negotiations among key delegations, some further progress was made in completing the draft of the final document, however, there are several significant issues that are still unresolved as of p.m., June 29.

NAMIBIA

The Contact Group received on June 28th the South African response to the Five's demarche of June 22. In light of that response the Contact Group is considering our next steps.

ECOSOC

The summer ECOSOC session in Geneva will officially open on July 5th and will last until August 4th. Ambassador Young will be in Geneva from July 3 until July 15 during which time he will address the session.

AMBASSADOR YOUNG'S OTHER MEETINGS

Wa Mpombo Mokolo, Minister of National Orientation, Zaire 6/22; Prime Minister Manley (Jamaica) 6/23; Ambassador Irving (US Amb. to Jamaica) 6/23; Foreign Minister Patterson (Jamaica) 6/23.

Electrostatic Copy Made  
for Preservation Purposes

~~CONFIDENTIAL~~  
DECLASSIFIED  
Per: Rac Project  
ESDN: NLC-12673-16-1-9  
BY: KS NARA DATE: 8/10/13

~~CONFIDENTIAL~~

WASHINGTON

DATE: .09 JUN 78

FOR ACTION: STU EIZENSTAT ~~with Best, will concur~~  
concur

INFO ONLY: JIM MCINTYRE

CHARLES SCHULTZE

SUBJECT: LIPSHUTZ MEMO RE: PROPOSED E.O. ENTITLED PRESIDENT'S  
COMMISSION ON PENSION POLICY

++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1200 PM MONDAY 12 JUN 78 +  
++++

ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE

WASHINGTON

Date: June 30, 1978

MEMORANDUM

FOR ACTION:

Stu Eizenstat *concur*  
Tim Kraft  
Jim Gammill *concur*  
Jim Fallows - *attached to write*

FOR INFORMATION:

Frank Moore  
Jack Watson  
Anne Wexler  
Jody Powell

*- want to do  
copy w/ info  
+  
want 128  
Small plus on Comm  
+  
See Clark has a  
checked*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Jim McIntyre memo re President's Commission on Pension Policy

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:  
TIME: 9:00 am  
DAY: *wed* ~~Tuesday~~  
DATE: ~~July 4th~~ *July 5<sup>th</sup>*

*7/8  
do not know  
from 5/1/78  
OK & week -  
should still  
forward McIntyre memo  
+ to O'Leary 7/1/78*

ACTION REQUESTED:

Your comments  
Other:

STAFF RESPONSE:

I concur.  No comment.  
*Please note other comments below:*

**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

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

<input checked="" type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND
<input type="checkbox"/>	NO DEADLINE
<input type="checkbox"/>	LAST DAY FOR ACTION -

ACTION  
FYI

<input type="checkbox"/>	ADMIN CONFID
<input type="checkbox"/>	CONFIDENTIAL
<input type="checkbox"/>	SECRET
<input type="checkbox"/>	EYES ONLY

<input type="checkbox"/>	VICE PRESIDENT
<input checked="" type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input checked="" type="checkbox"/>	KRAFT
<input type="checkbox"/>	LIPSHUTZ
<input checked="" type="checkbox"/>	MOORE
<input checked="" type="checkbox"/>	POWELL
<input checked="" type="checkbox"/>	WATSON
<input checked="" type="checkbox"/>	WEXLER
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	MCINTYRE
<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	CRUIKSHANK
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input checked="" type="checkbox"/>	GAMMILL
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	RAFSHOON
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN
<input type="checkbox"/>	WISE

<input type="checkbox"/>	ADAMS
<input type="checkbox"/>	ANDRUS
<input type="checkbox"/>	BELL
<input type="checkbox"/>	BERGLAND
<input type="checkbox"/>	BLUMENTHAL
<input type="checkbox"/>	BROWN
<input type="checkbox"/>	CALIFANO
<input type="checkbox"/>	HARRIS
<input type="checkbox"/>	KREPS
<input type="checkbox"/>	MARSHALL
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VANCE

THE WHITE HOUSE

WASHINGTON

Date: June 30, 1978

MEMORANDUM

FOR ACTION:

Stu Eizenstat  
Tim Kraft  
Jim Gammill  
✓ Jim Fallows

FOR INFORMATION:

Frank Moore  
Jack Watson  
Anne Wexler  
Jody Powell

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Jim McIntyre memo re President's Commission on Pension Policy

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 9:00 am

DAY: ~~Tuesday~~ *Wed*

DATE: ~~July 4th~~ *July 5<sup>th</sup>*

ACTION REQUESTED:

Other:  Your comments

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

See redrafted release attached. JF 7/7/78

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.



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

ACTION

JUN 30 1978

MEMORANDUM FOR THE PRESIDENT

From: James T. McIntyre, Jr. *J. McIntyre*  
Subject: The President's Commission on Pension Policy

I met with Charlie Kirbo this past Thursday to discuss candidates for chairman of your Commission on Pension Policy. I will submit the names of the candidates to you next week. Once a chairman is selected he will help select the other Commission members and executive director. All of this, however, will take time. Since you first mentioned the Commission a year ago, I think it may be important to reaffirm the administration's commitment to the studying of the broad range of pension issues before the final selection of chairman and Commission members is made. One possibility is to sign the Executive order now that would establish the Commission, and make it effective on the day of the first meeting of the Commission members. Delaying the effective date would be essential if we wanted to be able to select the best possible candidates.

The obvious advantage of signing the Executive order now is that it demonstrates both your commitment to the Commission and the progress that has been made in setting it up. The disadvantage in signing the Executive order now is that it may draw attention to the fact that the Commission is not yet fully operational.

I suggest that if you sign the Executive order now the legislation be sent to Congress when you announce the chairman and Commission members. A draft press release is attached to this memo that could be used at the time the Executive order is signed. I will closely coordinate all of our actions on the Pension Commission with Charlie Kirbo, Stu, Hamilton, Tim, and Jody.

- Sign the Executive order now  
(OMB-Domestic Policy Staff recommendation).
- Wait until the chairman and commissioners  
are appointed.

Attachment

redrafted  
retyped - 2/1/78

## DRAFT WHITE HOUSE PRESS RELEASE

President Carter, today, signed an Executive order to establish a Commission on Pension Policy "to develop national policies for retirement, survivor, and disability programs that can be used as a guide by public and private programs." The President wants to begin immediately to review the present condition of our retirement systems in the United States. At the same time he would like to have congressional assistance and concurrence in this task. He is therefore also sending substantive legislation to the Congress that would provide a statutory basis for this Commission.

The need for a Commission on Pension Policy has become apparent with the recent growth in pensions. Over 25% of estimated Federal spending for fiscal year 1979 will go for retirement and disability benefits. As the pension benefits have grown, the payroll taxes and contributions to pension systems have also become an increasing burden on the work force. Unless reforms are made now in the pension systems, the burden of payroll taxes will increase as the ratio of retired people to working people in America doubles. The percentage of people over 65 was 3.6 percent in 1880, 10.7 percent in 1976 and will be 21.7 percent by the year 2035. There are also the unfunded liabilities of the public and private systems that must be addressed. There are some estimates that the unfunded liabilities of public employee plans alone are now over \$500 billion.

Although almost 20 percent of the population receives benefits from public and private retirement, survivor, and disability programs, there has never been a comprehensive national pension policy. While some systems are the result of careful planning, the structure they form reflects the lack of coordination among them. The lack of coordination has caused not only costly overlaps, but also unanticipated gaps among programs that leaves people with no coverage at all. These existing problems will be magnified as the population ages and the programs become an increasing share of both the Federal budget and gross national product.

In response to these problems the President's Commission will:

- Provide an overview of all existing retirement, survivor, and disability programs.

- Assess the ability of existing programs and systems -- encompassing the Federal, State, local, and private sectors -- to meet future commitments and future needs.
- Devise a national policy on retirement that can be used as a guide by all programs; and
- Propose reforms that are needed to meet national policy goals, both now and in the future.

Other groups, such as the Advisory Council on Social Security, and the National Commission on Social Security are studying particular aspects of the retirement, survivor, and disability structure. The Commission on Pension Policy will coordinate its study closely with these groups to insure that there is no unnecessary duplication of effort. The Commission will begin its operation with the first meeting of the Commission members; it will be an 11-member Commission appointed by the President. The legislation will provide a \$2 million budget to be spent over a 2-year period.

## DRAFT WHITE HOUSE PRESS RELEASE

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In response to these problems the President's Commission will:

- Provide an overview of all existing retirement, survivor, and disability programs.

THE WHITE HOUSE

WASHINGTON

June 9, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

ROBERT LIPSHUTZ 

RE:

Proposed Executive Order Entitled:  
"President's Commission on Pension Policy"

The attached proposed Order, drafted at OMB, establishes a commission to review existing pension programs and to develop national policies for the guidance of both public and private sector programs. The commission would be comprised of eleven members appointed by the President and, in accordance with the one year limitation on temporary funding, will terminate after one year. Temporary funding will come from the appropriation for "Unanticipated Needs," and legislation is being drafted to provide statutory authority for a total life span of two years for the Commission.

We recommend that you sign the attached Order.

