

9/22/78 [1]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Cabinet Summaries	Andrew Young to Pres. Carter, 1 pg., re:UN Activities <i>opened 4/10/08, BAE, 06-199</i>	9/8/78- 9/15/78	A
Cabinet Summaries	Brock Adams to Pres. Carter, 2 pp., re:Cabinet Summary <i>opened per RAC NLC-126-14-23-2-9, 6/12/19</i>	9/15/78	A
Cabinet Summaries	Harld Brown to Pres. Carter, 2 pp., re:Defense Summary	9/15/78	A

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File, 9/22/78 [1] Box 102

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TO: President Carter
THROUGH: Rick Hutcheson
FROM: Ambassador Young
SUBJECT: U.S. Mission Activities, September 8 - 15

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NAMIBIA

The Contact Group drafted an introductory statement to be made by Secretary General Waldheim when the Security Council formally meets to discuss Namibia. The intent of the statement is to provide assurances to both South Africa and SWAPO on the controversial aspects of the Secretary General's report. The statement has been cleared with Waldheim, the Frontline, and SWAPO. The South Africans have not yet responded to our informal efforts to consult with them in this regard.

The Contact Group is also preparing a response to the September 12 message received from the South African cabinet on Namibia. The response is scheduled to be delivered this weekend and thus prior to the South African cabinet meeting to be held on Tuesday, September 19. We believe that South Africa may take its most crucial decision on the future of Namibia at that meeting.

COMMITTEE OF 24

The UN Committee of 24 on September 12 adopted a Cuban/Iraqi resolution on Puerto Rico by 10 in favor, none against and 12 abstentions. It is considerably milder than the draft originally introduced and does not refer the question to the General Assembly but to next year's session of the Committee. Australia's efforts to improve the resolution, particularly a paragraph alleging continuous "persecutions, harrassments and repressive measures" of pro-independence groups, unfortunately failed, due in part to a complicated parliamentary situation which led to a number of abstentions. The resolution tends to emphasize the independence option but also explicitly recognizes free association as a valid option and does so indirectly for the statehood option through a reference to the President's Proclamation of July 25, 1978. There is also a provision urging the U.S. to release the four Puerto Rican "political personalities".

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LAW OF THE SEA - Discussions continued in LOS negotiating groups and committees during the week with no major breakthrough on any of the major unresolved issues. The primary emphasis in the schedule of work remained with the area of exploitation of the deep seabeds. However, negotiation also continued in the other groups with focus primarily on marine scientific research, marine mammals, dispute settlement, maritime boundary delimitation and definition of the margin of the continental shelf beyond 200 miles.

33RD GENERAL ASSEMBLY - The 33rd UN General Assembly is scheduled to open on Tuesday, September 19. Secretary Vance will head the U.S. delegation.

AMBASSADOR YOUNG'S OTHER MEETINGS - 9/2 Min. Evansen (Norway), Amb. Blum (Israel), Pres. Amerasinghe (LOS), Mr. Loeffler (CPA) 9/14 Amb. Richardson (USLOS), Amb. Komatina (Yugoslavia).

DECLASSIFIED
Per 8/14/01 SSK/JSK/s
DIT-66-199
NARA DATE 9/19/08

THE PRESIDENT'S SCHEDULE
Friday - September 22, 1978

- 8:00 Dr. Zbigniew Brzezinski - The Oval Office.
- 8:45 Mr. Frank Moore - The Oval Office.
- 9:00 Congressmen James Wright and Tom Bevill.
(15 min.) (Mr. Frank Moore) - The Oval Office.
- 9:45 Meeting with Congressional Group/Veterans Legislation.
(15 min.) (Mr. Frank Moore) - The Cabinet Room.
- 10:30 Mr. Jody Powell - The Oval Office.
- 1:00 Meeting with Editors. (Mr. Jody Powell).
(30 min.) The Cabinet Room.
- 1:45 Drop-By Meeting of Editors from the Conference
(10 min.) on "Latin America and the World in the 1980's".
(Mr. Jody Powell) - The Roosevelt Room.
- 3:00 Depart South Grounds via Helicopter en route
Andrews AFB, North Carolina and South Carolina.

GEN McLEOD MR PATTERSON
CHAM DON FOWLER



ABOARD AIR FORCE ONE

Sen Hollings,
Gov Hardee, B Derrick, Ken Hollings
#500 - 50 Jim Mann, Jenrette
Dick Jack

Future Sen. Ravenel Gov Riley Long Boss

Family. sheetmetal. College. Bus.

Budget - Tax - Jobs

Southerner. Ashes of war. New Spirit
for something - Campaign inspired

People - Prejudice - Self respect
Gov't responsible

Jobs

trip to south carolina
9/22/78

GSA

Inflation - bureau - Energy -

Hospital Cost Cont 24/5 yrs 2330
sc last year + 20%

Billy - Gas station Fortune 500

Mayor Woody ^{GLENN - METZENBAUM}
Rik CELESTE - PAUL TERRY
Les Brown
ABOARD AIR FORCE ONE

Mount Vernon Plaza

New Partnership

Bill POTTER - ANNE LYNCH - HAMMOND ^{TERRY}

Mt Vernon AVE - One of WORST
CROWDED - UNSANITARY - DISEASE - CRIME

No more - SAFE, BEAUTIFUL

Some Urban Redev Proj

R.E. Promoters - outside.

R. poff for poor

Slums gone. more housing th before

Some people here now

Private banks - Fed govt - State

#1 People of neighborhood

PROBS - SAWYER TOWERS/MANOR - TREVITT HEIGHTS

Need - safety - JOBS - REC - MGMT.

→ Pub Hous \$43 mil Loan \$427,000 Grants

GOVT → PEOPLE

trip to ohio 9/23/78

GLENN, METZENBAUM - CHM TIPPS.

DICK CELESTE = Long Pease Henry
Next Cong ^{FPP} DAUMAN, BERRART

Which party: ^{both houses}
2 fine Senators? Maj in St Gen Assy
2/3 statewide Offices? Next Gov?
Majority in next Congress? 12th Dist
Moving tenite toward paying its debt
Candidate final victory in 1976?

QUIET EVENING - few leaks
CAMP DAVID - BREAKTHRU. NO LEAKS

U.S. Unemp (in Ohio \downarrow 33% (7⁸ \rightarrow 5²)]

CELESTE { Probs in Ohio coal. 12,000
Only state cont State Plan re
Air Qual Standard
Youngstown - Mahoning Valley #188
TAXES - KEMP/Roth
Ag - Exports - Net income - 17%
Energy - PIRILLINO (10%)
Defense - Peace - Flood
Civil Service - ETHICS - GSA
INFLATION - Hosp Cost - DEFICITS
Human X's

THE WHITE HOUSE
WASHINGTON

9/22/78

Mr. President:

There was a trip proposal on your desk for Texas, New Mexico and West Virginia for Oct. 6-7. It was supported by Moore and Kraft. I removed it last night due to your heavy schedule since the summit and congressional appointments.

I now recommend you hold the week end of Oct. 6-9 (Monday is a holiday-Columbus Day) for rest.

Phil

approve disapprove

A handwritten signature in black ink, appearing to be 'P. D.', is written over the 'disapprove' option.

THE WHITE HOUSE
WASHINGTON

Phil has
seen

THE WHITE HOUSE
WASHINGTON

Latin Editor Mtg 9-22-78

A direction - indiv - not divide
Conal treaties - 20 heads of state

Non Intervention

Tlatelolco - Ayacucho

Territorial disputes

Cuba - interest section - Several
hundred - dual cit + pol prisoners

Am Com on Hum Rts 2 → 13 sign

Budget & staff 3X

Exch prisoners - Mex & Bol.

Narcotics

Caribbean - Group Coop & Ec Dev

THE WHITE HOUSE
WASHINGTON

Newspaper

Farker/Hartford

Reds - Legu Padat

Inflation

Farm/Anderson

Demo losses - no

Bumby - Lockheed - reports?

- OSHA, etc. Regulation

Mr. Dept of Ed

Mike Dukakis

meeting with wright/bevill

9/22/78

THE WHITE HOUSE
WASHINGTON

Pub. files

Bevill/Wright

9/22/78

H₂O Resources Council deleted
Agreement to Speaker. 6 projects
reinstated

15⁺ in 4 years. proposed 26 new
> \$600 mil
Cong added 27 more. not planned,
unsound. low priority
(recreational boat harbors)

Cost + \$12 Billion

I support H₂O Projects = \$35 B.1
(7479 25 B.1)

2300 employees mandated

THE WHITE HOUSE
WASHINGTON

September 22, 1978

Mr. President:

This evening, Dan Tate, Les Goldman (Department of Energy) and I met with Senator DeConcini on the natural gas vote. I believe that we answered all of the substantive questions to his satisfaction. We all came away with the feeling that there is a good chance that he will support us.

I think that a phone call from you could help seal the vote. I hope you will be able to make it within the next day or so. Dan Tate agrees that a phone call would be of assistance.



Stu Eizenstat

THE WHITE HOUSE
WASHINGTON
9/22/78

Stu Eizenstat

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

Rick Hutcheson

FOR STAFFING

FOR INFORMATION

FROM PRESIDENT'S OUTBOX

LOG IN/TO PRESIDENT TODAY

IMMEDIATE TURNAROUND

NO DEADLINE

LAST DAY FOR ACTION

ACTION

FYI

ADMIN CONFIDENTIAL

CONFIDENTIAL

SECRET

EYES ONLY

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARAGON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FALLOWS

FIRST LADY

GAMMILL

HARDEN

HUTCHESON

LINDER

MARTIN

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

VOORDE

WARREN

WISE

THE WHITE HOUSE
WASHINGTON
September 18, 1978

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

ECONOMICS

Export Policy: We are working with Commerce on the announcement of the export policy.

Anti-Inflation Program: We are working with other members of the EPG on the anti-inflation program. Memoranda have been submitted to you.

DRUG ABUSE POLICY

Peter Bourne's drug policy office has been integrated into the Domestic Policy Staff. This drug update will replace his previous monthly reports.

We are establishing a coordinating committee with DOD and the Federal drug law enforcement agencies. Our goal is improving border control over drug smuggling by air and sea. DOD assistance using existing surveillance and communications capabilities could materially aid Customs and the Coast Guard.

Following up on your meeting with Chancellor Schmidt, plans are moving forward in cooperation with NSC and the State Department for a delegation to visit the FRG October 23 to discuss closer cooperation between the U.S. and FRG on controlling illegal drug traffic.

Because of the continued high volume of drugs coming out of Colombia, a senior steering group will formulate a longer-term strategy for diplomatic and operational activities to control this problem.

GOVERNMENT REFORM

Civil Service: We are now working with Scotty Campbell in analyzing both the House and Senate bills for conference issues. Key items include the SES Spellman amendment standard of evidence for judging employee disciplinary appeals, remaining Title VII-labor-management issues, and OPM Director and FLRA members removal only for cause. Conference may begin early next week.

Part Time Bill: The bill to facilitate part time federal employment has passed both the House and the Senate. We are working with OMB, CSC and Congressional staff to eliminate some problems with the bill before final Congressional action.

Flexitime Bill: A bill to facilitate flexible working hours for federal employees passed the House and has been reported by the Senate Governmental Affairs Committee. The bill also contains a provision facilitating religious practices by federal employees such as orthodox Jews and allows them to make up time missed by working overtime. We support the bill, and are working for speedy Senate passage. Bill was also added as amendment in House to Civil Service Reform bill last week.

URBAN POLICY

The recently announced Executive Orders and program changes have been strongly endorsed by the media and the public interest groups. We now are working on a memo from you to Cabinet Secretaries urging them to be more sensitive to urban needs as they make decisions on individual projects.

We are working with Frank and Anne to obtain Congressional action on two priority legislative initiatives -- Supplemental Fiscal Assistance and Labor Intensive Public Works.

NATURAL RESOURCES

Public Works Appropriations: We are continuing to work with Anne Wexler, Frank Moore, other White House Staff and the agencies on a strategy to build support and skillfully handle a possible veto. It appears that we will receive the enrolled bill during the week of September 18, but delay in the Senate might make it substantially later.

Alaska d(2) Lands: The major remaining issue in Senate committee mark-up is wilderness in Southeast Alaska. We are working with Frank Moore's staff, Agriculture, and Interior. The Senate bill in other respects is much weaker than the Administration proposals and the House bill. We are also continuing work on a strategy to protect Alaska lands if no bill passes this year. We expect the bill to be reported out of the Senate Committee, but floor scheduling is unlikely in the Senate.

Be firm

Endangered Species: The House Subcommittee has passed an amendment which is a compromise between Dingell (whom we supported) and Leggett. We will continue to work with Dingell on strategy.

AGRICULTURE AND RURAL DEVELOPMENT

Sugar: Could come up for House floor consideration as early as Wednesday. We are working with USDA, COWPS, and other agencies to promote the Administration's position which is very close to the bill reported by the House Ways and Means Committee. We are cautiously optimistic.

Meat Imports: The USDA is discussing a compromise position on amendments to the Meat Import Act with the Cattle Producers Association. We are not very optimistic that a compromise is possible nor that our position will prevail on the House floor. The Speaker has promised that it will not come up for House consideration before the week of September 25.

HOUSING AND FINANCE

Implementation of the Consumer Cooperative Bank: Because the Consumer Cooperative Bank legislation is broadly drawn, there is intense interest within the Administration and among the constituencies as to how the Bank will be implemented -- i.e., the identity of the 13 directors to be approved by you, and the types of cooperatives which will receive the Bank's assistance. We have convened an interagency task force to implement the Bank this fall.

1979 Housing Authorization Bill: We are working to delete the one-house veto provision from the 1979 housing authorization legislation. The issue is unlikely to be resolved before the end of the month.

POSTAL SERVICE

Postal Labor Contract: Arbitrator James Healey announced his binding arbitrated contract on September 15. The pay package is slightly less than the tentative amendment which was rejected by the workers last month. However, the "cap" on the Cost of Living Allowance (COLA) was stricken which could lead to higher allowances, depending upon the inflation rate. The "no lay off" clause was retained for all present employees. All new employees who join the Postal Service after today and remain for more than 6 continuous years will also be covered. This amounts to a tenure provision for workers.

HUMAN RESOURCES

Welfare Reform: HEW testified against the Moynihan-Cranston-Long proposal, arguing that fiscal relief must be tied to substantial system reforms, and that block grant financing will provide disincentives for states to improve benefits. Moynihan has asked that the Finance Committee incorporate this in the tax bill.

On Thursday, Senator Kennedy introduced a bill that has much in common with the cash sides of the New Coalition and Baker-Bellmon proposals.

We will shortly have to you an options memorandum on incremental welfare reform.

Older Americans Act: The conference committee accepted virtually all of the major points pressed by the Administration. The effective date of the Age Discrimination Act will be postponed from January to July to allow the Administration to study the desirability of changing current provisions of the Act which allow interest-balancing justifications for some aged-based distinctions in government services. This was our recommended approach.

Minority Business: In SBA legislation, the House passed a provision creating a rebuttable presumption that blacks and hispanics are "socially and economically" disadvantaged for purposes of Section 8(a) eligibility. A Senate committee amendment provision championed by Senator Nunn eliminated the presumption, preferring a case by case review. Parren Mitchell and black business groups have requested that we now support the House language in conference, which we have avoided doing until now so as not to worry women's groups needlessly about our commitment to them. We are developing a strategy.

ENERGY

Natural Gas: Time agreements now secured for Senate votes on the natural gas conference report. Vote on first motion to recommit is Tuesday, September 19. Final passage will be Wednesday, September 27. Votes on additional motions to recommit could occur in the interim. Working with Moore, Schlesinger, Rafshoon, and Wexler to maintain the good momentum now found in the Senate. We have also begun meetings and briefings for House members in preparation for a vote expected there in early October. These morning briefings are scheduled for week of September 18.

Solar DPR: Status Report issued for public comments is due September 21. There were some difficulties encountered in defining analysis needed on strategies and options for Presidential consideration. First draft of the response memorandum to be ready for review at the end of the week of September 18.

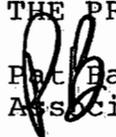
CRBR: In response to the letter from Senators Haskell and Hatfield questioning the nature and circumstances of Administration discussions with Senator McClure, individual briefings have been given (or offered) to each. These briefings went well. Senator Baker continues to have objections to the proposed agreement. Discussions with the nuclear industry reflect similar reservations, although do not indicate unanimous opposition. We will continue to work with DOE on strategy for consideration of this issue when the DOE Authorization bill comes to the Senate floor and later, for conference.

1:00 PM

THE WHITE HOUSE
WASHINGTON

September 21, 1978

TO: THE PRESIDENT

FROM:  Pat Hario
Associate Press Secretary

SUBJECT: Your Q & A Session with Editors and News
Directors, September 22, 1978, 1:00 p.m.
Cabinet Room

This group will meet with you after being briefed by Bo Cutter, John Gilligan, Guy Martin, Michael Blumenfeld and Marshall Kaplan. The First Lady and Jody Powell will immediately precede you. Scotty Campbell and Jim Bishop will brief at the end of the day. (An agenda is attached.)

The participants come from 22 states and the District of Columbia. Twenty-nine are newspaper or editorial page editors and six are broadcasters. The editors of Publishers' Auxiliary, the organ of the National Newspaper Association, and Editor and Publisher, the weekly magazine of the newspaper industry, will also be present. (A list of participants is attached.)

Rafshoon's shop and I recommend that your opening remarks hit hard on the necessity of Congress to be responsible and hold the line on the budget.

There will be the usual White House pool coverage at the beginning of the session. This is your 31st briefing of this series, and we will allow 5 minutes at the end for one-on-one photographs to be taken with you.

Attachments

BRIEFING PARTICIPANTS

September 22

- ARKANSAS: Robert Fisher, editor, weekly Southern Standard, Arkadelphia. Also edits weekly Benton Courier. Liberal, known for his decency and common sense. Traveled across Arkansas at his own expense speaking in favor of the Panama Canal treaties.
- CALIFORNIA: John Pinkerman, editor, News Associates, Idyllwild, regular columnist for Copley News Service ("A Changing World"); world traveler, contributes often to Asia Mail.
- Ernest Conine, editorial writer, Los Angeles Times, usually supportive of you, particularly in disputes with labor.
- Lou Davis, news director, KABL radio, San Francisco. Will probably ask about the Pardon Patty Hearst campaign.
- DELAWARE: Ron Stevens, editor, Delaware State News, Dover. Paper is left of center, generally supportive of you. Concerns: energy and environment.
- DISTRICT OF COLUMBIA: Jeffrey Van, editor, Publishers' Auxiliary, organ of the National Newspapers Association. Will probably ask about the postal rate reform.
- William Hill, editor, Editor and Publisher, weekly magazine of the newspaper industry.
- FLORIDA: William A. Leavell, syndicated columnist, St. Petersburg. Wheelchair-bound cynic who edits a newsletter of political news and hearsay.
- GEORGIA: Hans Krause, news director, WRDW-TV, Augusta. Suggested by Senator Nunn's office.
- Otis Brumby, publisher, Marietta Daily Journal. Suggested by Senator Nunn's office.

- ILLINOIS: Patrick Coburn, managing editor, State Journal-Register, Springfield. Coburn and the paper are supportive of you on tax reform and the natural gas compromise. May ask about capital gains tax reform or Lock and Dam 26.
- INDIANA: W. Alan Miller, editor, daily Chronicle-Tribune, Marion.
- Lynn Hopper, editor, weekly Hendrix County Flier, Plainfield. Concerns: energy and agriculture.
- Fred Nation, editor, weekly Saturday Spectator, Terre Haute. Will probably ask about transportation issues. Requested by Senator Bayh.
- IOWA: William L. Eginton, managing editor, daily Press-Citizen, Iowa City. Gannett paper.
- Dan Feuling, publisher, New Hampton Newspapers, chain of weekly newspapers in area with large pork production. Concerns: price of corn, FDA/USDA investigation into health hazards of nitrites. Hometown of Congressman Charles Grassley.
- KENTUCKY: Jim Lee Crawford, editor, Corbin Daily Times Tribune, Corbin. Crawford is a Republican. The paper has been a reservoir of goodwill toward you as a person, although there has been some disagreement on issues.
- Van Cavett, editorial page editor, Louisville Times. Family owned newspaper, basically Democratic, liberal and very supportive of you.
- LOUISIANA: Iris Kelso, political editor, Figaro, New Orleans. Ms. Kelso is a former broadcast political reporter well-known to New Orleans audiences. She is a strong Democrat and a friend of the state Democratic Party Chairman. Figaro is a weekly Tabloid which concentrates on political issues.

MASSACHUSETTS: Allan W. Roberts, president, WARE radio, Ware.

NEW HAMPSHIRE: Thomas W. Gerber, editorial page editor, The Concord Monitor. Gerber is a former Washington correspondent for the Boston Herald. Lauded your efforts for merit selection of federal judges. Suggested by Senator McIntyre.

John Stobierski, news editor, WKBR radio, Manchester. Suggested by Senator McIntyre.

NEW JERSEY: Muriel J. Smith, associate editor, The Courier, Middletown. Monmouth County's largest weekly. Your intervention to minimize job cuts in the realignment of Fort Monmouth was highly praised in this area. You may be asked about further cuts.

Fran Gold, editor, Jewish Community News, Union.

NORTH CAROLINA: Roy Parker, editor, daily Fayetteville Times.

OHIO: William Wild, editorial page editor, daily Journal-Herald. Cox. Conservative. Concerns: defense spending, proposed closing of Defense Department electronics center in Dayton. Busing may also come up.

OKLAHOMA: J. Leland Gourley, president, editor and publisher, Friday, Oklahoma City. Oklahoma's largest circulation weekly, judged best in the state by the Oklahoma Press Association in 1977. Gourley is on the board of directors of Suburban Newspapers of America.

PENNSYLVANIA: Edward K. Frear, editor and publisher, Bedford Daily Gazette.

Jess Garber, managing editor, daily Record Herald, Waynesboro. Concern: civil service reform.

TENNESSEE: Robert Parkins, editor, Milan Mirror-Exchange. Concern: Tennessee water projects.

TEXAS: Joyce Jones, editor and general manager, weekly Tribune, Houston. Ultra-conservative.

WASHINGTON: Donald F. Whitman, news director, KITN radio, Olympia.

Jack Doughty, executive editor, Seattle Post-Intelligencer. The only Hearst newspaper to break with the chain to endorse you in 1976. Doughty is considered an expert on China and the Phillipines, knows Marcos personally. An old Navy man, he may raise defense issues. Another concern: Justice Department's decision to pursue in the courts the matter of Indian fishing rights.

WISCONSIN: Thomas Schultz, editor, Watertown Daily Times. Recommended by Congressman Robert Kasten.

THE WHITE HOUSE

WASHINGTON

AGENDA

Editors' Briefing

September 22, 1978

8:30-8:40 a.m. Coffee

8:40-9:00 a.m. PATRICIA Y. BARIO
Associate Press Secretary
Office of Media Liaison

PATRICIA E. BAUER
Editor
The White House News Summary

9:00-9:50 a.m. W. BOWMAN CUTTER
Executive Associate Director for Budget
Office of Management and Budget

9:50-10:00 a.m. Break

10:00-10:45 a.m. JOHN GILLIGAN
Administrator
AID

10:45-11:30 a.m. GUY MARTIN
Assistant Secretary
Department of the Interior

MICHAEL BLUMENFELD
Deputy Under Secretary of the Army

11:30-11:40 a.m. Buffet Lunch

11:40-12:15 p.m. MARSHALL KAPLAN
Deputy Assistant Secretary for Urban Policy
Department of Housing and Urban Development

12:15-12:30 p.m. En Route to Cabinet Room

12:30-12:50 p.m. ROSALYNN CARTER

12:50-1:00 p.m. JODY POWELL
Press Secretary

1:00-1:30 p.m. Q & A WITH PRESIDENT CARTER

1:30-2:15 p.m. Filing Time

2:15-3:15 p.m. ALAN K. CAMPBELL
Chairman
Civil Service Commission

3:15-4:00 p.m. JAMES BISHOP, JR.
Director, Office of Public Affairs
Department of Energy

THE WHITE HOUSE
WASHINGTON

September 22, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M. Moore*

SUBJECT: SOLOMON ISLANDS' PRIME MINISTER AND
AMBASSADOR-DESIGNATE

As you remember, you sent Senator John Glenn to the Solomon Islands as your personal representative to that country's Independence ceremony. Glenn has requested that Prime Minister Peter Kenilorea and Ambassador-designate Francis B. Ogutu be allowed to see you for 3 minutes today. The Prime Minister and Ambassador-designate are in the United States to present the Solomon Islands' credentials at the United Nations. State and NSC concur that such a brief meeting and photo opportunity would be useful.

The Ambassador-designate originally wanted to present his credentials to you today. State reports that it is impossible because of protocol reasons. The presentation of credentials will have to take place at a later date.

APPROVE MEETING

✓

DISAPPROVE

J



~~CONFIDENTIAL~~

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

9
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September 15, 1978

MEMORANDUM FOR THE PRESIDENT

ATTENTION: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

SUBJECT: Significant Issues for the Week of September 11

Electrostatic Copy Made
for Preservation Purposes

Budget Transmittal - I have transmitted this Department's budget request for FY 1980 to Jim McIntyre today, as scheduled. As I told you, our requests are below the targets established by OMB. This will mean a great deal of restraint in existing programs, a virtual moratorium on any major new ones, and some judicious stretchout of certain ongoing efforts. Nevertheless, I believe this is the proper response to our national economic conditions. If all Cabinet members and agencies can adopt this strategy, it will be possible to eradicate the deficit within the next year or two thereafter. The only loose end in our FY 1980 planning is the impact of pending highway and transit legislation. As I indicated to you via my memorandum of September 13, I am working closely with your staff to seek a bill that will meet with your approval. good

U.S./Canada Atlantic Fishing Rights Negotiations - Negotiation of an agreement with Canada on maritime boundaries and fisheries management has reached an impasse. Indications are that Canada plans to unilaterally publish an expanded maritime boundary claim in the Gulf of Maine - Georges Bank area. This wider claim will be 10-20 miles further west from their original claim published 1 November 1976.

The impact of such an expanded claim on fisheries enforcement in this expanded zone is currently being assessed. In the meantime, the Coast Guard is continuing routine law enforcement patrols as before neither neglecting nor concentrating upon the area in question.

Meetings with British Aviation and Maritime Leaders - I attended the Farnborough Air Exhibit sponsored by the Society of British Aerospace Companies during part of the week of September 1st. While in London, I met with the Minister of Trade Edmund Dell and other officials. The British were disappointed that the United States did not have a commercial pavilion (sponsored by the Commerce Department) or advanced transport aircraft on display. I intend to discuss our posture at next year's event in France with Harold Brown and Juanita Kreps. During my conversations with Mr. Dell and recently with British Ambassador Jay, and with

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various British and other European shipping interests, I have been continuously informed of their concern about a lack of a coordinated U.S. marine transportation policy and Justice Department antitrust actions against shippers. I've discussed this matter with Stu Eizenstat and members of his staff, and believe we need to establish an integrated U.S. marine transportation policy as soon as possible. European and Japanese officials will be visiting the U.S. in November under the aegis of the Consultative Shipping Group to present their case in this matter.

U.S.-Germany Bilateral Aviation Negotiations - A delegation from the United States is presently meeting in Germany and working to complete a U.S.-German bilateral air transport agreement. I met with the German Transport Minister Gschiedle last month here in Washington and urged him to move his government toward our policy. The U.S. delegation reports to me that objectives of the United States in this negotiation have now been accomplished, and I will indicate to the Minister today (September 15) that we are pleased with negotiations.