\_\_\_\_\_ Approve

\_\_\_\_\_ Disapprove

THE WHITE HOUSE  
WASHINGTON

July 10, 1978

file  
J

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz *BJ*

Following up our conversation earlier this morning, I have talked with Charles Kirbo and he is going to call me back with his recommendation, either late this afternoon or early tomorrow morning. Attached is a copy of the article which appeared in the Washington Post this Sunday.

Mr. Owen Cooper just telephoned me a few minutes ago and very likely will call you personally sometime this afternoon.

I brought this matter up with Bob Bergland after the Cabinet meeting this morning and he seemed to be up to date on the situation. He stated to me that this incident which was the basis of Triggs' letter of withdrawal would not concern Bob relative to the appointment.

## Nominee Ties Withdrawal To Arrest Incident Here

JACKSON, Miss. (UPI)—Gene A. Triggs, who withdrew his name from consideration for a Carter administration post, said yesterday he was falsely accused of soliciting in Washington in 1976.

The Yazoo City chemical firm executive said that, although the charges were later dropped, he decided to remove his name from consideration for the number two post in the Department of Agriculture to avoid "any embarrassment or needless inconvenience" to President Carter.

Triggs, 49, had said Friday he decided not to accept the post because he did not want to leave Mississippi and uproot his family.

Yesterday, in a prepared statement personally delivered to news services, Triggs said the White House "had full knowledge" of the incident "before my name was considered" and proceeded "on the assumption that this was a matter of little or no consequence to the nomination."

In the statement, Triggs said he arrived in Washington late one night on

a business trip and, while walking from his hotel to a corner drug store, "a woman approached me and asked for a date."

"I told her no, chastised her for her occupation, and kept walking. She followed, and when we reached the corner where a police car was parked she said, 'You are under arrest for soliciting.'"

"The charges were subsequently dismissed and I was later told the record was expunged. Apparently it was not, although the entire incident was a clear case of entrapment and false arrest," he said.

"Rather than expose the Carter administration to any embarrassment or needless inconvenience, I withdrew my name, contrary to their wishes, as soon as I found the wire services were ready to publicize the incident," Triggs said.

Carter had nominated Triggs to be deputy agriculture secretary, a post vacant since John White left in January to become chairman of the Democratic National Committee.

*Washington Post July 9, 1978*

THE WHITE HOUSE

WASHINGTON

July 7, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz *BL*

SUBJECT: Gene Triggs

Attached is the original, signed letter from Gene Triggs to you, requesting you to withdraw his name for consideration for appointment as Deputy Secretary of Agriculture.

Also attached is a suggested letter from you to him. In view of your personal involvement in this appointment, you may wish to change this letter considerably. I do urge that you write him a personal letter, perhaps with a copy to Mr. Cooper which would include a copy of Triggs' letter to you.

Please let me know if you wish to have any further information regarding Mr. Triggs' decision. I conferred with him myself on two different occasions and he actually drafted and signed his letter to you in my office on this past Wednesday.

July 5, 1978

Dear Mr. President:

It is with deep regret that I ask you to withdraw my name for consideration for appointment as Deputy Secretary of Agriculture. This request is made for personal reasons which must take precedence over my desire to serve in your Administration.

Let me thank you most sincerely for your consideration of me. I shall forever remain one of your most ardent admirers and supporters.

Your friend,

A handwritten signature in cursive script that reads "Gene Triggs". The signature is written in black ink and is positioned above the printed name.

Gene Triggs

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

THE WHITE HOUSE

WASHINGTON

To Gene Triggs:

I have received your letter of July 5 requesting me to withdraw your name for consideration as appointment as Deputy Secretary of Agriculture.

I sincerely regret that you are not able to work with the Administration in a full-time capacity at this time. However, I hope that I can call upon you, from time to time, to assist me in carrying out my responsibilities as President. Please keep in close touch.

My warmest personal regards.

Sincerely,

X  
-----  
Mr. Gene Triggs  
East Wood Estates  
Route 6  
Yazoo City, Mississippi 39194

THE WHITE HOUSE

Mr. Gene Triggs  
East Wood Estates  
Route 6  
Yazoo City, Mississippi 39194

**WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)**

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Robert Lipshutz to Pres. Carter, w/attachments 7 pp., re:Personal matter	7/10/78	C
Minutes	Cabinet Meeting Minutes, 11 pp.	7/10/78	A
Cabinet Summaries	Andrew Young to Pres. Carter, 1 pg., re:UN activities	7/6/78	A
Cabinet Summaries	Andrew Young to Pres. Carter, 1 pg., re:UN activities	6/30/78	A
Cabinet Summaries	Harold Brown to Pres. Carter, w/attachments 3 pp., re:Defense Summary	7/7/78	A

**FILE LOCATION**

Carter Presidential Papers-Staff Offices, Office of the Staff Sec.-Presidential Handwriting File, 7/10/78 [1] Box 94

**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 restrictions contained in the donor's deed of gift.

THE WHITE HOUSE  
WASHINGTON  
July 10, 1978

The Vice President  
Stu Eizenstat  
Hamilton Jordan  
Tim Kraft  
Bob Lipshutz  
Frank Moore  
Jody Powell  
Jack Watson  
Anne Wexler  
Jim McIntyre  
Hugh Carter

Re: Cabinet Summaries

The attached were returned in the  
President's outbox today and are forwarded  
to you for your personal information.  
No copies are to be made.

Rick Hutcheson

EYES ONLY

CONFIDENTIAL ATTACHMENT

THE WHITE HOUSE  
WASHINGTON

June 10, 1978

Secretary Andrus

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

Rick Hutcheson



THE SECRETARY OF THE INTERIOR  
WASHINGTON

June 30, 1978

*Cecil-*  
*J*

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Week of June 26

Thursday was, by far, the best day of the week.

*I agree*

Through the Interior Department's overview of natural and historic resources and my position on the National Capital Planning Commission, I am about to enter the controversy over increasing the height level of buildings along Pennsylvania Avenue. If they continue to go up in the air and into the avenue, we will hide the Capitol Building and destroy the visual tranquility of the Nation's Capital. If you have feelings either way, please advise.

*Limit  
the  
height*

We are identifying dollars in our 1978 and 1979 budgets that have been authorized, but not spent or committed. As of this date, our 1978 authorization is 5.6 billion dollars of which we can refuse to spend about \$600,000,000 or about 10%. In FY 79, our authorization appears to be about 6 billion dollars and our proposed outlays can be reduced by \$700,000,000 or 11%. The 1979 add-ons may change the dollar amounts, but the percentage will remain the same.

*Good*

*Cecil*  
CECIL D. ANDRUS

THE WHITE HOUSE  
WASHINGTON

July 10, 1978

Secretary Kreps

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

Rick Hutcheson

THE SECRETARY OF COMMERCE  
WASHINGTON, D.C. 20230

To Juanita  
Congratulations!

July 7, 1978

FYI

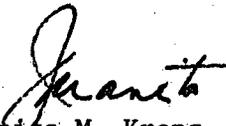
J

REPORT TO THE PRESIDENT

The issue of the extension of the National Environmental Policy Act (NEPA) to Federal actions having environmental effects solely in foreign countries is a matter of serious consequence. Wholesale extension of the Act could have the effect of seriously reducing the international competitiveness of U.S. exports, thereby further aggravating our trade deficit. Although you will soon receive a separate memo from the EPG, I wish to express my personal concern about this matter. ✓

As a followup to your July 12 meeting on urban policy with Representatives Johnson and Roe and Senators Randolph and Burdick we will be meeting with key Members of Congress to promote further the Administration's proposal for the Labor Intensive Public Works Program (LIPW). We will continue to stress the adverse inflationary and budgetary aspects of adding a Round III Local Public Works program to the LIPW proposal, and the need to use the LIPW approach in order to better target our job creation efforts to persons with the greatest need. ✓

I am pleased to inform you that the American Jewish Congress has voted to present me with the Stephen Wise Award in recognition of the role the Department has played in developing and administering the anti-boycott regulations. I believe it reflects well on the Administration, and on the excellent support which the Department has received from the White House senior staff in dealing with this complex and sensitive issue. ✓

  
Juanita M. Kreps

THE WHITE HOUSE  
WASHINGTON

July 10, 1978

Charlie Schultze

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

Rick Hutcheson

STEIGER AMENDMENT

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

July 7, 1978

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CS*

Subject: CEA Weekly Report

Summit Preparations. My staff and I have been meeting throughout the week with others of your domestic and international advisers to discuss alternatives for the United States' position at the Summit in the wake of passage of the Dole Amendment. Henry Owen, Stu and I have sent you a packet of memos outlining the international and domestic political concerns, and the economic issues, surrounding the options we believe you face at Bonn.

Steiger Amendment. The CEA staff is working with the Treasury Department to prepare for public distribution a "White Paper" on the Steiger Amendment and other forms of capital gains tax reductions. The well-publicized claims of the Steiger proponents about its impact on investment are unfounded. When properly analyzed, the Steiger plan is likely to have only a small impact on stock prices, and would be a very inefficient stimulus to investment. We hope to have this paper ready for publication within a week or so.

*affidite*

Carcinogens. CEA staff members are working with staff from Frank Press's office and with other agencies to evaluate the various initiatives for the regulation of carcinogens in the workplace, in the environment, in foods, and in manufactured products. The scientific issues surrounding carcinogen regulation are not at all resolved, and the economic concerns -- although potential costs are great -- are not easily translated into regulatory procedures. The Regulatory Analysis Review Group already has evaluated one carcinogen standard -- OSHA's Acrylonitrile rule -- and will be deeply involved in the further development of carcinogen regulatory policy in the months ahead.

Anti-Inflation Policy. CEA staff members are participating in an EPG task force that is reviewing proposals for tax-based incomes policy programs and alternatives for dealing with probable proposals in the Congress next year affecting the financing of the Social Security System. We hope to develop analyses and proposals on each of these matters for your attention during the final preparation of the 1980 budget.

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

"FYI"

July 7, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *Ray*

SUBJECT: Major Departmental Activities-July 1-7

Civil service reform. More phone calls from Congressman Bill Ford. Although I continue to support the position that we should not go beyond codifying the existing Executive Order on collective bargaining in the Federal sector, my political sense is that we should not appear intransigent on this issue in order to allow the entire package to move through the committee.

Need for Administration to speak consistently on collective bargaining. One example--but far from the only--is that the unions seem confused about what deceleration means. Some think it is asking less than the last contract, others believe it refers to a specific numerical figure. We need a more systematic approach within the Administration on collective bargaining. I hope to meet with Bob Strauss and Stu Eizenstat on this subject next week. I have also been continuing my discussions with unions on anti-inflation policy.

Possible progress in rail negotiations. I met with Al Chesser, the leader of the largest railway union, and underlined for him the need for a moderate wage settlement. He indicated some willingness to go along with this approach. There are also signs that the parties are moving toward a tentative agreement.

Detailed memo coming on postal negotiations. I will be forwarding to you a separate memo on this subject which will contain a discussion of our options if the parties fail to reach an agreement by the July 20 deadline.

OECD conference on collective bargaining opens in Washington next Monday. This conference, which we are hosting, should give us an opportunity to learn from the collective bargaining experience of other industrialized countries.



THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

July 7, 1978

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MEMORANDUM FOR THE PRESIDENT

ATTENTION: Rick Hutcheson  
Staff Secretary

FROM: Brock Adams

SUBJECT: Significant Issues Pending at the Department of Transportation

A large, stylized handwritten signature in black ink, appearing to read "Brock Adams".

Rail Policy Update - I have approved and will be sending to OMB a comprehensive report on the Capital Needs and the Future of the Freight Railroad Industry required by statute. This report will be sent to you for review and approval before being transmitted to Congress. It is a major statement on future Federal policy for railroads.

Pursuant to your note to me, I am closely following the situation at Conrail. There has now been a forced resignation of its president who was in charge of operations which I hope is the start of a needed management shake-up. I have also met with Treasury Deputy Secretary Carswell who with me sits as the Administration's representatives on the Finance Committee of USRA in charge of monitoring the drafting of a new financial agreement between the Government and Conrail. Bob Carswell and I have met with Joe Barr (former Deputy Secretary of Treasury in the Johnson Administration) who is your new appointee as a Government Director of Conrail so we will have more direct communication with the Conrail Board. Treasury and DOT will also be negotiating a tough new financing agreement with Conrail on the assumption Congress will approve \$1.3 billion in additional financing. This financing agreement will provide a yardstick to judge whether Conrail's optimistic belief that \$1.3 billion will be sufficient is accurate.

I am arranging further meetings with Edward Jordan the Chairman and Chief Executive Officer of Conrail.

Inflation and the Highway/Transit Legislation - Bob Strauss, Anne Wexler and I met on Thursday morning with representatives of the major highway and mass transit business constituencies (road contractors, etc.) to discuss the House and Senate surface transportation Authorization Bills. The meeting was very constructive. We made the point that the House Public Works Committee bill in its present form is unacceptable to you because it is a "budget buster." There was general agreement that we all want the same thing -- to pass a bill this year that will provide an ongoing and predictable transportation program. They all know now that there must be a change and we must all negotiate a Federal funding level that is acceptable to you. I will keep you advised.

Airline Regulatory Reform - Late last week the Senate Commerce Committee passed in a 13 to 0 vote S. 3064, designed to help airlines with the costs of retrofitting two-engine and three-engine aircraft to meet Federal 1983 noise standards. This action now clears the way for a House floor vote on the Administration's Airline Regulatory Reform Bill since the House had held up our legislation until the Senate acted on the aircraft noise issue. I have met again with the key Hill Members to do everything possible to move the airline reform legislation before the end-of-year legislative crunch.

Chrysler's Omni-Horizon Automobile Safety Record - The Department's National Highway Traffic Safety Administration has completed an evaluation which shows no evidence of a safety problem in the stability and handling characteristics of Chrysler's subcompact Dodge Omni and Plymouth Horizon vehicles. As I reported to you on June 23, the evaluation was initiated after Consumers Union, the independent testing organization and publisher of Consumer Reports, announced that it found the cars to be "unacceptable" because of handling and stability problems. These cars are Chrysler's biggest subcompact sellers. The National Highway Traffic Safety Administration concluded that the tests upon which Consumers Union based its rating have no significance with respect to the safety performance of Omni/Horizon vehicles.

Drug Seizures by the Coast Guard - During the first half of 1978 the Coast Guard participated in the seizure of 79 vessels carrying 1.5 million pounds of marijuana with an estimated street value of over \$480 million. A total of 390 persons have also been arrested or detained. These efforts already exceed the total number of vessels, the amount of drugs and arrests made for the entire past year.



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

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July 7, 1978

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson  
Staff Secretary

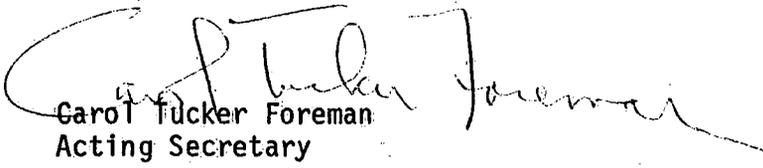
SUBJECT: Weekly Report

PRICES. The May Consumer Price Index for food is up 1.3 percent over March, 9.7 percent over a year ago. Increased prices paid to farmers account for three-fifths of the increase.

Food price increases are expected to slow down for the second half of the year. While summer prices may average two percent above spring prices -- ten percent above last year -- they are expected to hold steady in the fall.

The June index of prices paid to farmers was up one and one-half percent while prices paid by farmers were up one-half of one percent.

FISH. While they were smaller than yours, the Secretary claims to have caught more fish than you during his trip to Minnesota.

  
Carol Tucker Foreman  
Acting Secretary



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

July 7, 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:

- World Health Meeting. The World Health Organization is sponsoring a major conference on primary health care and prevention, scheduled for September in the Soviet Union. Dr. Julius Richmond, the Surgeon General, is expected to head the U. S. delegation. Senator Kennedy is planning to attend as part of the U. S. delegation.
- Press Coverage. Eileen Shanahan, the Assistant Secretary for Public Affairs, has compiled a comprehensive list of the Italian-American press, and has shared the list with Jody Powell's office. We are sending all major HEW speeches and press releases to these publications and to those on the Catholic Press Association list.
- National Health Insurance. Independently, Al Ullman and Dan Rostenkowski have each voiced to me this past week their strong opposition to your sending a national health proposal to the Congress this year. They do not even want me to unfold tentative HEW plans or options until after the election. Ullman indicated that he would have to publicly express his view that sending a national health plan up at this time is "completely irresponsible".
- Impact Aid. Several weeks ago, I suggested a strategy to cut back on the Impact Aid authorization increases included in the elementary and secondary education legislation reported out by both the House and Senate Education committees. (~~See attached Weekly Report.~~) Here is where we stand on the eve of House floor action which is scheduled for next Tuesday and Wednesday, July 11 and 12:
  - House Committee Action: The Education and Labor Committee (Perkins) added \$340 million in new authority above the current services level of \$811 million. The add-ons were out-of-state and out-of-county entitlements (\$62 million), absorption repeal (\$39 million), increased hold-harmless payments (\$89 million), handicapped increase

(\$34 million), \$6 million for heavily impacted districts, and \$111 million increase in public housing entitlements.

-- Education Lobby Position: Although we had thought that it would be difficult to make progress in the House, as a result of pressure from us, from other members and from Proposition 13, the Impact representatives may be prepared to support reductions in the following areas:

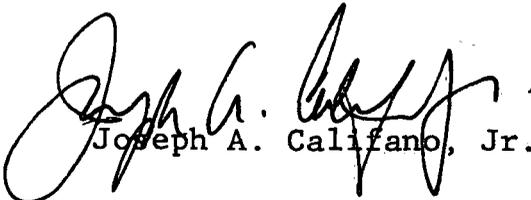
- out-of-state/county	\$31 million
- hold harmless	149 million
- handicapped	34 million

This still leaves the bill at \$950 million, or \$139 million above current services. Regardless of our position, this amendment may be offered by Congressman Ford -- and if offered by him is likely to pass.