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

Phil has
seen

THE WHITE HOUSE
WASHINGTON

Mr President,

you could have a
photo made on the
way to helicopter at
3 pm.

Phil

THE WHITE HOUSE
WASHINGTON

21 September 1978

*To Watson
forward
Jack. Can
we restrain or
prevent development*

~~Susan--~~

*here
?
J*

On his mail summary for 9-18, the President asked to see the Goldwater letter which follows up on his earlier correspondence. I have attached the Senator's first letter, and a copy of the President's response to that (copies of that response also went to Eizenstat and McIntyre).

I didn't do a draft response to this second letter for two reasons: 1) the book to which the Senator referred in his first letter has just arrived (the large hardbound), and it will be sent to the Gifts Unit where they will do a Presidential thank-you; 2) Since the President had already done a thank you to the Senator's first letter, I felt that a further response at this point should be more than a thank you--i.e., mention action that will be taken, asking advisers to work with the Senator's staff to see what can be done, etc. Since I don't know what the President's inclination is on this, I thought I would wait.

Please let me know if/how the President wants to follow up on this, and I will be happy to prepare a draft.

Thanks.

Ev Small

THE WHITE HOUSE
WASHINGTON

9/22/78

Mr. President:

I understand you want a
meeting this Sunday with Vance
on the middle east and SALT.
You are scheduled to teach
Sunday school this Sunday.
Do you want it to be an after-
noon meeting at 1:30 pm?

Phil

1:30 pm Sunday
7:30 am Mon

ok - or
earlier, not
to interfere with
SS & church

Pres
VP
Vance
Zbign

+ Brown
Walker

J

THE WHITE HOUSE
WASHINGTON

Phil has
seen

THE WHITE HOUSE
WASHINGTON

9/22/78

Frank Moore

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

Rick Hutcheson

cc: Stu Eizenstat

WARREN G. MAGNUSON, WASH., CHAIRMAN

JOHN C. STENNIS, MISS.
ROBERT C. BYRD, W. VA.
WILLIAM PROXMIRE, WIS.
DANIEL K. INOUYE, HAWAII
ERNEST F. HOLLINGS, S.C.
BIRCH BAYN, IND.
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DENNIS DECONCINI, ARIZ.
DALE BUMPERS, ARK.

MILTON R. YOUNG, N. DAK.
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EDWARD W. BROOKE, MASS.
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TED STEVENS, ALASKA
CHARLES MCC. MATHIAS, JR., MD.
RICHARD S. SCHWEIKER, PA.
HENRY BELLMON, OKLA.
LOWELL P. WEICKER, JR., CONN.

*cc Frank
& Staff
J*

United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, D.C. 20510

September 20, 1978

JAMES R. CALLOWAY
CHIEF COUNSEL AND STAFF DIRECTOR

The President
The White House
Washington, D.C.

Dear Mr. President:

The Energy and Water Development Appropriation Bill, fiscal year 1979 (H.R. 12928, Public Works) is in the final stages of the legislative process and will be sent to you in the near future for your approval.

Because certain officials in the Executive Branch have stated their intention to recommend that you veto this bill, we urge you to give your careful attention and your every consideration to the strong and overwhelming Congressional support of this highly important measure before acting on any such recommendations from those officials.

We sincerely hope that you will not veto this bill. The House passed the bill by a vote of 263 to 59 and the Senate passed its version by a vote of 89 to 5. On September 14th, the House adopted the Conference version of the bill by a vote of 319 to 71. The bill provides appropriations totaling \$10.2 billion of which \$6.1 billion is for the Department of Energy, \$3.2 billion is for the Corps of Engineers and Bureau of Reclamation, and \$0.9 billion is for other agencies. The bill is almost \$300 million below the comparable 1978 appropriations and it is \$879 million (new budget authority) below the amended budget estimates submitted to the Congress.

With respect to water resources development, the bill provides for 45 new construction starts, including 18 new starts recommended in your budget. There were no new starts in 1978 and the Corps of Engineers and the Bureau of Reclamation will complete 69 projects in 1978 and 1979. Of the eight projects for which funds were eliminated in the 1978

The President
September 20, 1978
Page Two

bill, only three are funded for construction in this bill, two are eliminated, and three receive small amounts of study funds. Also, two of the eight projects which were funded in the 1978 bill receive no funding in this bill.

Mr. President, the Congress will continue to give careful consideration to your recommendations and proposals, but we submit that this bill is a fair and responsible measure. It was developed and considered over an eight month period through our democratic process. We firmly believe that this process produces a sense of priorities and needs for our nation which is equally as keen, competent and as well-informed as those of the officials who are advising you. We strongly urge you to accept this bill.

Sincerely,

James B. Long

James B. Long

Sammy Randolph

Barry Caldwell

Mike Gavel

James O. Eastland

Walter R. Huddelett

Dwight D. Davis

Howard Cannon

John Chatterton

Henry Bellmon

John S. Gandy

James O. Eastland

Sammy Randolph

Paul Barrett

Carl T. Curtis

John B. Statch

Henry Bartlett

Bill Holt

Ray McCallister

Tom Sawyer

Gary Hart

Paul Starbuck

Michael Young

Rich Byrd

David Keating

Strom Thurmond Rich Schweiker

S. I. Hayakawa

Dennis DeConcini

John B. Anderson
Jack H. Harkness

Dale Bumpers

Clair P. Kirk

Karot Hodge

John Melcher

Wendell Ford

Henry M. Jackson

Rich Schweiker

Walt
Dell Stearns

The President
September 20, 1978
Page four

John Tower

Mr. Mc. [unclear]

Robert Magan

Donna [unclear]

James A. McClive

THE WHITE HOUSE
WASHINGTON

9-22-78

Tim

Assess for me:
Roger Hull vs
appt to advis. comm.
on motorcycling

J

THE WHITE HOUSE
WASHINGTON

9/22/78

The Vice President
Stu Eizenstat
Frank Moore
Jack Watson

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

Rick Hutcheson

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

ACTION

FYI

*immediately
marked
in*

ADMIN CONFIDENTIAL
CONFIDENTIAL
SECRET
EYES ONLY

✓ VICE PRESIDENT

JORDAN

✓ EIZENSTAT

KRAFT

LIPSHUTZ

✓ MOORE

POWELL

RAFSHOON

✓ WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARAGON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FALLOWS

FIRST LADY

GAMMILL

HARDEN

HUTCHESON

LINDER

MARTIN

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

VOORDE

WARREN

WISE



THE SECRETARY OF THE TREASURY
WASHINGTON

September 15, 1978

MEMORANDUM FOR THE PRESIDENT

W. M. B.

Subject: Status of the Tax Bill

From: W. Michael Blumenthal

I share your concern that we keep open at all times the genuine option of vetoing this bill. I have been warning members repeatedly to entertain no illusions on this score, reminding them that your decision has not been made, and will not be made until you can measure the final product against your stated goals as to revenue loss, progressivity, fairness, and the like. I am now re-emphasizing this message in my consultations, for the Finance Committee has begun to stray from our positions on several issues. However, our public posture should remain delicately balanced: If members sense that a veto is either very unlikely or very likely, they will lose all incentive to accommodate us. My objective is to get the best bill possible to your desk. This is important even if you choose the veto route, for we may wish to urge almost immediate passage of a new, improved bill, and that option would be effectively lost if the first bill bore no resemblance to an acceptable compromise.

As of this week, I'm afraid the bill presents a very mixed picture:

1. Size: In marking up the individual cuts, the Finance Committee has pushed the FY 1979 revenue loss moderately above our recommendations, by about \$1 billion at this point. But the major problem as to size will be efforts to rearrange the bill's revenue effects so that the big losses come after FY 1979. These efforts are presently focused on the corporate rate cuts, where there is a move to reduce the rate to 44 percent in the outyears (v. 46 percent in 1979); some Republicans are pushing for an eventual 42 percent rate. Furthermore, a majority of Committee Democrats favors liberalizing the depreciation rules, on top of the corporate rate cuts. I am opposing these efforts, pointing out that our budgetary concerns apply as forcefully to the outyears as to FY 1979. (Though our original proposal contained an ultimate 44 percent corporate rate, that was premised on an offsetting revenue pick-up from business tax reforms, which are not now

in the cards, and did not contemplate liberalized depreciation or capital gains tax reductions.)

2. Individual cuts:

. The Committee has improved the progressivity of the House bill by deepening the cuts for lower income taxpayers. This was done by increasing the Earned Income Credit substantially along the lines favored by HEW and Treasury.

. The Committee will deepen the rate cuts, chiefly in the \$10-50,000 income classes, to the tune of about \$2 billion.

. The Committee has raised the personal exemption from \$750 to \$1000 and eliminated the \$35 general credit. This represents a useful simplification for taxpayers, though our preferred technique was a \$240 credit, rather than a \$1000 exemption. In isolation, a credit is more progressive than an exemption, but -- as we have stressed throughout the year -- this is a somewhat academic distinction, as the rate schedule could be designed, in either case, to achieve the desired progressivity effect.

3. Capital gains: As before, this is the primary problem area. Long will aim in the Senate bill to raise the capital gains exclusion from 50 percent to 65 percent or 70 percent, hoping for a compromise at 60 percent or 65 percent in Conference. I have resisted this, and have told Long that capital gains cuts can receive favorable consideration from us only if accompanied by a strong alternative, minimum tax (which may be possible) and a realistic measure to tax capital gains at death (which would be very hard to enact).

There is also a move in the Committee to use this bill to gut the 1976 "carry-over basis" reform, which aimed to close off the death-transfer route for escaping capital gains taxes. Any weakening of the carry-over basis reform would be a very negative feature.

4. Reforms: Long sees little prospect of Committee progress on our reform agenda. We are now working with Committee members to bring some of the reforms to a vote.

5. Tuition tax credit: Long warns that the Committee will attach the tuition tax credit to this bill unless it

has first been separately enacted, vetoed by you, and your veto sustained. Accordingly, Long is pushing for an early Conference with the House to get the tuition credit to you as soon as possible.

THE WHITE HOUSE
WASHINGTON

9/22/78

Zbig Brzezinski

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

Please forward the attached
copy to Secretary Brown.

Rick Hutcheson



THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

18 SEP 1978

cc Harold
Jim help -
J

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Improved Armaments Cooperation in NATO--Status Report

An inefficiency--indeed, a waste--greater than any I know of in our Defense program results from insufficient cooperation among the NATO allies in the development and production of weapons. Since taking office I have devoted a good deal of my time, and my staff's as well, toward efforts to reduce duplication of effort and competing systems. There is a long way to go, but some significant progress has been made. This is a short report on where our efforts stand.

Bill Perry, my Under Secretary for Research and Engineering, has been meeting with his fellow Armament Directors in NATO, especially those of the U.K., FRG, and France, to arrive at an action plan they could support. At the same time, he has been meeting with congressional committees and industrial groups to gain their support.

We are not trying to achieve standardization as an end in itself; our goal is to improve combat effectiveness through greater efficiency in alliance-wide R&D and procurement. This has always been a worthwhile goal--now it becomes essential in the face of the growing Soviet threat. The Soviet Union is producing new tanks, guns and aircraft at a rate two to three times that of the United States. The Soviets are investing perhaps twice as much as we in defense R&D.

Part of this investment imbalance can be offset by a strong U.S. industrial R&D effort, if we exploit it effectively in our defense programs. But we must count on our NATO allies to make up much of this deficiency. They have the economic strength, the industrial base and the technology to do this--and their motivation is increasing as they observe the impressive growth in Soviet military strength. But they are not investing enough in defense (Europe/NATO average = 3.7% of GDP) and they are not efficiently using what they do invest. Their R&D programs overlap with those of other allies; they have high unit costs because of low production volume; and they often produce lower quality equipment than they could buy, in order to maintain jobs and promote third-country sales.

Our initiatives fall into three groups:

1. Fair Competition in Defense Procurement--The Europeans have called for more of a "two-way street" in defense buying. In response, we have signed memoranda of understanding with key NATO countries to allow fair competition for the alliance-wide defense industry; and we have made major efforts to buy already-developed European equipment for U.S. use. This program has had modest success, but it does not address the real problems of getting more efficiency in R&D and procurement and deploying higher quality equipment in NATO forces.

Moreover, its success will never be large so long as the United States spends \$12B a year on R&D and the U.K. (or FRG or France) each spend-- independently--only about \$1B per year. At those R&D levels they simply cannot compete effectively with U.S. defense industry unless they limit their efforts to only a few items. But instead, up to now each of those countries has diffused its limited R&D budget across the whole spectrum of systems in order to compete with us (and each other), primarily for non-NATO defense sales.

2. Family of Weapons Concept--To be really effective with coalition R&D spending (our \$12B + our allies' \$4B), we must induce the U.K., FRG and France to focus their R&D spending to produce the best equipment for the alliance in their areas of specialization. What we can offer them as an inducement is the agreement not to compete in the development phase of selected weapon systems that could meet our joint needs. In essence, this is the rationale for the "family of weapons" concept, whereby the United States would take the lead in developing one member of the family while an ally or allies would take the lead for another member.

We are now discussing with the Armament Directors of the U.K., FRG and France how to establish such families in the next generation of anti-tank weapons, air-to-air missiles, anti-ship missiles, and air-to-ground weapons. In the anti-tank field, the U.S. Army is planning to develop a replacement for the TOW missile at an R&D cost of about \$250M, and a replacement for DRAGON at equivalent cost. Similar programs are being planned in several European countries. We have suggested that we develop one anti-tank system and Europe form a consortium to develop the other. Each side would agree not to compete with the other and to make the resulting data package available to the other to produce. This not only cuts aggregate R&D costs in half, but allows for a consolidation of European production to reduce unit cost.