-- Additional Administration Amendments: We should support the Ford Compromise if offered by others, but we should also propose three amendments to the bill beyond the compromise that would return the program to current services this year and that would include some outyear reform. These changes would include termination of out-of-state and out-of-county entitlements, restoration of absorption requirements, and a percentage decrease in all civilian "B" payments. This, plus the Ford package, would yield an FY 79 authorization at the current services, \$811 million level, as well as some of the reforms in our original legislative package.

Our chances on these amendments are problematic: the House is so volatile that predictions are hazardous. Even with the budget cutting mood in the House, we do not think it possible to find a Democrat to offer cuts to reduce authorization levels below current services this year.

We will continue our efforts on the impact authorization issue in the Senate with the help of Senator Eagleton. On the appropriations issue, Senator Magnuson has indicated his willingness to help us cut below current services.

  
Joseph A. Califano, Jr.



THE SECRETARY OF THE TREASURY  
WASHINGTON 20220

July 7, 1978

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MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

TRAVEL

Mike is in California at the behest of Congressmen Hannaford and Panetta. In his meetings and speeches he plans to stress the Administration's anti-inflation program and discuss the Summit prospects.

TAXES

Our consultations with Ways and Means Democrats on our "simple cut" strategy will resume on Monday, as the Congressional recess ends. Within a day or two, we should be within several votes of a majority. At that point, however, matters will get difficult: We will have to begin negotiating on the distribution of the cuts and, to get the last few votes, we will need to consider a compromise on capital gains. We hope to enlist Chairman Ullman's leadership in this final phase and will probably be calling on you for help.

EPG ACTIVITIES

The Steering Committee has established a special deputies group to formulate possible 1979 legislative initiatives within the anti-inflation program: e.g., tax-based incomes policies, Social Security tax-and-benefit cuts, and legislation to reduce the economic cost of regulation.

On a matter that will soon reach your desk, the EPG considered this week whether Environmental Impact Statements should be required for federal actions that affect the environment only in foreign jurisdictions. We unanimously oppose such a requirement, as it would adversely affect our exports and worsen an already serious trade deficit.

NEW YORK CITY

The House-Senate Conference is scheduled for Monday and should be brief. Our objective is to eliminate a few of the particularly restrictive aspects of the Senate bill.

EUROPEAN MONETARY SYSTEM

Initial press reports of a new European monetary system being discussed by the heads of state of EC countries meeting in Bremen are confused, and in some cases conflicting. German and French spokesmen indicate agreement has been reached. British officials, however, dispute this. We are declining to comment pending receipt of official information on the developments.

THE DOLLAR

Markets were quite speculative. The dollar depreciated sharply early in the week, reaching a new low against the yen, but later rose when trading became more cautious as the EC Summit meeting began on Thursday. The Treasury and Federal Reserve intervened to help settle market conditions on Monday, but during the week, acquired German marks in non-market transactions and made further swap debt repayments to the Bundesbank.

CIVIL SERVICE REFORM

Mike sent letters to members of the Senate Finance Committee, the House Ways and Means Committee, and both banking committees supporting the reforms.



Robert Carswell  
Acting Secretary

**WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)**

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Robert Lipshutz to Pres. Carter, w/attachments 7 pp., re:Personal matter	7/10/78	C
Minutes	Cabinet Meeting Minutes, 11 pp.	7/10/78	A
Cabinet Summaries	Andrew Young to Pres. Carter, 1 pg., re:UN activities	7/6/78	A
Cabinet Summaries	Andrew Young to Pres. Carter, 1 pg., re:UN activities	6/30/78	A
Cabinet Summaries	Harold Brown to Pres. Carter, w/attachments 3 pp., re:Defense Summary	7/7/78	A

**FILE LOCATION**  
 Carter Presidential Papers-Staff Offices, Office of the Staff Sec.-Presidential Handwriting File, 7/10/78 [1] Box 94

**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 restrictions contained in the donor's deed of gift

**Community** WASHINGTON, D.C. 20506  
**Services Administration**



MEMORANDUM TO THE PRESIDENT

July 7, 1978

Attention: Rick Hutcheson, Staff Secretary

FROM: Graciela (Grace) Olivarez, Director  
Community Services Administration

SUBJECT: Weekly Report of Significant Agency Activities  
(July 3 - 7, 1978)

Impact of the Bakke Case and Proposition 13

CSA has concluded an analysis of the possible impact that the Bakke decision and Proposition 13 might have on our grantees. We have decided that the Bakke decision likely will have no negative impact, whereas Proposition 13 is expected to have considerable impact. The most immediate impact of the California property tax revolt will be felt by local CSA grantees in their inability to meet matching requirements. The presence of the state tax surplus hampers our ability to assess whether private CSA grantees will suffer similar difficulty as a result of their inability to secure local revenues and/or general revenue funds.

CSA-DOD Minority Procurement Project

Under Secretary of Defense Charles Duncan and Deputy Director William Allison of CSA have agreed on a plan for assisting minority procurement in Atlanta and Detroit. The Small Business Administration will be involved and a meeting to accomplish this is underway.

League of United Latin American Citizens

In response to the concern expressed by the President last October at CSA's Public Policy Forum in Detroit, CSA has assisted the League of United Latin American Citizens locate federal funding to continue their National Educational Service Centers program. We enlisted the assistance of OMB in finding a source for funds and recently were informed that funds will be made available from the Talent Search Program of the Office of Education.

CSA Workshop on Major Budget Issues

CSA grantees will meet in San Francisco next week to develop local, state and regional strategies to meet the major policy issues in the President's FY 79 Budget. Sue Woolsey, OMB Associate Director, and CSA Director Olivarez will speak to the group. Most of the sessions, however, will be in small work groups organized along the nine major themes of the budget.

CSA/ICC Participation

CSA has not been involved in the regular meetings of the Interagency Coordinating Council, although many of the issues considered by the Council are of great importance to CSA programs and grantees.



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

July 7, 1978

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

SUBJECT: Weekly Report of Major Departmental Activities

Department Sells Colegio Cesar Chavez: The Department has agreed to sell Colegio Cesar Chavez, an Hispanic College in Mt. Angel, Oregon, which it acquired in 1976, to the college's non-profit sponsor for \$250,000. Among the conditions of the sale are that the school will continue to operate as a bilingual educational institution and continue to seek accreditation.

Improvements in Telecommunications Processing Save 1,032 Staff Days Annually: The Department has implemented improved automated telecommunications systems linking headquarters, field offices and private financial institutions which greatly enhance the processing of financial transactions and reports. Major improvements were made to the Government National Mortgage Association collection process at an estimated savings of 57 staff days monthly. Also improved is the process for mortgagee approvals and recertifications and the notification of payments received on delinquent mortgages, saving an estimated 29 additional staff days monthly.

Department Forecloses on Clifton Terrace: The Department has filed foreclosure proceedings against the owner of Clifton Terrace, a 285-unit apartment in Washington, D. C. on which HUD holds a 100 percent mortgage. Foreclosure became necessary because the owner had fallen behind in payments on the mortgage and taxes and the building was deteriorating. The Department plans to contract with a qualified firm to manage the property, and will arrange for necessary repairs to assure tenants a safe and decent place to live.

Boston's Community Development Block Grant Conditionally Approved: Boston's fourth year entitlement grant has been approved for \$24,619,000 on two conditions: that the city undertake a Fair Housing and Affirmative Marketing Plan to assure its citizens equal access to all neighborhoods and that minority businesses participate in CDBG-funded construction contracts.

New Industry Strengthens Economic Base of Soul City, North Carolina: Soul City, North Carolina, a new community established in 1972 under authorities granted the Department but plagued by financial problems since then, received an economic boost recently when Wilmetco, a manufacturer of nylon products and sporting goods, relocated their facility there from the New York City area. The new plant provides approximately 200 jobs for the community.

Wisconsin Flooding Severe: Seven Wisconsin counties have been hit by floods and tornados and the Regional Emergency Services Officer has been requested to conduct a preliminary damage assessment. The Governor is expected to request Federal assistance.

Pet

Patricia Roberts Harris



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

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June 30, 1978

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson  
Staff Secretary

SUBJECT: Weekly Report

TRAVEL. Secretary Bergland is in Minnesota to attend his son Allan's July 1 wedding and to fish. He is due to return July 9.

BEEF. Red meat production for May increased 5 percent over a year ago. (Beef up 4 percent, veal down 15 percent, pork up 8 percent.) Total January-May production is down 1 percent from 1977.

GRAIN. World grain stocks remain ample. Wheat stocks are down 10 percent from last year but still plentiful and coarse grains are at their highest level since 1970. Most of the stocks are concentrated in the U. S.

A handwritten signature in cursive script, appearing to read "M. Rupert Cutler".

M. RUPERT CUTLER  
Acting Secretary



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

June 30, 1978

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MEMORANDUM FOR THE PRESIDENT

FROM: Jim McIntyre *Jim*

SUBJECT: Periodic Report

1. All meetings with Cabinet officers on the 1979 Appropriations Strategy have been scheduled and will be completed by Monday, July 10, 1978. In addition, we continue a series of briefings for the senior staff at a number of agencies (VA, for example) on the upcoming FY 1980 Budget.
2. On July 6, Charlie Schultze and I will have a press conference on the Mid-Session Review. I plan to meet with Jody to insure a co-ordinated media effort.
3. Jack Brooks, on June 29, introduced a bill to establish a Department of Education. Jack has promised to hold hearings after the middle of July.
4. On June 29, the Senate Governmental Affairs Committee voted out the Civil Service Reform legislation and Reorganization Plan--with the Javits-Ribicoff amendment on adverse action appeals. The House Post Office and Civil Service Committee accepted the Administration compromise on veterans' preference.
5. We have sent a memo to all agency heads seeking recommendations on which annual reports to the Congress can be deleted or simplified. We expect a response within 60 days; I will keep you posted.
6. OMB staff will meet next week with Frank Moore and his staff to develop a strategy for constraining spending on appropriations bills in the Senate. Beginning July 10, we will be meeting with about 4 to 5 Appropriations Subcommittee chairmen (including Senators Magnuson and Byrd).

7. We are studying the Dole Amendment with DOE, CEA, Treasury, DPS, State and White House Congressional Relations. A task force representing these agencies is analyzing alternatives to COET which exist under present law. Analyses will include the economic, budgetary, legal, international and political impacts of each alternative.



Department of Energy  
Washington, D.C. 20585

June 30, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM SCHLESINGER *JS*

SUBJECT:

Weekly Activity Report --  
Week of June 26 - July 2, 1978

1. National Energy Act. Principal activity this week has centered on COET negotiations. At a meeting held yesterday with key producer representatives, I explained the producer incentive package which the Administration is prepared to implement in conjunction with passage of COET. Also present was John Dingell, who informed the producers of his strong desire to see COET enacted and his support for the producer incentive package. He also indicated his intent to oppose vigorously any attempt at administrative decontrol of oil prices in May of 1979, when mandatory controls become discretionary, thereby underscoring his belief that the COET-producer incentive package is the only feasible mechanism for increasing producer revenues. The response from the producers at the meeting was quite positive, and Dingell's active support for COET will be a key factor in moving the tax bill during the month of July.

I believe that Stu Eizenstat has sent you a memo recommending a fresh look at your positions at the Bonn summit. I strongly support such a re-examination, and believe that a position must be developed which does not appear to fly directly in the face of the "will of the Congress" as tentatively expressed this week in the Dole amendment restricting your authority to impose fees or quotas under the Trade Expansion Act of 1962. Otherwise, a major confrontation might be precipitated, which could doom COET and the tax bill and might also have a broader negative effect on your relations with the Congress.

2. California Regulatory Actions. Today, the Department will announce approval of the first application from a U.S. refiner (the CORCO refinery in Puerto Rico) for relief under the plan we announced two weeks ago to help increase California crude oil production. This application, for 50,000 barrels a day, more than equals the total reported shut-in production in California, and should come as welcome news to the California delegation. Concern had been expressed when the package of Departmental regulatory actions was announced that its actual implementation would take months, but the quick action to be announced today should help allay those fears. I intend to talk with Alan Cranston and Congressman Mark Hannaford to inform them of this action.

3. Grand Jury Actions. A grand jury in Houston is now considering four cases referred by the Department. One of the cases concerns a major oil company which is alleged to have violated petroleum price regulations. An indictment is anticipated, but we are told by Justice that the timing could be days or weeks. Three other cases involve crude oil resellers (who buy from producers and resell to refiners). These are in the investigative stage and will probably not be concluded for a number of months. There are many other resellers in the Houston area who will be audited and the subject of special investigations if evidence of willful violations is found. Congressman Dingell's staff has learned of these investigations, as to which no public announcements have been made by the Energy or Justice Departments. Local and national media have begun to become aware of the Houston investigations. Consequently we should expect stories, some lurid, to begin to emerge.



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

June 30, 1978

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MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

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

- Welfare Reform. As you know, Senators Long, Moynihan and Cranston have proposed a \$5 billion welfare bill that primarily provides fiscal relief (by converting AFDC to a block grant), an expanded EITC and a private sector jobs credit. Half the funds are in fiscal relief. This is hardly welfare reform, and we should not support it. On the other hand, unless there are signs that it will have a serious chance of moving in the Congress --which does not seem likely today -- we should not formally oppose it, as we will need Senator Moynihan's support for any revised incremental bill that the Administration might introduce next year. If we are pressed, I think, at this time, we need only say publicly that we are studying the legislation to see if it can accommodate additional reforms.
- Disability and Addiction. In the briefing on HEW legislative initiatives last Monday, you inquired about how drug addiction and alcoholism are dealt with in the Social Security Disability Insurance Program. The definition of disability provides that an individual will be considered disabled only if he is unable to engage in any substantial work because of a medically determinable physical or mental impairment expected to last at least 12 months. A diagnosis of drug addiction or alcoholism is not, per se, a basis for finding that an individual is disabled.

Given this definition, a relatively small percentage of beneficiaries on the disability rolls are medically classified as disabled because they are drug addicts or alcoholics. In a survey conducted earlier this year, SSA found that about 7 percent of the applicants showed evidence of moderate to severe alcohol abuse. Half of

those applicants -- 3.5 percent -- were found to be disabled; the other half were denied benefits. The study found that the decision to allow or deny benefits was a function of the impairment severity and not of the use or non-use of alcohol. Less than 1 percent of the applicants showed evidence of drug abuse.

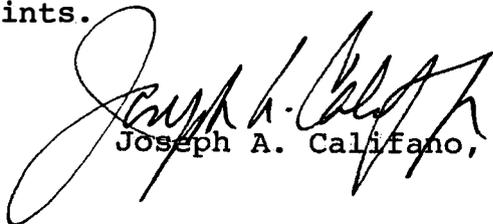
● Vocational Rehabilitation and the Department of Education.

When the Senate Governmental Affairs Committee begins marking up the Department of Education bill in ten days, Muriel Humphrey will offer amendments that will move the Vocational Rehabilitation Services Administration (RSA) out of HEW into the new Department. This is in part a reaction to our attempt to better integrate RSA into the Department, particularly our attempt to relate RSA to the Social Security Disability Program so that we can move more people off disability. This attempt to move RSA makes no sense on programmatic grounds since rehabilitation services are primarily disability and employment oriented and not closely related to education. But there are some additional issues involved in these amendments that jeopardize your desire to resist congressional intrusions into Executive prerogatives and to create a meaningful Department of Education.

First, they are an attempt to undercut the Administration's opposition to pending vocational rehabilitation legislation which imposes an unwarranted degree of Congressional intrusion into the executive function with regard to those programs; and

Second, it is part of a disturbing trend in the politics of the Department of Education -- to win support for the Department various interests who do not want their pet projects included are being promised that these programs will be legislated into the new Department with substantial autonomy from the new Secretary. We are in real danger of creating a balkanized, special interest dominated department over which the new Secretary will have very little control.

I am writing Jim McIntyre a more detailed letter discussing these points.

  
Joseph A. Califano, Jr.



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

June 30, 1978

Principal Activities of the Department of Justice  
for the Week of June 25 through July 1

1. Meetings and Events

On Monday, the Attorney General participated in a ceremony in New York City honoring the Second Circuit U.S. Court of Appeals for its success in eliminating its caseload backlog. He carried with him a message of congratulations from the President. The Attorney General has held separate extended meetings this week with Senator Eastland and Congressman Rodino concerning the Department's legislative agenda, including LEAA reorganization and the wiretap bill. After a meeting with the President, the Attorney General held a White House press briefing Wednesday on behalf of the Administration in response to the Bakke decision. A decision from Judge Griesa in New York is expected late Friday afternoon in the Socialist Workers Party case. A number of Department officials participated early this week in Los Angeles in a conference of U.S. Attorneys from the twenty largest offices.

2. Senate Judiciary Business

When the Senate Judiciary Committee meets on July 12, it may take up several of the Department's bills, i.e., institutions, arbitration, diversity, and Supreme Court jurisdiction. It also, however, has the complex bankruptcy legislation on the agenda which is Senator DeConcini's priority and which may take extended time.

3. LEAA

The LEAA introduction ceremony is now scheduled for Monday, July 10 at 11:00 a.m.

4. Wiretap Bill

The vote in House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice not to take up the bill was 4-3, thus allowing it to proceed to the Rules Committee and onto the floor.

5. Federal Tort Claims Act Amendment

Representative Danielson promises markup following recess. The Department is assisting in the drafting of the Senate analysis and report in conjunction with the Senate subcommittee for possible, but because of the agenda not probable, consideration on July 12. The Department considers this bill particularly important following the Supreme Court's decision Thursday restricting immunity from civil suits of federal officials for official acts.

6. Antiterrorism

On June 27, the Senate Commerce Committee approved S. 2236, the antiterrorism bill which had been reported out by the Senate Governmental Affairs Committee. The Senate Commerce Committee made only one minor amendment -- deleting the provision concerning taggants for smokeless powder and black powder. The bill still contains a one-house veto provision.

7. Legislative Veto

The Senate Commerce Committee adopted an aircraft noise bill (original legislation, not yet in a formal, numbered Senate bill) with a one-house legislative veto provision. The bill permits either House or Congress to veto certain rule-making by the Civil Aeronautics Board.