3. Dual Production--We should have our first real "family" program early next year. However, its impact on defense readiness will be limited to the long term, and we need some actions with a near-term effect. Consequently, we are pushing a "Dual Production" program in which we will make our latest developments available for production in Europe. This is an alternative to buying units produced in the United States (which Europe is not willing to continue for economic reasons) or to each of several European countries' developing their own competitive systems. We have already signed agreements on the AIM-9L (heat-seeking air-to-air missile), MODFLIR (night vision devices) and COPPERHEAD (laser-guided artillery shell), and are planning to negotiate on the STINGER (heat-seeking surface-to-air missile), and PATRIOT. (Sometimes, as in the case of ROLAND, we would produce a European-developed system.)

The advantages of such a program are several. The Europeans will not have to spend their limited R&D redeveloping what we have already developed. They will have the most effective equipment in their forces. As important, it will be interoperable with ours. Moreover, they will gain the benefits of large production runs (they are forming a single European consortium for each system). The disadvantages are that we increase the security risk of leakage of technology by involving other countries in the manufacture of our advanced systems, and we transfer technology which may diminish our ability to compete with these allies in other fields. We believe that the advantages far outweigh the risks and are pushing ahead.

Taken in the aggregate, these three initiatives--Fair Competition in Defense Procurement, Family of Weapons, and Dual Production--can effect a major improvement in the efficiency of defense R&D and procurement for the NATO alliance. We think we are bringing U.S. industry around to join us as partners in these efforts. However, the Congress may be another matter, because some special interests will be hurt and complain. I may need to call on you for help with that aspect.

Harold Brown

cc: Secretary of State

ID 784696

THE WHITE HOUSE

WASHINGTON

DATE: 20 SEP 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT HAMILTON JORDAN
FRANK MOORE (LES FRANCIS) ZBIG BRZEZINSKI
JIM MCINTYRE

SUBJECT: BROWN MEMO RE IMPROVED ARMAMENTS COOPERATION IN NATO -
STATUS REPORT

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

ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW:

ID 784696

THE WHITE HOUSE

WASHINGTON

DATE: 20 SEP 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT HAMILTON JORDAN
FRANK MOORE (LES FRANCIS) ZBIG BRZEZINSKI
JIM MCINTYRE

SUBJECT: BROWN MEMO RE IMPROVED ARMAMENTS COOPERATION IN NATO -
STATUS REPORT

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

ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW:

FOR STAFFING

FOR INFORMATION

FROM PRESIDENT'S OUTBOX

LOG IN/TO PRESIDENT TODAY

IMMEDIATE TURNAROUND

NO DEADLINE

LAST DAY FOR ACTION

ACTION

FYI

ADMIN CONFIDENTIAL

CONFIDENTIAL

SECRET

EYES ONLY

✓	VICE PRESIDENT
✓	JORDAN
	EIZENSTAT
	KRAFT
	LIPSHUTZ
✓	MOORE
	POWELL
	RAFSHOON
	WATSON
	WEXLER
✓	BRZEZINSKI
✓	MCINTYRE
	SCHULTZE
	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARAGON
	BUTLER
	H. CARTER
	CLOUGH
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	LINDER
	MARTIN
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	VOORDE
	WARREN
	WISE

THE WHITE HOUSE

WASHINGTON

September 22, 1978

To Senator Byrd

I urge favorable action at the earliest possible time on H.R. 8588, a bill to reorganize and consolidate audit and investigation functions and to create offices of Inspector General in twelve major domestic departments and agencies. It is a reflection of the importance of this legislation that with this Administration's support, House approval of this bill earlier this year was nearly unanimous.

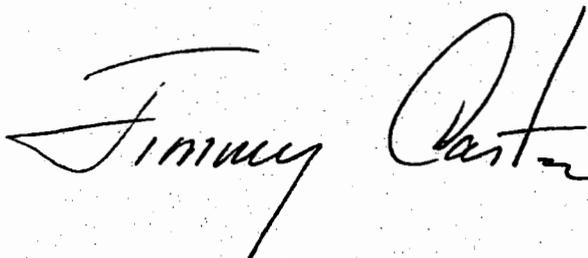
The new offices created by the bill will consolidate existing audit and investigation resources under the direction of a single, Presidentially appointed official in each agency. These offices will be charged with rooting out fraud, waste, and abuse in agency programs.

I can assure the Congress that the new framework established by the bill will be put to a good and vigorous use. I intend to nominate people of the highest integrity and ability to head these offices, and I will instruct my department and agency heads to support their efforts fully.

We are pleased to have worked with the Congress, in particular with Senators Ribicoff and Eagleton, and Representatives Brooks and Fountain, in fashioning this legislation. The reorganization of audit and investigation activities complements other initiatives the Administration has underway to fight fraud and abuse in Government, including the strong whistleblower protection provisions in the civil service reform bill, and the aggressive investigations we have launched of alleged abuses in GSA operations and CETA jobs programs.

I commend Representatives Fountain and Brooks, and Senators Eagleton and Ribicoff for their dedicated work in the development and refinement of this bill.

Sincerely,

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

The Honorable Robert C. Byrd
United States Senate
Washington, D.C. 20510



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

SEP 22 1978

MEMORANDUM TO THE PRESIDENT

FROM:

Jim McIntyre

WHD for J.T.M.

SUBJECT:

Letter to Senator Byrd on the IG Bill

Jerry Rafshoon, Dick Pettigrew and I, with the concurrence of Dan Tate for Frank, agree that we need to ensure that your support of the Inspector General bill receives some public attention before the bill passes the Senate.

Since final Senate action is imminent, I ask that you sign the attached letter to Senator Byrd so that it can be delivered and released as soon as possible.

Jim Fallows has edited the letter; Jerry, Dick, and Dan have also reviewed it.

THE WHITE HOUSE
WASHINGTON
9/22/78

Stu Eizenstat
Bob Lipshutz

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

Rick Hutcheson

cc: Bob Linder

9:00 AM

THE WHITE HOUSE

WASHINGTON

September 21, 1978

MEETING WITH REP. JIM WRIGHT AND REP. TOM BEVILL

Friday, September 22, 1978

9:00 a.m. (15 minutes)

The Oval Office

From: Frank Moore *FM*

I. PURPOSE

To explain your objections to the Public Works Appropriations Bill and the strong possibility of a veto.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

Background: Majority Leader Wright is seen as the major force in the Congress behind water projects and public works appropriations. Wright always has managed the floor fight against our policy and can be expected to again in their attempt to override your veto of the Public Works Appropriations Bill. Congressman Bevill is chairman of the Appropriations Subcommittee and a very well-liked member. They will lobby for the veto override by threatening a member's projects or any future projects. They both take this confrontation very personally and get emotional about our stand. They feel like we don't understand what is in the bill and that you are "getting bad advice from some young kids who are no-growth environmentalists." This meeting is a protocol one that will keep them from saying they were not consulted before the veto.

Congressman Bevill is personally responsible for deleting funding for the Water Resources Council in the appropriations bill. In addition to our opposition to specific water projects, he fears that the responsibilities given to the Water Resources Council in your water policy will further our efforts to demand that projects meet minimum requirements before they are funded for construction.

Participants: The President, Rep. Wright, Rep. Bevill, Frank Moore, Bill Cable, and Jim Free.

Press Plan: White House Photographer.

III. TALKING POINTS

My major objections to the appropriations bill:

--Six projects terminated after the difficult battle and compromise last year are reinstated in this bill. The Administration carefully studied these projects and although I agreed to let a number of other unsound projects proceed, I cannot accept the reinstatement of these six:

Yatesville	(Kentucky)	(Perkins D-Ky)
Lukfata	(Oklahoma)	(Watkins D-Ok)
Bayou Bodcau	(Louisiana)	(Long D-La, Waggonner D-La)
Narrows	(Colorado)	(Evans D-Col, Johnson R-La)
Savery-Pot		
Hook	(Colorado)	(Evans D-Col, Roncalio D-Wyo, Johnson R-Col)
Fruitland Mesa	(Colorado)	(Evans D-col, Johnson R-Col)

I cannot even accept "study" money for these projects. No amount of additional study will make these projects acceptable.

--Although I proposed 26 new water projects, the bill not only funds these but includes 27 additional projects. The 27 include projects which have not been fully planned. Some have not met legal requirements; some are economically or environmentally unsound; some are low priorities we simply can't support in a tight year (recreational boat harbors, for example).

In all they cost \$1.2 billion more than our request for 26 projects. I realize my new start proposals were too late to be taken up in Mr. Bevill's subcommittee, but there was sufficient time after that to modify the bill. In any case, I would have to insist that projects in this bill are ready for funding. Many of the 27 simply aren't.

--The bill mandates the addition of 2300 employees to the Corps of Engineers and Bureau of Reclamation. We can't hold back the growth of bureaucracy with such requirements.

--The bill deletes funding for the Water Resources Council (only \$1.3 million). While I'm aware that the Water Resources Council has been criticized for inaction in the past, I've given them important new assignments to help assure consistency and coordination. This will help the water resource program, not hurt it.

--The bill doesn't use the "full funding" approach for new starts. This is a businesslike procedure which is very important to me. I proposed 26 new starts this year by requesting their full cost, including inflation (\$604). Yet this bill funds 53 new projects costing \$1.8 billion with an appropriation of only \$104 million.

--I'm not anti-water projects. I support ongoing construction on water projects costing a total of \$35 billion. My FY 1979 request for water projects is \$2.5 billion. I am the first President in four years to propose new water project starts. I compromised last year and accepted a number of projects I personally did not believe should be built.

See attached memo for more substantive information.

Attachment #1

Congressman Jim Wright (D-12-Texas)

Committees: MAJORITY LEADER

#2 Budget

Administration Support: 86.4%

Wife: Betty

Congressman Tom Bevill (D-4-Alabama)

Committees: #23 Appropriations

Subcommittees: HUD-Independent Agencies
Public Works (CHAIRMAN)

Administration Support: 42.2%

Wife: Lou

THE WHITE HOUSE

WASHINGTON

September 21, 1978

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore
Anne Wexler
Stu Eizenstat

SUBJECT: Energy and Water Development Appropriations Bill

The period of time between receipt of the Public Works Bill and a veto decision will be extremely short. Ten days would not be sufficient time to mount the campaign necessary to prevent an override. As you know, the House could act within minutes of a veto announcement. In light of this, shortly after Labor Day we began a low-key, educational campaign to reach, among others, the media, business leaders, and select Members of the House.

Our efforts are being channeled through a task force chaired by Anne. The task force meets daily at 6:00 p.m. and is composed of representatives from OMB, DPS, Army, Interior, Energy, WHCL, WH Press Office, and the offices of the Vice President, Anne Wexler, Jack Watson, Gerry Rafshoon, Charlie Schultze and Tim Kraft.

Throughout we have been extremely careful to couch all communication in terms of explaining the Administration's "concerns" about the bill. We have felt it vitally important that we do nothing to limit your options or to adversely affect our prospects for passage of Natural Gas in the Senate.

The following summarizes activities underway and planned.

1. Document Preparation

We have prepared various documents to be used in support of a possible veto. Attachment A is an inventory. Congressional distribution has begun in the House only and will continue next week. OMB is preparing an enrolled bill memo. We anticipate that work on the draft veto message and enrolled

bill memo will be complete next week. OMB, DPS and the Agencies are presently checking and rechecking the numbers.

2. Print Media

The Media Liaison Office has mailed background materials to various newspapers. Representatives of Interior and Army have spoken to editorial writers. This has resulted in a number of favorable editorials. Attachment B is a summary of some of the editorials. Next week we will mail specialized background materials to newspapers. These materials will be tailored to meet regional concerns.

3. Radio and Television

Representatives of Army and Interior are appearing on radio and television shows. This will continue over the next several days, with increasing emphasis on areas where it is anticipated we will need supporting votes in the House and Senate.

4. Briefings

We are conducting briefings for business, environmental and other groups explaining the Administration's concerns about the bill. Charlie Schultze and representatives from Army and Interior have developed an effective briefing presentation. We will include the Public Works Bill in briefings we are holding for groups originally scheduled to be in the White House for other purposes. We are also working with environmental and urban interest groups in an effort to help them focus their activities on parts of the country where Members of Congress would be most responsive to their appeals.

5. Veto Day

A "veto day" strategy to include background briefings, speeches in key cities, media appearances and special briefings by Administration officials is being planned.

6. Western Strategy

We are developing a strategy aimed at demonstrating that a veto is not anti-Western. This includes facilitating favorable editorials, advertising the support of a few Western governors and other elected officials, and sending Administration speakers to the West.

7. Democratic National Committee

John White has attended task force meetings and is helping with the Western strategy. DNC is also assisting us with briefings and getting information to key Congressional Districts.

8. House Activity

The House strategy will center on a targeted group of Members who have voted with us in the past on water projects. There are 133 who supported the Administration on both the Derrick/Conte and Edgar Amendments in June 1977 and 1978 and 83 who were with us on one of the votes. These 216 Members are receiving our attention at this time.

White House CL has met with Derrick, Edgar, Conte, Michel, and a working staff group. A head count is underway. We are working with Members on press releases and plans for a well-orchestrated set of endorsements by Members immediately following announcement of a veto.

Preliminary indications are that many Members are not willing to state a position until they have time to gauge the level of our commitment -- many remind us that last year's veto never happened. This reluctance is understandable in light of the work Congressmen Wright and Beville are already putting in on their side. There are also some signs of slippage from the group of 133 -- usually in cases where specific projects are being threatened by Wright, et al.

We will soon expand our activities beyond the targeted 216. The appeals will be made along economic and fiscal responsibility lines and will be directed to Members in both parties. We will seek to actively involve the economic experts in the Administration, i.e., Blumenthal, Kreps, Schultze, McIntyre and Strauss. Soon after your veto decision, we will hold meetings on the Hill to answer technical questions for Members and staff. Schultze, Andrus and Alexander will be asked to participate in these briefings.

We will also suggest you meet with supporters soon after a decision. The appeal will be for their continued support and hard work.

9. Senate Activity

In the Senate, we are working on a list of 42 Senators who indicated in votes earlier this Congress that they may be sympathetic to your water policies and policies of fiscal

restraint. A working staff group is meeting regularly to prepare speeches and organize press endorsements. They are also beginning low-key canvassing.