8. Immigration Law Enforcement Policy

The Attorney General has issued a statement as a result of his meeting the previous week with the Congressional Hispanic Caucus reaffirming Justice Department policy that the immigration laws should be enforced by I&NS officers and not by state and local law enforcement agencies. State and local police officers were requested not to arrest individuals solely on suspicion of violation of immigration laws and to inform I&NS officials whenever an individual who is arrested on other grounds is suspected of immigration law violation.

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

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June 30, 1978

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze *CLS*

Subject: CEA Weekly Report

Health Insurance. CEA's staff has worked with OMB and with Stu's staff to develop principles for the National Health Insurance program.

Humphrey-Hawkins. CEA's staff members also have been working with Congressional staff members and with other Administration officials on Senate Banking Committee action on the Humphrey-Hawkins bill. My staff, Stu's representatives, and staff from the Labor Department will meet next week among themselves, and with Congressional and AFL-CIO representatives, to consider the appropriate course of actions by the Administration in the weeks ahead.

Summit Preparations. We are participating in the interagency process of preparing the U.S. position for the Summit. My staff is meeting with representatives of other agencies to consider the impact on the Summit of the Dole amendment to the Treasury Appropriations bill, and to prepare for your consideration alternative avenues of response.

**WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)**

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Robert Lipshutz to Pres. Carter, w/attachments 7 pp., re:Personal matter	7/10/78	C
Minutes	Cabinet Meeting Minutes, 11 pp.	7/10/78	A
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**FILE LOCATION**

Carter Presidential Papers-Staff Offices, Office of the Staff Sec.-Presidential Handwriting File, 7/10/78 [1] Box 94

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

June 30, 1978

C

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

Max [Signature]

VA Presidential Update

Arms Embargo - Major veteran organizations have acted promptly and vigorously on the request they petition Congress to lift the embargo on sale of arms to Turkey. American Legion - Commander has sent letter to every member of House and letter to all Senators is in process. Special letter to 62 key Senators has been sent by Legion Legislative Commission. . . . V.F.W. - Commander sent memo to all members of Congress, a telegram to Senator Stennis, and subject is included in speeches by top officials. D.A.V. and AMVETS - both obtained "go" from their National Executive Committees and then sent letters to governing Senate and House committees.

Energy Conservation - VA is fifth largest energy consumer in government. In 1973, VA consumed 40.1 trillion BTUs. Thanks to hard-nosed conservation program, that amount will be cut to 37.9 trillion BTUs this F. Y. - even with additional 5 million square feet of space to service. Energy costs have zoomed from \$31.6 million to \$98.1 million in the 5 year period. Had VA not applied the brakes, energy cost this F. Y. would have been \$118.6 million. Result: a \$20.5 million savings or cost avoidance.

Interest Rate - VA and FHA increased maximum loan interest rate to 9 1/2% effective June 29. Rate has been this high only once before - for 3 months in 1974. This is 2nd increase in the last 36 days. Veterans and veteran organizations expected to do little more than grumble, for most realize G. I. home loan is viable benefit only when VA keeps pace with money markets.

Proposition 13 - Crunch following June 6 vote has caused cancellation of summer school classes at 26 California schools where G. I. Bill veterans are enrolled, and more closings are expected. We have moved swiftly to suspend scheduled payments to avoid an overpayment problem that would plague veterans as well as VA, and are monitoring the situation daily.

**Community** WASHINGTON, D.C. 20506  
**Services Administration**



30 JUN 1978

MEMORANDUM TO THE PRESIDENT

Attention: Rick Hutcheson, Staff Secretary

FROM: Graciela (Grace) Olivarez  
Director

SUBJECT: Weekly Report of Significant Agency Activities  
(June 26-30, 1978)

Domestic Review of Solar Energy

CSA has taken an active role this week in developing the national solar energy policy. We submitted five option papers to the committee on institutional barriers and incentives. In addition, staff served as members of the solar impact panel, financing and incentives panel and the integrating panel. Also, the Director served as a member of the Federal solar energy panel in Denver, Colorado, and the Deputy Director was on the panel in Dallas, Texas.

Alternative Energy Technology Grant

CSA has awarded \$1.5 million of a \$3.3 million grant to the National Center for Appropriate Technology (NCAT), a non-profit organization located in Butte, Montana. The remaining \$1.8 million will be awarded at the beginning of the next fiscal year. NCAT is to distribute the funds through community action agencies or community development corporations for research, development and demonstration of alternative energy technologies, such as solar hot water systems, recycling of organic waste resources, aquaculture systems and alternative transportation systems.

New Grant Application Procedures

CSA has developed new grant application procedures that are written in concise, plain English. It is expected that the new procedures will provide a less complicated and more effective method for meeting compliance and funding requirements. In addition, they will ensure that the poor are given an opportunity to participate in key phases of each grantee's planning and funding process.

THE SPECIAL REPRESENTATIVE FOR  
TRADE NEGOTIATIONS  
WASHINGTON  
20506

C  
/

June 30, 1978

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss

Subject: Weekly Summary

*RS.*

I will be in Geneva for ten days prior to the Summit and my personal judgment is if we reach overall political agreement on the trade issues, it will be done during the Summit. Minister Lambsdorff of Germany believes that a couple of the issues could actually be resolved in the Summit Room by the principals in broad outlines. It appears to me we may have more difficulty with the EC than the Japanese. I am monitoring and participating in these negotiations on an hourly basis and you will be carefully advised. Jody and I have also met on your overall posture at the Summit and we will meet promptly with Henry Owen who returns today.

On the inflation side, things are moving as well as can be expected in every area except Labor. It's just very, very tough. We had the department representatives over to discuss the contribution to the effort each agency could make and it was done in very blunt language. Tuesday, Bo Cutter, Kling and others will start with each agency. I am convinced progress in this area is absolutely essential if the program -- and your commitment -- is to have credibility.

I hope you both get some rest at Camp David.

THE SECRETARY OF COMMERCE  
WASHINGTON, D.C. 20230

9

June 30, 1978

FYI

REPORT TO THE PRESIDENT

The May trade deficit of \$2.2 billion represents a significant improvement from the early months of 1978. Particularly encouraging were a new record for agricultural exports and a sharp reduction in imports of steel and autos. However, manufactured exports remained essentially unchanged in May. So far this year we have recorded a \$5.0 billion trade deficit in manufactured goods, compared to a surplus of \$3.1 billion for the same period in 1977. This deterioration underscores the need to boost our exports of manufactured goods, a need that will be addressed in the export policy recommendations which I will be forwarding to you in July.

Yesterday in London the International Whaling Commission voted to increase from 12 to 18 the number of bowhead whales that Alaskan Eskimos will be allowed to hunt in 1979. The IWC action was based on new research which estimated the bowhead whale population to be approximately 2260, almost twice the number previously thought. The action by the IWC should help ease the sharp controversy which had developed over bowhead whaling activities.

Final anti-boycott reporting regulations were issued this week. We believe the regulations are sufficiently broad to provide us with the information needed to enforce the law and monitor boycott requests worldwide, yet without unnecessarily intruding on the sovereignty of foreign countries. In addition, the regulations have been designed to minimize the paperwork burden and cost of reporting.

  
Juanita M. Kreps



THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

June 30, 1978

MEMORANDUM FOR THE PRESIDENT

ATTENTION: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

SUBJECT: Significant Issues Pending at the Department of Transportation

International Aviation Policy - On June 27, I chaired a Public Hearing on the Policy Statement for our International Civil Air Transportation Negotiations. Assistant Secretary of State Katz, Civil Aeronautics Board Chairman Kahn, and Assistant Attorney General Shenefeld, joined me on the panel. The Hearing comments were generally favorable but there was opposition from labor representatives and a more gradual approach was urged by some airlines. Later in the week representatives of the Association of European Airlines and the Chief Executive of Alitalia, the Italian government owned airline, called on me with the same message. I stressed that we will continue to be reasonable and pragmatic in our approach to International Air Transportation Policy but we are convinced that there must be more movement on airline competition. I believe we are making progress in convincing people in the international aviation community that both consumers and the industry itself will be better off under this new competitive policy approach but the next few months will be a critical period in achieving U.S. objectives and implementing our policy. I will continue working to avoid the major risk of creating an international backlash in which significant opposition may unite to stall our efforts.

Interstate I-66 and Representative Joseph Fisher - After our conversation, I contacted Representative Fisher and assured him we would closely monitor the I-66 construction in terms of size and environmental impact. I have directed the Federal Highway Administration to carry out this effort and to show the elaborate environmental plans to Professor Odom for comment. If it appears this needs to be pursued further, I will personally discuss this with Professor Odom.

Final Concorde Noise Rule - On Tuesday I announced the final rule and issued the final Environmental Impact Statement on supersonic airplanes (Concorde). These have been published in the Federal Register and will be effective on July 31, 1978. I can submit a memorandum in greater detail on the specific rule, if you so desire.

Policy on Left-Over Highway Land - On Tuesday, June 27, I announced that states which decide not to complete planned Federally-aided highways and have left-over land which has been condemned could use this land under OMB

regulations for public projects such as parks, schools, and public housing. This could be done without repayment of the Federal highway funds used for the original acquisition unless the land was sold. If sold, the Government would receive back its percentage of money. Cities such as Atlanta, Boston, Minneapolis, Milwaukee, and New York, where completion of highways planned in the 1950's and 1960's has been stopped, have large areas acquired and partially cleared, often with buildings either vacant or demolished. Our new policy will let communities restore these areas in a way that will contribute to the revitalization of central cities -- an important goal in your urban initiatives. There has been substantial interest in the issue by Senator Kennedy, Congressman Fowler, Congressman Reuss and others representing areas with left-over highway land.

DOT Appropriations for FY 1979 - The House-Senate Conferees reached agreement on the Department's FY 1979 Appropriations bill this week. I expect that the Conference Report on the bill will be voted on by the House and Senate right after the July 4th recess. It will most likely be the first Appropriations Bill to reach your desk for signature.

The Conferees have agreed to levels for new budget authority and outlays which are very close to our budget requests. Their only major deviation from the budget was in permitting use of previous years' budget authority for the highway and transit program, but these increases are very small in comparison to the program levels being proposed by the Authorizing Committees in the pending Highway/Transit Bill. Additionally, the Appropriations Committee Conferees reduced the restrictive language and agreed to changes in program structure paralleling our proposals. Since this will be the first Appropriations Bill to reach you, and because it is so close to our original request, I believe a signing ceremony on this bill would be a good opportunity to indicate to the Congress your satisfaction with this bill and use it as an example for them to follow as they act on the remaining Appropriations Bills. This can also be used to establish a contrast between the reasonable appropriations actions and the unreasonable authorizations proposals for highways and transit spending presently proposed, especially by the House Public Works Committee.

The Automobile Industry and Government Regulations - Lee Iococca, President of Ford Motor Company requested a meeting with me and National Highway Traffic Safety Administrator Joan Claybrook this week to present the economic effect of Federal regulations on fuel economy, emission, and safety on the automobile industry, which he has also presented to your Regulations Council. He requested early action on truck fuel economy for the mid-1980's, reduction of existing fuel economy requirements for passenger cars in the years 1981-83, reduction of existing emission requirements for 1981-82, and no increase in Federal fuel economy requirements above the 1985 requirements of 27.5 mpg. I indicated we did not expect to reduce the fuel economy standards for 1981-83 passenger cars which are already in place. We will move quickly on the new truck fuel economy standards and we are not working on any change beyond the 27.5 mpg in 1985 other than technical work to see whether any mileage change is technically feasible.

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

"FYI"

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June 30, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *Ray*

SUBJECT: Major Departmental Activities, June 26-30

Civil service reform. I continued my discussions with Congressman Bill Ford about the veterans preference and the collective bargaining aspects of the civil service reform. I also spoke on this subject to the National Convention of the American Federation of State County and Municipal Employees (AFSCME) in Las Vegas and was encouraged by the response.

Trip West. In addition to my speech at the AFSCME Convention, I appeared before a Farmers Home Administration Seminar in St. Louis, the North American Conference on Labor Statistics in San Francisco and made a political appearance for Congressman Michael Blouin in Iowa.

Proposition 13. While I was in San Francisco, I met with Governor Jerry Brown and discussed the Administration's position on Proposition 13. I shared with the Governor my concern about potential substitution of federally funded jobs for regular government jobs. However, the Department of Labor's latest estimates show that less than 10% of the federally funded jobs would be affected by Proposition 13.

Anti-inflation program. During the AFSCME convention, I discussed with Jerry Wurf the Administration's anti-inflation program. I was encouraged to hear that he would be willing to discuss AFSCME's wage demands in upcoming contract negotiations. I will be meeting with Wurf and other union leaders in the coming weeks in an attempt to seek cooperation.

DOL's veterans representative. Upon your acceptance of Roland Mora's resignation as the Deputy Assistant Secretary for Veterans Employment, I have appointed Lawrence Weatherford as Acting Director. Mr. Weatherford is a widely respected Department of Labor career administrator. I have also initiated a search for a new permanent Deputy Assistant Secretary.



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D. C. 20410  
June 30, 1978

9

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

SUBJECT: Weekly Report of Major Departmental Activities

Cities Enthusiastic About Neighborhood Revitalization. The Department has received requests from 148 cities to rehabilitate more than 50,000 units of housing in 198 neighborhoods under the new Neighborhood Strategy Areas program. This far exceeds the 20,000 unit level established for the program in January. The program, a major initiative of the Department, seeks to coordinate Federal and local housing development efforts by focusing resources into declining neighborhoods. Twenty of the applicant cities have combined their NSA applications with requests for Urban Development Action Grants and various other HUD programs. The selection of the cities to receive the special funds will be made later this summer.

Interest Rates for FHA Mortgage Loans Increased and Processing Time for Mortgagee Applications Significantly Reduced. The interest rate for FHA insured single and multi-family loans has been increased from 9 percent to 9-1/2 percent. The increase was necessary to bring FHA rates in line with competitive rates in the mortgage market. The Department is experiencing a steady climb in FHA applications, a strong indication that FHA plays an important role, as an alternative to higher conventional mortgage rates, in making it possible for families to buy houses. Through improved management and a special effort by staff, the Department has reduced the average processing time for mortgagee approvals from four months to four weeks. This assures that additional lending institutions in more locations will be approved as FHA mortgagees to serve greater numbers of potential homebuyers.

Consumer Complaint Handling System Improved. The Department has developed an automated system for tracking and monitoring consumer complaint correspondence to replace a manual system. The change reduces time it takes to process a consumer complaint by at least one-third and in some cases by as much as 70 percent. The system is now in place in our Office of Neighborhoods, Voluntary Associations and Consumer Protection and will ultimately be used in all other HUD headquarters offices.

Impact of Proposition 13 on California Projects. The passage of Proposition 13 will have varying effects on HUD programs in California. Eleven HUD programs will benefit directly or indirectly, five are unaffected, three are slightly affected negatively and one could be significantly affected negatively. The programs which benefit from Proposition 13 are the housing finance programs, including mortgage insurance programs, the interest and rent subsidy program, and the rehabilitation loan program. Programs that are exempt from property taxes, including Public Housing, are unaffected, while Community Development Programs may be slightly negatively affected. Only the Comprehensive Planning Assistance program may be dramatically affected since cities will have reduced ability to pay their contributions to metropolitan councils of government or their portion of the local share requirement to the State Office of Planning and Research.

Pat  
Patricia Roberts Harris



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

The Administrator

July 7, 1978

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 cursive script, appearing to read "Doug", written in dark ink.

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RF

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

July 7, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren *AW*  
Gus Speth

SUBJECT: Weekly Status Report

We have nothing warranting your attention to report this week.

**WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)**

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
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United States of America  
General Services Administration  
Washington, D.C. 20405

Administrator

June 30, 1978

MEMORANDUM FOR THE PRESIDENT

THRU: Rick Hutcheson

SUBJECT: Weekly Report of GSA Activities

A negative report is submitted for the week ending June 30, 1978.

*for* *Walt Kellum*  
JAY SOLOMON  
Administrator



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

The Administrator

June 30, 1978

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", is written in a cursive style.



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

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Principal Activities of the Department of Justice  
for the Week of July 3 through 7

1. Meetings and Events

The Attorney General met this week with the Director of OMB to discuss the Department's 1979 Budget. On Thursday he addressed the summer employees at the Department. On Friday he met with Patrick Murphy, President of the Police Foundation, to discuss relations between federal and local law enforcement agencies. Also on Friday he met with Department lawyers regarding revision of the federal criminal code and the ATT antitrust suit.

2. Assistant Attorney General for the Criminal Division

Philip B. Heymann was sworn-in this week as Assistant Attorney General for the Criminal Division. Mr. Heymann was a Harvard law professor who had also served in the offices of the Watergate Special Prosecutor and the Solicitor General.

3. Civil Litigation

The Civil Division won a string of important victories this month: the Snepp case (involving publication by a CIA employee in violation of his contract); Zenith (a customs case); Sunshine Silver Mine disaster case (no liability for federal mine inspectors); Zavala County v. CSA (defending funding cut-off); and Halkin v. Helms (upholding state secrets privilege for NSA material). ~~(See attachment.)~~

4. Humphrey-Truong Espionage Case

USIA employee Humphrey and Vietnamese student Truong were sentenced this week to serve fifteen years each for their conviction for espionage and related offenses.

5. Socialist Workers Party Case

This week Federal District Judge Griesa held the Attorney General in contempt of court for refusing to disclose the identities of FBI informants. On Friday, Federal Circuit Judge Gurfein stayed the imposition of the contempt order until the issue is appealed.

6. In-mate Population Declines

The Bureau of Prisons' expanded use of Community Treatment Centers (halfway houses) for offenders nearing release dates caused a decline of almost 1,000 during the past year in the number of prisoners in federal institutions. Nonetheless existing facilities remain seriously overcrowded -- housing 29,000 offenders in a physical capacity of 22,785.

7. LaPrade Dismissal

The Attorney General dismissed J. Wallace LaPrade from his position with the FBI. Many misleading statements have been made in the press about the reasons for the dismissal, which the Attorney General does not feel free to discuss until Mr. LaPrade has exhausted his appeals.