Some of the 42 have let us know they are not enthusiastic about a veto; some have advised against it (Hollings, Cranston) but others enthusiastically support a veto of the bill (Leahy, Lugar, Nelson, Chafee).

Our support in the Senate, if we are to win, must come from a combination of environmentalists and fiscal conservatives. Because Byrd and Cranston are not with us, Senator Nelson is presently our most likely candidate for leadership on the issue.

We have not yet tested Senate sentiment thoroughly. As soon as we see our way clear with Natural Gas, we will begin doing so. As in the House, the battle will be difficult -- and will require an Administration-wide effort.

10. Schedule

We anticipate that the Senate will take up the Public Works Conference Report on September 28 following the vote on the natural gas compromise. If this occurs, you would receive the bill on September 29 or 30, and the final day to veto would be October 10 or 11.

THE WHITE HOUSE
WASHINGTON

9/22/78

Frank Moore

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

Rick Hutcheson

cc: Stu Eizenstat

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT
FRANK MOORE

SUBJECT:

Phone calls after House passage
of airline deregulation

Frank - Done -
a) He knows of my objection to Titles I & II & agrees
b) Will try not to tie noise & dereg together
c) Will expedite conference
John by Les Francis
J

The House has just passed the airline deregulation bill. Since the bill has already passed the Senate, we are now ready to go to conference.

The only remaining obstacle to final enactment of deregulation is the noise bill. As you recall, the House subcommittee chairman, Glenn Anderson, would like to tie the noise and deregulation bills together. Due to Chairman Johnson's support, we have succeeded thus far in keeping the bills separate, but Anderson would like either to (1) wait until the Senate passes the noise bill, and then send the bills to conference together; or (2) begin a deregulation conference, but send the bill to you only if you commit to signing a noise bill. We believe Johnson will support us for a deregulation only conference.

The House passed the noise bill last week. The bill includes Titles I and II which we have opposed because they create new spending programs. We did, however, support Title III, which diverts 2% of the existing 8% ticket tax to help airlines bring their fleets into compliance with new noise standards. Title III has been criticized in the press, but it is very important that we continue to keep our commitment to the House members that we will support it.

The Senate has passed the deregulation bill. A noise bill which contains the objectionable Titles I and II, as well as Title III, has cleared the Commerce Committee but is bogged down in the Finance Committee. Russell Long may not act unless we agree to change an FAA rule so that New Orleans can have nonstop service to Washington National Airport. Secretary Adams and we are opposed to changing the rule at this time because the favoritism to New Orleans may create a backlash from cities still subject to the rule. To keep our good faith with the House, and consistent with previous testimony, we are working to get Title III through the Finance Committee and passed through the Senate.

The noise bill has become very controversial, however, and it may be difficult to pass the Senate this session even if it clears the Finance Committee.

At this point, it is important that we (1) push for a deregulation only conference, and (2) continue to work to get Title III through the Senate but avoid making a commitment on signing the entire noise bill.

I agree

We recommend that you call the Speaker and Chairman Johnson to thank them for the House passing the deregulation bill, and to urge that a conference begin as soon as possible. We suggest that you not mention the linkage with the noise bill. If you are asked about it, we recommend that you say we are working to get Title III passed, but you are concerned that we are running out of time. Because we are concerned about Title I and II, we recommend that you avoid making a commitment to sign the noise bill.

Suggested Talking Points:

- Thank you for your leadership in passing airline deregulation. This is an important part of my program to reduce inflation and eliminate unnecessary federal regulation of business. Competition has already benefited consumers and the industry alike, and this legislation will guarantee that these changes will be permanent.

- Because this is a high priority issue for the Administration this year, I urge you to begin a deregulation conference as soon as possible.

Frank
①

THE WHITE HOUSE
WASHINGTON

September 19, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM.*
SUBJECT: NATURAL GAS BILL

Our victory on the Metzenbaum motion to recommit got us off to a good start in the Senate. We got 59 votes but the battle is far from over.

As you know, we now have 49 commitments (Sen. Byrd says 50) on final passage of the conference report. In usual circumstances, we would be in a commanding position. In this instance, however, we are by no means invulnerable.

First, we should not be lulled into a false sense of security as a result of our large margin on the recommittal motion. Ten or eleven Senators who voted with us on recommittal remain uncommitted to us on final passage and their support is by no means assured:

Case	+ +	(commitment to Byrd?)
Durkin	L--	
DeConcini	L-	
Eastland	L+	
Stennis	?	
Sasser	L-	
Mathias	?	
Zorinsky	?	
Hatfield (OR)	L+	
Heinz	L+	
Danforth	+ L+	

Other remaining uncommitted Senators voted against us on recommitment, but must not be written off:

Packwood	?
Thurmond	+ L+
Hayakawa	?
Lugar	L--
Roth	L-
Bayh	L--
Sarbanes	L--
McGovern	L--

Two Senators were absent:

Brooke	L-
Helms	L+

It is absolutely critical that we move quickly to contact and extract commitments from as many of these uncommitted Senators as possible. Accordingly, I recommend that the following assignments be made with instructions to report results to you within 24 hours.

Frank Moore

Durkin
Zorinsky
Danforth
Roth
Lugar
~~Hayakawa~~
McGovern

The Vice President

Brooke
Mathias
Sasser

Jim Schlesinger

Case
Hatfield, Mark
Eastland
Stennis
Thurmond
Helms

The President

Packwood
Sarbanes
Bayh
~~McGovern~~
HAYAKAWA

We cannot underestimate the zeal and ingenuity of the other side. We must not be satisfied with 50 or 51 commitments in light of some opponent's ability to turn around a colleague when the chips are down. If we can get 55 or 56 commitments, we will be in excellent shape.

THE WHITE HOUSE
WASHINGTON

not all done
J

September 18, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M.*
SUBJECT: RECOMMENDED CALLS ON NATURAL GAS

The Vice President is calling the following Senators on the natural gas bill:

DeCONCINI, Dennis (D-Ariz)
PACKWOOD, Bob (R-Oreg)
HATFIELD, Mark (R-Oreg)
MATHIAS, Charles McC. (R-Md) *talk*

I recommend that you contact the following Senators:

~~HEINZ, John (R-Pa)~~ *Committed*
HAYAKAWA, Sam (R-Calif)
SARBANES, Paul (D-Md)
ROTH, Bill (R-Del)
BROOKE, Ed (R-Mass)
CASE, Clifford (R-N.J.) *+*

None of these Senators is committed for or against the bill.

Depending on the outcome of the Vice President's calls, you may want to follow-up with the Senators he contacted (DeConcini, Packwood, Hatfield, Mathias).

THE WHITE HOUSE
WASHINGTON

CONGRESSIONAL TELEPHONE CALL FROM CAMP DAVID

*Frank - Jim
ready to call or
see him re
Pub Works when
you wish*

J

TO: Rep. Phil Burton (D-6-California)

DATE: As soon as possible while at Camp David.

RECOMMENDED

BY: Bill Cable
Jim Free

PURPOSE: 1. To either convert him to be a supporter of the natural gas/energy package in the House; or at least to neutralize his active opposition to it.

2. To encourage him to continue working actively with our friends on the Hill to sustain the veto he anticipates on the Public Works Appropriations bill (water projects).

POINTS OF

- INTEREST: 1. Phil is actively working to sustain the veto; especially if Jim Wright leads the fight to override.
2. He should be thanked for his invaluable support on the carrier veto override which he viewed as a major effort on his part and an indirect confrontation with Jim Wright.
3. He is planning to escalate his opposition to Jim Wright using the Public Works bill as a vehicle, and it is our judgment that he plans to carry on his attack against Wright using the energy bill as a final victory.
4. Our judgment is that if you call him from Camp David interrupting your important summit meetings ~~and give him whatever insights you are able regarding the status of the talks,~~ thank him for his help on the carrier, encourage his help on the Public Works bill, and stress the importance to the nation of completing an energy plan; he may be persuaded.

5. He supported President Johnson's policies on Vietnam long after many "liberals" stopped. He responded quite positively to your call asking his help in lifting the arms embargo and we are hoping that another request from you will be met with the same kind of patriotic response rather than putting majority leader politics over the good of our country.

Date of Submission: September 12, 1978

Approved by Frank Moore: *FM*

THE WHITE HOUSE
WASHINGTON

*Frank
J*

September 20, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *Fm/pd*

1. Mr. President, this is a reminder to call the Speaker on hospital cost containment.
2. For your information. Rodino and Eastland reached agreement last night on the Judge's bill with the understanding that the 5th Circuit judges would decide on the 5th Circuit split.

*done - After
Senate - House
will try*

THE WHITE HOUSE
WASHINGTON

9/21/78 5:40 pm

Mr. President --

Airline Deregulation just
passed House overwhelmingly
(still going on)

363 to 7

5:50 pm

(jim free said that when he
passes a bill, he passes a bill!!!)

--ssc

THE WHITE HOUSE
WASHINGTON

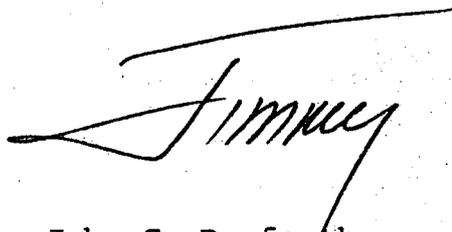
September 21, 1978

To Jack Danforth

Frank Moore has told me of your help on the natural gas pricing bill recommitment vote and of your commitment to vote for final passage. I appreciate having your support on this legislation.

In addition, Frank has told me of your discussions regarding trade matters to be decided in the coming year.

Sincerely,



The Honorable John C. Danforth
United States Senate
Washington, D.C. 20510

Sorry I missed you &
Willie Nelson - J

THE WHITE HOUSE

WASHINGTON

September 21, 1978

C
✓

MEETING WITH SENATORS ALAN CRANSTON,
HERMAN TALMADGE, ROBERT T.
STAFFORD AND CONGRESSMEN
RAY ROBERTS, JOHN PAUL
HAMMERSCHMIDT AND G. V.
(SONNY) MONTGOMERY

Friday, September 22, 1978

9:45 a.m. (30 minutes)

The Cabinet Room

From: Frank Moore

I. PURPOSE

To resolve differences over the Veterans' pension bill to eliminate the necessity for a veto.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: The Veterans' Pension Conference Committee meets next Wednesday. Both the Senate and House bills in their present form do not meet your standards of fiscal responsibility or comply with your request for reform of the pension system. The Committees have indicated some willingness to compromise. As you remember, Senator Cranston asked for this meeting at the Leadership breakfast last Tuesday.

1. Budget: Current cost of the program under existing law would be \$3.2 billion in FY 79. The principles which you submitted to Congress call for a \$560 million increase for pension programs in FY 79 over current costs. The House bill would call for \$720 million increase over current cost in FY 79, the Senate bill \$630 million in FY 79.

3.20
+ .56

3.76
+ .07

3.83
+ .09

3.92

The figures in the Senate bill for FY 79 and out years are relatively close to those we could expect under the principles you submitted to Congress if we ignore Senator Cranston's earned income disregard discussed below.

However, OMB says the House bill would yield much more excessive costs in the out years. (See Table A).

2. Reforms: In January you submitted your study to Congress on recommendations for reform of the Veterans and Survivors pension program.

The basic premise is that veterans and survivors would be assured an income that is at the national minimum standard of need (currently \$3,240 for a single veteran). All income reasonably available to a veteran should be counted; the VA would pay the difference between income available and the poverty level which would be automatically adjusted each year for changes in the CPI.

Income standards for survivors would be the same as for a single veteran. (Currently, they are paid at a 2/3 rate.) But no non-disabled widow under 65 would qualify for a pension as they do currently.

Current pensioners could have the option of remaining on the current pension program (grandparenting).

The House-passed bill departs from your principles in several respects:

First: it establishes an income standard for a single veteran (\$4,000) substantially above the poverty level.

H 3240 → 4000

Second: additional benefits unrelated to need (\$800 per year) are provided to veterans over 80.

H + 800, > 80 yrs old

Third: all survivors are paid at a 3/4 rate (too little for some; unjustified benefits for others).

The Senate bill departs from your principles by:

First: Not counting certain earned income (\$780 plus 1/2 of additional income). This income disregard is intended as a "work incentive" which Senator Cranston feels strongly about and which he argues is consistent with your welfare reform approach. The House Committee on the other hand is opposed to such income disregards and expects them to be dropped in return for concessions by them on the rate level. You should oppose them, as well.

S + 780 + 1/2 income

Second: The Senate bill provides a non-need based 25% add-on in benefits for World War I veterans.

S 45% WWI

3. Summary: Both Senate and House bills contain reforms we advocate. However, the House bill contains unacceptably high benefit standards and very high out-year costs. While the Senate benefit levels are in the acceptable range, the Senate bill contains an "earned income disregard" designed as a work incentive which also creates budgetary problems in the out-years, although not as severe as the House bill. Both bills provide certain non-need based benefits intended for World War I veterans.

- B. Participants: The President, Senators Cranston, Stafford and Talmadge, Congressman Hammerschmidt, Montgomery and Roberts, Max Cleland, Mack Fleming, John Holden, Garner Shriver, Jonathan Steinbert (House and Senate staff members), Frank Moore, Stu Eizenstat, Bob Thomson, Valerie Pinson and Guy McMichael.

- C. Press Plan: White House Photo Only.

III. TALKING POINTS

1. I appreciate your efforts to reform the current pension system since it has a number of inequities and inconsistencies. However, I am particularly concerned that the provisions you are now considering in conference depart significantly from the principles announced in our study of the VA pension program.

*Floor -
Standard of need
for non disch -
not service disabled*

- Our basic principle of pension reform has been to place a federal floor under the income of honorably discharged war veterans who are non-service-disabled.
- The floor should be at national minimum standard of need.
- This will provide additional funds to those with incomes currently below the poverty level.

2. Therefore it makes sense to count all income that is reasonably available to the veterans. I realize, Senator Cranston, that you feel strongly about your earned income disregard formula. The earned income disregard can be an effective work incentive, but this bill is not intended as a work incentive program. Instead it is a disability program which will assure that veterans and their survivors do not live in poverty. We have many other federal assistance programs which are directed toward encouraging work. I hope we can conform this bill to the purposes for which it is intended. Our responsibility is simply to provide the difference between money reasonably available to a veteran and the national standard of need.

*Cranston
earned inc disregard
not work incentive
program, but
disability program*

3. One of the many concerns with the provisions that are currently before the conference committee are rate levels which are above the national minimum standard of need. In a period of tight fiscal constraints, I do not believe that we can justify income levels that are higher than the national minimum standard of need. The Senate rates for benefits meet this standard.

*Senate rates
Standard of need
ok*

4. I am also quite concerned about provisions which depart from the actual need test by providing special additional benefits without relation to need.

*Spec benefits
for WW I
& 80 yr olds
not justified*

-- I recognize that there is considerable sentiment to aid World War I veterans, and veterans over 80, but by assuring a national minimum standard of need we will, in fact, be aiding all of these elderly veterans who require additional assistance.

-- I can see no justification for providing special additional benefits solely on a veteran's period of service or solely by reason of age. If an elderly veteran is, in fact, housebound or requiring constant care, he already qualifies for additional funds.

5. It is obvious that we have some differences on this bill. However, I do not think those differences are irreconcilable. Over the weekend, I would very much like you to allow your staffs to work with Jim McIntyre, Max Cleland, Stu Eizenstat and their staffs to arrive at a compromise solution that I can sign. We can talk again by telephone early next week to confirm agreements that are struck or discuss disagreements.

*Work = Stu,
Jim, Max*

ADDITIONAL INFORMATION

Senator Alan Cranston

Wife: Norma
Administration Support 83.0%

Committees:

Committee on Banking, Housing and Urban Affairs (5)
Committee on the Budget (4)
Committee on Human Resources (7)
Committee on Veterans' Affairs (Chairman)

Senator Herman Talmadge

Administration Support 53.2%

Committees:

Committee on Agriculture, Nutrition and Forestry (Chairman)
Committee on Finance (2)
Committee on Veterans' Affairs (2)
Joint Committee on Taxation (3)

Senator Robert T. Stafford

Wife: Helen
Administration Support 75.5%

Committees:

Committee on Environment and Public Works (Ranking Minority Member)
Committee on Human Resources (3)
Committee on Veterans' Affairs (Ranking Minority Member)

Rep. Ray ROBERTS
(D-Texas-4)

Committees: Veterans' Affairs, CHAIRMAN
Subcommittees: Cemeteries & Burial Benefits
Compensation, Pension &
Insurance

2 Public Works & Transportation
Subcommittees: Economic Development
Public Buildings & Grounds

Wife: Elizabeth

Rep. Sonny MONTGOMERY
(D-Mississippi-3)

Committees: # 5 Veterans' Affairs
Subcommittees: Compensation, Pension &
Insurance (Chairman)
Medical Facilities & Benefits

#13 Armed Services
Subcommittees: Intelligence & Military
Application of Nuclear Energy
Military Personnel

Rep. John Paul HAMMERSCHMIDT
(R-Arkansas-3)

Committees: Veterans' Affairs, RANKING MINORITY MEMBER
Subcommittees: Cemeteries & Burial Benefits
Compensation, Pension & Insurance
Medical Facilities & Benefits (RMM)

5 Public Works & Transportation
Subcommittees: Aviation
Economic Development (RMM)

Wife: Virginia

TABLE A

COSTS OVER CURRENT PRACTICE
(Millions of dollars)

	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>
Senate bill	630	400	150	450	1950
House bill	1070	1425	1600	2200	4200

Note: Senate cost differences over current practice reach a minimum in 1990 because the Senate bill provides added benefits to World War I veterans while the House bill provides them to veterans over 80 years of age -- a number which continues to grow.



THE SECRETARY OF THE INTERIOR
WASHINGTON

Q

September 15, 1978

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

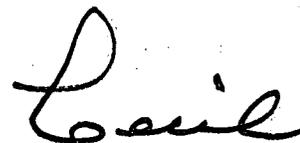
Subject: Major Topics for the Week of September 11

Alaska Legislation - no change

Public Works Bill - I support a veto

Other matters in Interior are under control.

Two dollars enclosed for our wager (no interest added).
You were the "Number One" fisherman on the trip with
the biggest fish on Wednesday and the most fish on
Thursday.


CECIL D. ANDRUS

THE WHITE HOUSE

WASHINGTON

9-22-78

To Cecil Andrus

The superb fly rod which I rented from you gave me an unwarranted advantage on our great fishing trip. I enjoyed winning the bet.

Enclosed is minimal rental fee. The best bargain I've had in 20 months!

Jimmy

THE WHITE HOUSE ·
· WASHINGTON

,9/22/78

Jody Powell
Jerry Rafshoon
Fran Voorde

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

Rick Hutcheson

FOR STAFFING

FOR INFORMATION

FROM PRESIDENT'S OUTBOX

LOG IN/TO PRESIDENT TODAY

IMMEDIATE TURNAROUND

NO DEADLINE

LAST DAY FOR ACTION

ACTION

FYI

ADMIN CONFIDENTIAL

CONFIDENTIAL

SECRET

EYES ONLY

VICE PRESIDENT

JORDAN

EIZENSTAT

KRAFT

LIPSHUTZ

MOORE

POWELL

RAFSHOON

WATSON

WEXLER

BRZEZINSKI

MCINTYRE

SCHULTZE

ADAMS

ANDRUS

BELL

BERGLAND

BLUMENTHAL

BROWN

CALIFANO

HARRIS

KREPS

MARSHALL

SCHLESINGER

STRAUSS

VANCE

ARAGON

BUTLER

H. CARTER

CLOUGH

CRUIKSHANK

FALLOWS

FIRST LADY

GAMMILL

HARDEN

HUTCHESON

LINDER

MARTIN

MOE

PETERSON

PETTIGREW

PRESS

SANDERS

VOORDE

WARREN

WISE

THE WHITE HOUSE
WASHINGTON

September 21, 1978

Mr. President -

Trude Feldman called asking for time to see you next week for the purpose of doing an article around your birthday and the Jewish holidays (Jewish New Year and Yom Kippur, Oct. 2- 11).

She said you had indicated an interest in doing so. Jody has no objection if you want to do.

I suggest next Tuesday afternoon for 20

minutes

no more

J

approve

disapprove

fran



THE WHITE HOUSE
WASHINGTON

9/22/78

Jim McIntyre

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

Rick Hutcheson

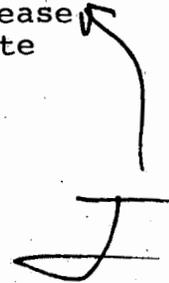
cc: Stu Eizenstat
Zbig Brzezinski

THE WHITE HOUSE
WASHINGTON

Mr. President --

Secretary Vance asked that
this be sent directly to
you.

Do you want me to staff it
for comments....? (Please
see second graph of note
to me (attached).)



OFFICE OF
THE SECRETARY OF STATE
WASHINGTON

Memorandum for: Susan Clough
Personal Assistant to the
President

Susan:

I attach Secretary Vance's personal recommendation to the President concerning the Foreign Relations Authorization Act for FY 1979.

Warren Christopher and Deputy Under Secretary Read plan to discuss this with Jim McIntyre as soon as possible, but the Secretary wanted the President to have the benefit of his personal views now.



Peter Tarnoff

THE SECRETARY OF STATE

WASHINGTON

September 19, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: Cyrus R. Vance *CRV*
SUBJECT: The Foreign Relations Authorization Act
for Fiscal Year 1979

Congress has sent to the White House the Foreign Relations Act for FY 1979. At our urging the House-Senate Conference Committee removed from the bill or modified satisfactorily a number of objectionable features, including several serious limitations on your authority to conduct foreign affairs.

Only one provision opposed by the Administration remains -- a special inducement for senior State, AID and ICA personnel to retire during a 15 month period starting October 1, 1978.

Our fundamental concern about this provision was that it might be used as a precedent for similar inducements for the government workforce as a whole. Fortunately this concern has been allayed. There is now clear and strong legislative history that the provision does not constitute such a precedent. Congress intends the section to apply only to the Foreign Service system which contains no reduction-in-force or special retirement inducement authority.

Enactment of this provision will:

--produce an estimated 230 early retirements from State, AID and ICA in FY 1979, thus helping solve our main current management problem caused by a surplus of senior officers; and

--save \$5.6 million in outlays in FY 1979 and 80. (These savings are possible because I will reduce our total State employment rolls by the total number of State retirements produced by this provision, thus helping us take a big advance step toward the overall FY 1980 personnel reduction of 461 set in your spring budget review.)

The bill contains many desirable features requested by the Administration, and for the reasons cited above I think that our main concerns have been met. Governor Gilligan and Ambassador Reinhardt join me in recommending that you sign the bill.

BACKGROUND

The Foreign Relations Authorization Act
for Fiscal Year 1979

The Foreign Relations Authorization Act for FY 79 contained at earlier stages, many objectionable features, including several serious limitations on the President's authority to conduct foreign affairs.

The Department of State was able to have these limitations removed or modified satisfactorily and recommends Presidential approval of the bill.

Only one provision opposed by the Administration remains -- a special one time, 15 month retirement inducement starting October 1, 1978, directed at certain senior Foreign Service personnel in the Department of State, the Agency for International Development, and the International Communication Agency.

Provision Creates No Precedent

Strong and clear accompanying legislative history established that this provision does not constitute a precedent for the Government workforce as a whole:

--The Chairman of the House Civil Service Committee, in an exchange of letters with Chairman Zablocki, agreed with the understanding that the latter's committee "does not intend to establish a precedent" for the general Government workforce by approval of the special retirement provision.

--The Conference Report declared that the retirement provision is not a general precedent and found that it:

(a) provides a solution focused directly on the lack of senior retirements, the major current problem of the Foreign Service for which no other remedy is available such as the Civil Service's reduction-in-force authority; and

(b) is similar in intent to other Government special retirement inducements in the Civil Service legislation and is therefore not a radical departure from existing policy and does not create the precedent for special retirement inducements per se.

--The Congress, in adopting the Conference Report, accepted these findings and statements of intent.

These actions have resolved the precedent problem, which was our fundamental concern.

Budgetary and Position Savings

The Conference Committee also found that enactment of this limited retirement inducement would save money, facilitate personnel reductions, and create a more balanced and efficient Foreign Service.

Analysis by the Department of State projects savings in each of the next five years except FY 1979 (where such related costs as terminal leave and separation travel produce a net cost).

	<u>OUTLAYS</u>	<u>BUDGET AUTHORITY</u>
FY 1979	\$(3.5 million)	\$(1.7 million)
FY 1980	9.1 million	10.6 million
FY 1981	3.0 million	3.4 million
FY 1982	2.3 million	2.2 million
FY 1983	<u>2.9 million</u>	<u>2.1 million</u>
TOTALS	\$13.8 million	\$16.6 million

Even in the long run (30 years), taking into account the total unfunded liability for pensions, there would be a \$5.6 million net savings.

The key factor leading to these savings is the early, concentrated, personnel reduction it will facilitate. It will do this in two ways:

--First, the Department, based on a late summer survey, expects it to generate an estimated 230 early senior Foreign Service system retirements in FY 1979 from State, AID and ICA. They will come primarily (140) from State, and Secretary Vance has decided that the Department's overall employment will be reduced by that number as the retirements occur.

--In addition, because the early State retirements will create much needed flexibility in the Department's total

personnel system, the Department will also use this opportunity to reduce overall State employment by another 125 positions in FY 1979.

These two combined reductions of 265 will permit the State Department to take a big advance step toward the scheduled FY 1980 cuts of 461 positions in total State employment.

Recommendation

Secretary Vance is persuaded that, as modified by the cited legislative history (which included a commitment from the two authorization committees to follow the implementation of this program to ensure that the anticipated benefits and savings are realized) the bill is fully acceptable and desirable. He has therefore recommended in his September 19 memorandum that the President permit this Authorization Act to become law. Governor Gilligan and Ambassador Reinhardt support his recommendation.

Background:

- Tab 1 - Section 406, HR 12598, Foreign Relations Authorization Act for Fiscal Year 1979
- Tab 2 - Conference Report, 95-1535, Section on Special Computation of Annuities
- Tab 3 - HIRC Report 95-1160, Exchange of Letters between Chairmen Nix and Zablocki

C

THE WHITE HOUSE

WASHINGTON

September 22, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *by D.R.*
SUBJECT: Hospital Cost Containment

Attached are some very helpful facts about the hospital cost containment bill and the cost of current health care in the United States. They have been prepared by HEW and were delivered to us just before your scheduled take-off today.

HEW has prepared a statistic for South Carolina, as you will see in the attachment. HEW has been unable to get a very helpful statistic for North Carolina and therefore has not included any.

IMPACT OF HOSPITAL COST CONTAINMENT

- Health care costs are almost doubling every five years. Without hospital cost containment, they will increase from an estimated \$183 billion in 1978 (8.8 percent of the Gross National Product) to an estimated \$323 billion in 1983 (9.7 percent of GNP). With hospital cost containment, health care costs could be held to approximately \$300 billion in 1983 (9.0 percent of GNP).
- Health care costs today consume more than twelve and a half cents of every federal dollar (\$59 billion out of an estimated 1978 Federal budget of \$462 billion). Without hospital cost containment, health care costs will eat up more than 13 cents of every federal dollar by 1983 (an estimated \$89.3 billion out of the projected 1983 Federal budget of \$671.5 billion). With hospital cost containment, federal health care costs could be held to \$81.4 billion, 12.1 percent of the projected 1983 federal budget.
- The driving force behind these skyrocketing health costs is hospital costs, which account for 40 percent of all health expenditures. Without hospital cost

containment, the cost of an average hospital stay will jump from \$1543 in 1978 to \$2872 in 1983. With hospital cost containment, the cost of an average hospital stay could be held to \$2420 in 1983.