THE WHITE HOUSE  
WASHINGTON

July 10, 1978

Jim McIntyre

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

Rick Hutcheson

cc: Bob Linder  
Stu Eizenstat  
Jody Powell  
Jim Gammill

PRESIDENT'S COMMISSION ON PENSION POLICY



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

C

ACTION

JUN 30 1978

MEMORANDUM FOR THE PRESIDENT

From: James T. McIntyre, Jr. *JM*  
Subject: The President's Commission on Pension Policy

I met with Charlie Kirbo this past Thursday to discuss candidates for chairman of your Commission on Pension Policy. I will submit the names of the candidates to you next week. Once a chairman is selected he will help select the other Commission members and executive director. All of this, however, will take time. Since you first mentioned the Commission a year ago, I think it may be important to reaffirm the administration's commitment to the studying of the broad range of pension issues before the final selection of chairman and Commission members is made. One possibility is to sign the Executive order now that would establish the Commission, and make it effective on the day of the first meeting of the Commission members. Delaying the effective date would be essential if we wanted to be able to select the best possible candidates.

The obvious advantage of signing the Executive order now is that it demonstrates both your commitment to the Commission and the progress that has been made in setting it up. The disadvantage in signing the Executive order now is that it may draw attention to the fact that the Commission is not yet fully operational.

I suggest that if you sign the Executive order now the legislation be sent to Congress when you announce the chairman and Commission members. A draft press release is attached to this memo that could be used at the time the Executive order is signed. I will closely coordinate all of our actions on the Pension Commission with Charlie Kirbo, Stu, Hamilton, Tim, and Jody.

- Sign the Executive order now (OMB-Domestic Policy Staff recommendation). *J*
- Wait until the chairman and commissioners are appointed.

Attachment

*Tighten up 1-305 = 6518 is too high for so many*

- Assess the ability of existing programs and systems -- encompassing the Federal, State, local, and private sectors -- to meet future commitments and future needs.
- Devise a national policy on retirement that can be used as a guide by all programs; and
- Propose reforms that are needed to meet national policy goals, both now and in the future.

Other groups, such as the Advisory Council on Social Security, and the National Commission on Social Security are studying particular aspects of the retirement, survivor, and disability structure. The Commission on Pension Policy will coordinate its study closely with these groups to insure that there is no unnecessary duplication of effort. The Commission will begin its operation with the first meeting of the Commission members; it will be an 11-member Commission appointed by the President. The legislation will provide a \$2 million budget to be spent over a 2-year period.

DRAFT PRESS RELEASE

DRAFT WHITE HOUSE PRESS RELEASE

President Carter today signed an Executive Order establishing an 11-member Commission on Pension Policy. The Commission will examine pension systems around the country in an effort to develop national policies for retirement, survivor, and disability programs that can serve as a guide for public and private programs. The President is sending legislation to Congress that would set up a statutory basis for the Commission.

With the enormous growth in the number and cost of pension systems, the need for a Commission to address the issue is clear. Although almost 20 per cent of the population receives benefits from public or private programs, no comprehensive, coordinated national pension policy has ever existed. While some systems reflect careful planning, the general lack of coordination among them has caused both costly duplication and gaps between programs that leave <sup>some</sup> participants with no coverage at all.

Moreover, as pension benefits increase, the payroll taxes and contributions to pension systems become a growing burden on the work force. Unless reforms are forthcoming, those taxes and contributions will continue to rise with the demographic shift. In 1880, only 3.6 per cent of the population was over 65. That figure rose to 10.7 per cent in 1976 and will climb to 21.7 per cent by the year 2035. Already, over 25 per cent of estimated Federal spending for fiscal 1979 will go for retirement and disability benefits and that <sup>is only</sup> ~~is just~~ the public end of it.   
*expenditures.*

There are other problems the Commission will face as well. The unfunded liabilities of both public and private systems has reached serious proportions. By some estimates, the unfunded liabilities of public employee plans alone are now over \$500 billion.

These existing problems will be magnified as the population ages and the programs consume an increasing share of both the Federal budget and the gross national product.

In response to these problems the President's Commission will:

- Provide an overview of all existing retirement, survivor, and disability programs.
- Assess the ability of existing programs and systems -- encompassing the Federal, state, local, and private sectors -- to meet future commitments and future needs.
- Devise a national policy on retirement that can be used as a guide by all programs; and
- Propose reforms that are needed to meet national policy goals, both now and in the future.

Other groups, including the Advisory Council on Social Security, and the National Commission on Social Security, are studying particular aspects of the retirement, survivor, and disability structure. The Commission on Pension

Policy will coordinate its study closely with these groups in order to prevent any duplication of effort. The Commission will begin its operation with the first meeting of the Commission members. Its members will be appointed by the President. The legislation will provide a \$2 million budget to be spent over a 2-year period.

*one year?*

# # #

EXECUTIVE ORDER

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PRESIDENT'S COMMISSION ON PENSION POLICY

By the authority vested in me as President by the Constitution of the United States of America, and in order to create in accordance with the Federal Advisory Committee Act (5 U.S.C. App. I) an advisory commission on national policies for retirement, survivor, and disability programs, it is hereby ordered as follows:

1-1. Establishment of Commission.

1-101. There is established the President's Commission on Pension Policy. The Commission shall be composed of eleven members.

1-102. The members of the Commission shall be appointed by the President. The President shall designate a Chairman from among the members.

1-2. Functions of the Commission.

1-201. The Commission shall conduct a comprehensive review of retirement, survivor, and disability programs existing in the United States, including private, Federal, State and local programs.

1-202. The Commission shall develop national policies for retirement, survivor, and disability programs that can be used as a guide by public and private programs. Those policies must be designed to ensure that the Nation has effective and equitable retirement, survivor, and disability programs which take into account available resources and demographic changes that are expected into the middle of the next century.

1-203. The Commission shall submit to the President a series of reports. These reports shall include the Commission's findings and recommendations on short-term and long-term issues with respect to retirement, survivor, and disability programs, including, but not restricted to, the following:

(a) present overlaps and gaps among the private, State and local sectors in providing income to retired, surviving, and disabled persons;

(b) the financial ability of present private, Federal, State and local retirement, survivor, and disability systems to meet their future obligations;

(c) appropriate retirement ages, the relationship of the annuity levels to past earnings and contributions, and the role of current retirement, survivor, and disability programs in private capital formation and economic growth;

(d) the implications of the recommended national policies for the financing and benefit structures of the retirement, survivor, and disability programs in the public and private sectors; and

(e) specific reforms and organizational changes in the present systems that may be required to meet the goals of the national policies.

1-204. The Commission shall submit its final report, including its recommendations and findings, to the President prior to its termination.

1-3. Administrative Provisions and Financial Support.

1-301. At the request of the Chairman each Executive agency that has an interest or responsibility in the areas of the Commission's functions shall designate an individual to act as liaison with the Commission and its staff.

1-302. In performing its functions, the Commission shall seek the advice of individuals and groups interested in policies applicable to retirement, survivor, and disability programs and systems. In seeking advice from interested individuals and groups, including public and private organizations, the Commission or any committee thereof, may, among other activities, hold hearings and sit and act at such times and places as the Commission or such authorized committee may find advisable.

1-303. The Commission may request any Executive agency to furnish such information as may be helpful for the fulfillment of the Commission's functions under this Order. Each such agency is authorized, to the extent permitted by law and within the limits of available funds, to furnish such information to the Commission.

1-304. The Commission is authorized to appoint and fix the compensation of a staff and such other persons as may be necessary to enable it to carry out its functions. The Commission may obtain services in accordance with the provisions of Section 3109 of Title 5 of the United States Code, to the extent funds are available therefor.

1-305. Each member of the Commission and its staff who is not otherwise employed in the Government may receive, to the extent permitted by law, compensation for each day he or she is engaged upon the work of the Commission at a rate not to exceed the maximum daily rate now or hereafter prescribed by law for GS-18 of the General Schedule, and may also receive travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C 5703) for persons in the government service employed intermittently.

1-306. The General Services Administration shall provide administrative services, facilities, and support to the Commission on a reimbursable basis.

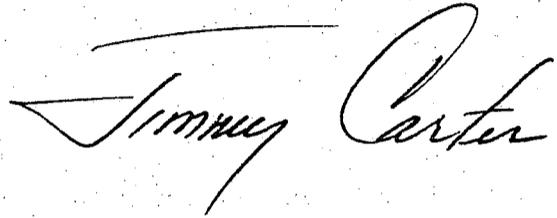
1-307. All necessary expenses incurred in connection with the work of the Commission shall be paid from the appropriation for "Unanticipated Needs," in the Executive Office Appropriations Act, 1978, or from such other funds as may be available.

#### 1-4. General Provisions.

1-401. The functions of the President under the Federal Advisory Committee Act (5 U.S.C. App. I), except that of reporting annually to the Congress, which are applicable to the Commission, shall be performed by the Administrator of General Services.

1-402. The Commission shall terminate one year after the effective date of this Order.

1-403. This Order shall be effective on the day of the first meeting of the Commission members.

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 center of the page.

THE WHITE HOUSE,