- SOUTH CAROLINA

South Carolina families paid 20 percent more for hospital care last year than they did the year before.

THE WHITE HOUSE
WASHINGTON

9/22/78

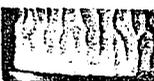
The Vice President
Hamilton Jordan
Stu Eizenstat
Tim Kraft
Bob Lipshutz
Frank Moore
Jody Powell
Jerry Rafshoon
Jack Watson
Anne Wexler
Jim McIntyre
Hugh Carter

Re: Cabinet Summaries

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

Rick Hutcheson

EYES ONLY -- CONFIDENTIAL ATTACHMENT



THE WHITE HOUSE
WASHINGTON

9/22/78

Secretary Brock Adams

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

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

9/22/78

Attorney General Griffin Bell

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

Rick Hutcheson

cc Griffin

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Office of the Attorney General

Washington, D. C. 20530

September 15, 1978

Principal Activities of the Department of Justice
for the Week of September 11 through September 15, 1978

1. Meetings and Events

The Attorney General met this week with the directors of the National League of Cities, U.S. Conference of Mayors, National Association of Counties, International City Management Association, and the Police Foundation, to discuss relations between federal and local law enforcement agencies and government officials.

2. Maine Indian Litigation

On Monday, September 11, the Justice Department filed with the federal district court in Maine a Motion to Stay for six months proceedings in the litigation of Indian land claims in that state. This Motion was filed instead of a scheduled Amended Complaint against the State of Maine, which would have sought land from the state for the first time in this litigation. The Motion requested the additional six months in order to continue to pursue a legislative solution that would be complete and fair to all parties. The district judge currently has the Motion under advisement.

3. DEA Report

DEA has reported that more than 1900 tons of marijuana have been seized from Latin American sources in this fiscal year. Seizures in the first 8 months of 1978 exceeded the totals for the 3 previous years combined. DEA further reports that it has steadily improved its working relationship with Customs. Headquarters management of both agencies are working closely in an open, productive fashion. The same relationship exists at the regional level, particularly in Florida, and extends to the Coast Guard as well. Commissioner Chasen, Coast Guard Admiral Hayes and Mr. Bensinger are working well together and so are their respective field officers.

4. Legislative Report

The prospects for the Administration's legislative program to improve the administration of justice are as follows:

(1) Diversity bill -- It has passed the House but has been blocked for some time by a tie vote in a Senate Judiciary Subcommittee. Senator Eastland assured the Attorney General in a meeting this week that he would bring the bill to the full Committee next week, where it should be approved. There is still a chance for Senate action. ✓

(2) Magistrates bill -- It has passed the Senate, and is due to reach the House floor the week after next. Prospects for House approval are good. ✓

(3) Omnibus Judgeship bill -- The House-Senate Conference will meet next week following a preliminary meeting between Chairmen Rodino and Eastland. Prospects are uncertain. ✓

(4) Arbitration bill -- Prospects for passage this Congress are dim. Senator Scott has a hold on the bill in the Judiciary Committee, and Congressman Kastenmeier thus far has been unable to proceed in the House Judiciary Committee. This legislation would do more than any other proposal to reduce the cost of litigation. ✓

*Will
push with
you
when
requested*

(5) Supreme Court jurisdiction -- This bill would remove most of the Supreme Court's obligatory jurisdiction, thus giving the Court greater control over its docket and more power to deal with truly important cases. It would pass the Senate without a problem except for Senator Helms' intention to tack on an amendment depriving the Supreme Court of jurisdiction over cases challenging prayers in the public schools. The Attorney General plans to meet soon with Senator Helms to request that he not offer that amendment. Should the Senate act favorably, House action still would be necessary. ✓



THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, D. C. 20410
SEPTEMBER 15, 1978

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

SUBJECT: Weekly Report of Major Departmental Activities

Recoveries on Home Improvement Loan Defaults Top \$6.5 Million. During the first 11 months of fiscal year 1978, the Department recovered \$6,520,043 on defaulted home improvement loans, an increase of \$920,958 over the same period last fiscal year. For August 1978, the total was \$866,649 as compared to \$310,400 in August 1977. This active collection program is particularly significant since the Department collects on defaulted home improvement loans only after the private lender has failed to collect.

Record Number of Equal Opportunity Compliance Reviews Closed in August. The Department completed Equal Opportunity Compliance Reviews in 55 communities during August, the largest number ever achieved. The rapid completion of these reviews means that communities otherwise eligible for Action Grants are less likely to have their funds delayed because a compliance review is pending.

Department Set to Welcome Soviet Delegation. Final preparations have been made for the September 27-29 meeting of the Third U.S.-U.S.S.R. Joint Committee on Housing and Other Construction. First stop will be Washington, D. C., followed by tours of housing activities in Philadelphia, Boston and New York. The ten-person Soviet delegation will be headed by Ignaty Novikov, Chairman of the State Committee for Construction Affairs. Mr. Novikov is responsible for planning the 1980 Olympics in the Soviet Union. The Department also recently provided briefings for an 18-man delegation of municipal administrators from the People's Republic of China.

Chicago Lawndale Project is First to Benefit Under New Initiative. A major rehabilitation effort involving over 1,400 units of housing in 135 buildings in the home district of Congresswoman Cardiss Collins has been made possible through a combination of the Department's rental assistance program and its property disposition program. This new initiative allows the sale of HUD-owned housing units while providing the new owner with a subsidy to make up the difference between what low-income tenants can afford to pay and the fair market rent. An insured mortgage will cover the cost of acquisition and rehabilitation. The innovative approach accomplishes four objectives of the Department: assuring decent housing for low income families, minimizing the displacement of tenants, preserving and revitalizing residential neighborhoods and reducing the number of HUD-owned properties.

New Computerized Study Helps Pinpoint Housing Needs. The study presents data for comparing the total number of elderly-only housing units against the total number of low rent public housing units and, when compared to other demographic data, will help the Department to determine more accurately how best to meet the housing needs of low income families and the elderly. Such a comparison is useful in assuring that an appropriate ratio between the two types of housing is maintained.

Pat



THE SECRETARY OF THE TREASURY
WASHINGTON

September 15, 1978

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MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. THE DOLLAR

Market support for the dollar weakened amidst continued speculation on the Camp David meetings, forthcoming U.S. action on inflation and the prospects for the natural gas bill. As market conditions deteriorated, the Treasury and Federal Reserve intervened moderately.

2. WITTEVEEN FACILITY

I am continuing to press for Congressional approval of the Facility as soon as possible; the long delay in Congressional action will be a subject of very lively comment at the annual IMF-IBRD meeting here later in the month. We are seeking an early Conference on the authorization bill, where several extraneous amendments may cause trouble (e.g. an amendment requiring a balanced federal budget in FY 1981). After we get an authorization, the appropriation can follow swiftly. The Senate Appropriations Committee approved our supplemental request Thursday, and in the House, Mahon and Obey have agreed to handle the Witteveen appropriation with the foreign aid bill.

3. EPG

I have sent you a sealed memo on our anti-inflation recommendations, which reflects a series of Cabinet-level meetings with all interested EPG members over the past few weeks. We would like an opportunity to discuss the recommendations with you at your earliest convenience.

4. TAX BILL

I have enclosed a separate memo on the status of the tax bill.

W. Michael Blumenthal



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

September 15, 1978

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MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

TRAVEL. The Secretary is in California substituting for the Vice President.

GAS. The Secretary reports that his remarks to the annual meeting of state agricultural commissioners -- stressing the importance of the Administration's natural gas proposal -- were well received. A resolution supporting our position was passed and is being distributed to Governors and Congress.

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

M. RUPERT CUTLER
Acting Secretary



Department of Energy
Washington, D.C. 20585

September 15, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM SCHLESINGER *JS*

SUBJECT:

Weekly Activity Report
September 9 - September 15, 1978

1. Petroleum product decontrol. The Department's plans to remove major petroleum products from price and allocation controls have been slowed somewhat by potential problems such actions could create for the natural gas bill. It had been our intention to submit to Congress today the proposal to exempt aviation gasoline and kerosene-based jet fuel from mandatory price and allocation regulations. However, concerns on the part of Congressman Dingell regarding the timing -- but not the substance -- of such a move, in relationship to the natural gas bill, likely will delay this action until Congress reconvenes in January. Our analysis indicates that when free market forces emerge following decontrol of these products, supply problems will be minimized and that adequate supplies of kerojet and aviation gasoline will exist through 1979. Should supply problems occur at some future date, controls could be reimposed. Our analysis also shows that prices for these products should not increase more than 1 cent per gallon for kerojet fuel or more than 1.5 cents per gallon for aviation gasoline than if controls were continued. Under the Energy Policy and Conservation Act, both houses of Congress have 15 days to review the proposal. The major product remaining under controls which we intend to decontrol is motor gasoline. Although there is some question as to whether or not it is required, we have decided to do an Environmental Impact Statement to help resolve remaining issues on adequacy of gasoline supplies and possible increase in leaded-unleaded gasoline price differentials. This EIS should be completed in time for motor gasoline decontrol to be sent to the Congress when it reconvenes in January.

2. Energy conservation. Under Secretary Myers, on behalf of the Department, held a meeting on September 14 with the principal energy conservation officials of the 10 largest Federal agencies and urged them to go back to their agencies and undertake further energy conservation efforts. The meeting was held to reemphasize the requirements of Executive Order 12003 on energy conservation in the Federal government. Agency representatives made presentations of their programs and discussed possible future activities. I feel strongly that the Federal government must set an example for the nation in energy conservation and, while federal energy consumption has decreased by 3.7 percent in the last two years, I hope that with full cooperation of the departments and agencies we can do better. From the response at the meeting I am confident our performance will improve.

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

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September 15, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *Ray*

SUBJECT: Major Departmental Activities, September 9-15

Informally meeting with George Meany today. Both Meany and I are at a retreat sponsored by the International Ladies Garment Workers Union. I intend to talk with him informally about anti-inflation policy and other economic issues.

Controversy with Energy Department over OSHA Beryllium Standard. As you know, beryllium is used in nuclear weapons. It is also one of the most toxic substances known to man. Jim Schlesinger has indicated that the proposed standard may endanger national security. Let me emphasize that nothing OSHA will do in respect to beryllium will, in any way, jeopardize our capacity to produce nuclear weapons. At the same time, I believe it is possible to develop a standard that domestic beryllium industry can live with, while at the same time upholding OSHA's mandate to protect American workers.

Labor Department in Midst of Annual Dispute with Virginia Apple Growers over Use of Foreign Workers. The situation has grown confused with the apple growers suing us in Federal court one week to increase the number of foreign workers and, then, the next week, complaining that there is a surplus of domestic workers from Puerto Rico. We have used CETA funds to transport the apple pickers from Puerto Rico. When they arrived, they were told by the growers that there were no jobs or housing available. Since then, however, we have been moving the Puerto Rican workers into available jobs. If the Puerto Ricans work for three weeks, the growers are obligated to reimburse CETA for the cost of their travel.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

September 15, 1978

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MEMORANDUM FOR: THE PRESIDENT

FROM: Jim McIntyre *Jim*

SUBJECT: Weekly Report

1. Budget

Early this week, I met with Chairman Giaimo and urged him to offer an amendment to reduce the funding levels for trust-funded highway programs in the surface transportation authorization bill. He has agreed to offer it, and we have worked with his staff on the legislative language. Brock Adams will send a letter to all House Members supporting our effort. You should be aware that even if this amendment passes, there remain significant problems with transit funding levels and major substantive provisions, which we are also working to correct.

At my direction, my staff met with Chairman Whitten's staff to discuss our concerns on the troublesome Agriculture appropriations bill, which we continue to monitor carefully.

Yesterday, in a motion to instruct the conferees on the Witteveen bill, the House voted 286-91 to include the Harry Byrd amendment. This amendment, which statutorily mandates a balanced budget beginning in FY 1981, passed overwhelmingly in the Senate. Conference could begin as early as Tuesday, and we are working with Treasury to mitigate any potential negative consequences to the Administration.

The conference on the budget resolution is currently at an impasse because of disagreement on the amount of funding for public works programs.

2. Reorganization

The House version of the Civil Service Reform Bill will go to conference with two troublesome features: a labor relations title that goes further than we like and limitation on federal personnel to the number on the payroll as of January 1, 1977.

Reorganization Plan No. 3, Federal Emergency Management Agency, was approved by the House on September 14, 1978.



United States
Environmental Protection Agency
Washington, D.C. 20460
September 15, 1978

The Administrator

REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

1. Because of your speech to the Steelworkers next Tuesday, I thought you would be interested in some of the points raised during my discussions with them this week. They pointed out that:
 - Compliance in this industry is still very bad and we need to make steel mills healthier places to work.
 - Some companies are still attempting to play-off the workers against EPA by threatening to close plants if the pollution or OSHA laws are enforced.
 - They see a need for stronger programs to assist workers and communities which may, in fact, be affected by plant shutdowns (however caused).

In general, our meetings were very friendly, and the Steelworkers remain supportive of environmental and occupational health and safety legislation.
2. The 1977 Clean Air Act amendments imposed a ban on gasoline additives, including MMT, to be effective on September 15th. EPA had the authority to waive the ban on MMT, but had to decline. The waiver would have cost the automobile industry from \$8 to \$24 billions in engine and emissions-control modifications. Not granting the waiver will cost the petroleum industry about \$1 billion. The record was pretty clear.
3. Today we announced the automobile miles-per-gallon ratings for 1979 cars and trucks. We released only the "city" estimates this year because it better represents actual driving experience. The fleet average is about 20 miles-per-gallon, slightly higher than last year, and is above the 1979 requirement.
4. We started the rulemaking process this week (to last six months) to set air pollution standards for new coal-fired power plants. I sent Stu a complete package on this and he has been involved.

A handwritten signature in dark ink, appearing to read "Doug", located at the bottom right of the page.

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON
20506

September 15, 1978

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss

Subject: Weekly Summary

I know, despite the intensity of Camp David, you have been kept advised of the slow, but steady progress we are making on the energy bill. But I do want to add first a word of praise for the way the staff, particularly Wexler, Butler, Selig, Rieman, etc., have been structuring the right groups for Miller, Schlesinger, Stu, me and others to talk with. The follow-through has also been good. Also, working with Bill Miller is a rare treat. In my judgment, his appointment has enriched the governmental process and those with whom we have had him in contact are equally impressed.

You have been advised of the status of the inflation program and I need not dwell on that.

Our inability to get an extension of the waiver of the imposition of countervailing duties beyond next January is creating a rather dramatic crisis with our trading partners. They have never really believed me when I told them I considered that extension highly doubtful. Present trade deficits, dollar problems, and so forth have left us in an impossible posture and both House and Senate leaders advise that the effort would probably not only fail but might be counterproductive and produce the wrong result. The Congress refused to support an extension. I am having a meeting with the leadership, both Republican and Democratic, next Wednesday afternoon for a final effort to tack an extension amendment on some simple piece of legislation. I do not expect it to be productive.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

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September 15, 1978

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{cc}

Subject: CEA Weekly Report

Anti-Inflation Policy. A memo containing the Economic Policy Group's recommendations to you on further anti-inflation measures has been submitted to Rick Hutcheson by Mike Blumenthal. Barry Bosworth has taken steps to acquire necessary staff resources, to prepare documents for public presentation, to develop any necessary regulations to implement the program, when and if you approve it. Eizenstat and I have been meeting, one-on-one with Congressional leaders to keep them informed. We have given Jim Fallows a detailed outline for a possible Presidential speech announcing the program.

Water Projects. Anne Wexler has asked me to take on a major role in public presentations of the Administration's position, should you decide to veto the Public Works Appropriations bill. Subject to the demands on my time as a result of your decisions on an anti-inflation initiative, I will do so.

Regulatory Analysis. We have completed a six month review of the Regulatory Analysis Program that you requested at the time the program was authorized. A final draft memo outlining the conclusions of that review has been circulated to OMB and DPS for comment, and I expect to send it to you next week.

IMF Meetings. CEA has been preparing materials on the status of the U.S. economy for use during the IMF-World Bank meetings later this month here in Washington. During those meetings, I will host a meeting of chief economic advisers from each of the Summit countries to assess the post-Summit economic outlook, and each country's actions, or plans for actions, to deal with problems discussed at the Summit.

Economic Developments. As we expected, economic growth is slowing, but not coming to a halt. Retail sales have been quite sluggish in the past few months. But production of capital goods for business investment is continuing to move ahead rapidly, and housing has held up better than we expected. We are getting some moderation in prices. The CPI for August will be released in about ten days, and will, we hope, show only a moderate increase. Over the longer term, however, we still think the underlying rate of inflation has increased from 6-6-1/2 percent to over 7 percent.



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

September 15, 1978

MEMORANDUM FOR THE PRESIDENT

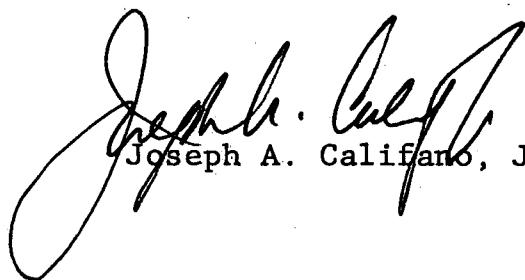
SUBJECT: Weekly Report on HEW Activities

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

- Child Health Assessment Program. We had hoped to move this key Administration bill through the House next week on the suspension calendar. However, Chairman Rogers is now seeking a rule for the legislation. It will pass easily and quickly if we get a rule. Although the House version is more expensive than the Administration version (covering 2.6 million children rather than our proposed 1.7 million), the bill will almost certainly be turned back much closer to our position in the Finance Committee. This is a superb bill -- both sound policy and sound politics. We should urge the Speaker to move the legislation.
- Second Opinion Campaign. As another effort to hold down medical costs and improve the quality of health care, we initiated this week a major consumer information campaign to encourage individuals to seek second opinions before undergoing non-emergency surgery. The campaign will include nationwide distribution of information pamphlets, radio and television public service programming and toll free lines to inform the general public, as well as Medicare and Medicaid patients, about the advantages of obtaining a second opinion when surgery has been recommended. Medicare will pay 80 percent of the cost of obtaining a second opinion, and most State Medicaid programs will also pay for another opinion.
- In Vitro Fertilization. Today the Department's Ethics Advisory Board is holding a public hearing on issues associated with public support of research involving in vitro fertilization. The recent birth in England of an apparently normal child following in vitro fertilization and embryo transplantation is expected to result in an increased interest in research in the United States.

The Advisory Board will be asked to address all the significant scientific and ethical issues associated with in vitro fertilization and to identify broad principles that will guide the Department in determining what research it should fund.

- Campaigning. Today I am campaigning for Lt. Governor Dick Celeste in his gubernatorial race, and for State Senator Tony Hall, running for Ohio's Third Congressional District (Dayton). Monday night and Tuesday I will make appearances with Governor Ella Grasso in New Haven and Hartford.
- Budget Strategy. Under separate cover, I am sending you a memorandum suggesting that the Administration seriously rethink our use of the 1980 budget to combat inflation. The budget should be used, but I believe that there are more effective, more just and more politically viable methods than the one adopted as a result of the Spring budget review. The decisions regarding the 1980 budget are, in my judgment, among the most important you will make in terms of their impact on the 1980 election. With the submission of the Departmental budgets to OMB, we have reached an appropriate point in time to reassess our strategy.


Joseph A. Califano, Jr.

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

September 15, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: CHARLES WARREN *Charles*
GUS SPETH
JANE YARN

SUBJECT: WEEKLY STATUS REPORT

Lake Tahoe Agreement: On Monday, Nevada Governor O'Callaghan and California Governor Brown each will announce agreement on major amendments to their bi-state compact concerning Lake Tahoe. The agreement culminates several months of negotiations initiated and mediated by us. It is supported by all four Senators and, as best we know, all key Congressmen. The agreement provides, for the first time, that management and development of the lake and basin will be moderated by environmental objectives and further provides, among other things, for the prohibition of future gambling casinos, the acquisition for public ownership of two sites previously approved for high rise casinos, and the preparation by federal agencies of a comprehensive environmental impact statement for the region. The solution involves little federal expenditure and involvement compared to other proposed solutions. It must now be ratified by both state legislatures and approved by Congress.

The approach may be useful as a model to solve the problems of other endangered areas of national concern. We are working on this now.

"Conservation Community" Correspondence: At your May 11 meeting with environmental leaders you suggested they occasionally provide you with a short memorandum on significant issues. On August 15, following much deliberation by representatives of over 70 organizations, a memo was sent you dealing with five issues. On September 22, they plan another meeting to draft another memo; it would be desirable for you to reply to the August 15 memo before that meeting. I have discussed this with Stu, and he is taking steps to enable your reply to be as positive as possible on each of the five issues.

Public Works Projects: Among the five issues mentioned by the environmental organizations in their memo to you was a recommendation that you veto the public works appropriations bill which the House approved yesterday. They are eager to assist efforts to sustain your veto but are reluctant to "go all out" until your intention is more clearly expressed. We recommend that you veto the bill and, to assist lobbying efforts, that you announce your decision to do so at the earliest time it is politically prudent.

Middle East: Our prayers are for the success of your efforts for peace.

Community WASHINGTON, D.C. 20506
Services Administration



MEMORANDUM TO THE PRESIDENT

September 15, 1978

Attention: Rick Hutcheson, Staff Secretary

FROM: Graciela (Grace) Olivarez, Director

SUBJECT: Weekly Report of Significant Agency Activities,
September 11-September 15, 1978

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CSA Reauthorization (H.R. 7577)

Conference began Thursday, September 14, 1978. Although most sections concerning CSA reauthorization appear to be in agreement, there are differences to be discussed concerning the National Advisory Council on Economic Opportunity and the length of its reauthorization. The conferees did not address the Headstart program during this first meeting. A second meeting scheduled for today was cancelled and rescheduled for next Monday, September 18, 1978.

Energy

Community Services Administration staff met last week with staff of the Department of Labor and the Department of Energy to try to resolve problems that CSA/DOE Weatherization grantees are having in obtaining labor through CETA for carrying out weatherization of low income homes. Weatherization activity across the country has been cut back by 60 per cent through loss of CETA slots during the last three months. Thousands of poor families who might have had their homes weatherized before the arrival of cold weather will now have to go through the winter in uninsulated houses. Labor Department representatives said there is nothing the Department can do to make additional funds available to local Prime Sponsors between now and October 1st. CSA brought this matter to the attention of the Domestic Council in early June and the Director of CSA wrote a strong letter to Secretary Marshall in July, calling his attention not only to the short-term crisis, but to the need for a long-term solution which will assure that there will be manpower available to carry out needed weatherization of low income houses for at least the next ten years. To date, nothing meaningful has happened to alleviate either problem.

Baltimore Project

The Director of the Office of Regional Operations met this week with Tom Higgins, Acting Deputy Undersecretary for Intergovernmental Affairs at the Department of Health, Education and Welfare, and Sue Foster, Special Assistant to Joseph Califano, to discuss the details for CSA's participation in the Baltimore Project. CSA has granted \$50,000 to this project, which seeks a means of reforming the actual delivery of federally provided social services at the local level. A decision to become active in the Baltimore Project was based upon the fact that CSA would have the opportunity to bring its background and expertise in citizen participation to this undertaking.



VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420
September 14, 1978

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

VA Presidential Update

Legion Reversal - Long a holdout amid the general clamor for a special pension for WW I veterans, the American Legion reversed its position in Hill testimony this week. Carrying out a recent convention mandate, the new National Commander told the HVAC and SVAC, "we believe it is time for a measure of special recognition for these veterans." He said the Legion will submit draft legislation in January, and that the proposed program would be "modest." Tentatively, the Legion is planning to ask a \$150 monthly pension for single veterans with annual incomes up to \$8,000, and for veterans with dependents who have annual incomes up to \$10,000.

"Pathologist of the Year" - On Sept. 17, VA's Dr. Marjorie J. Williams will become the first woman ever selected for this honor by the College of American Pathologists. The award is in recognition of the unique methods of analysis and measurement Dr. Williams pioneered for the 190 million lab tests performed each year in VA's 172 hospitals. Dr. Williams, Director of VA's Pathology Service, has also received the Federal Women's Award, the Career Service Award of the National Civil Service League, and the Stitt Award for extraordinary contributions to government medicine.

Most-Cited Authors - Scientific publications of 11 VA medical researchers are among the 250 most frequently cited research publications produced during the 15 year period from 1961 to 1976. The list, compiled by the authoritative "Science Citation Index," includes publications by VA's two Nobel Laureates, Dr. Rosalyn S. Yalow and Dr. Andrew V. Schally, as well as papers prepared by nine other VA medical research luminaries.

Proposition 13 - About 10,000 California veterans with G.I. home loans will benefit by tax limitations imposed by Proposition 13. When VA receives the new property tax bills, the veterans will be notified of excesses in their tax impound accounts, and offered options in disposing of the excess. In general, Proposition 13 will make it easier for veterans to qualify for G.I. loans and for individuals to purchase VA owned properties. Veterans taking G.I. Bill education, however, will find things a little tougher owing to a 15% cut in community college funding, the closing of some college satellite locations, a 10% cut in adult education programs and less public funding for on-job training.



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

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Principal Activities of the Department of Justice
for the period September 5 through September 8

1. Meetings and Events

Last week the Attorney General convened an interagency group to meet with the Attorney General of Australia to discuss international legal issues; he attended a reception at the Australian Embassy. The Attorney General also met with the Minister of Justice of the Netherlands Antilles; CBS newsman Walter Cronkite; with members of Congress honoring Congressman Joe Waggoner; and he spoke to the Vermont Bar Association. He discussed the Combined Federal Campaign with Justice employees.

2. Foreign Intelligence Surveillance Act

The Attorney General held a press conference to release a statement by the President in support of the Foreign Intelligence Surveillance Act and to discuss the need for its passage. The Act passed the House of Representatives by a 224 to 122 vote. A McClory amendment which would have narrowed the warrant requirement passed on Tuesday night but was defeated again on Wednesday. The Attorney General will now work with the conferees to reconcile the House and Senate bills.

3. Speech on Attorney General's Independence

On Wednesday the Attorney General spoke once more in a Great Hall meeting open to all Justice Department lawyers. The Attorney General announced several procedures designed to implement his and the President's desire that the Justice Department be free of even the appearance of improper influence: (1) All communications concerning specific cases from Congress and the White House will be screened by the Attorney General, the Deputy, or the Associate, because of the potential for the broad appearance of impropriety in any direct communications between those sources and the Assistant Attorneys General who bear initial responsibility for litigation and prosecution decisions. (2) The Attorney General, the Deputy and the Associate will reduce to writing their reasons for overruling any decision by an Assistant Attorney General in a case, and will make those reasons public if possible.

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The complete text of the Attorney General's remarks are ~~attached~~.

4. Flood Indictment

Congressman Daniel Flood was indicted in Los Angeles on one count of testifying falsely to a trial jury and two counts of testifying falsely to a grand jury in connection with an investigation of alleged bribery in return for intervention with Federal agencies.

Attachment

THE WHITE HOUSE
WASHINGTON

9/22/78

The Vice President
Hamilton Jordan
Zbig Brzezinski

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

Rick Hutcheson

WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Cabinet Summaries	Andrew Young to Pres. Carter, 1 pg., re:UN Activities	9/8/78-9/15/78	A
Cabinet Summaries	Brock Adams to Pres. Carter, 2 pp., re:Cabinet Summary	9/15/78	A
Cabinet Summaries	Harld Brown to Pres. Carter, 2 pp., re:Defense Summary	9/15/78	A

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File, 9/22/78 [1] Box 102

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.
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