5/7/79 [2]

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THE WHITE HOUSE
WASHINGTON

OUT MAY 7, 1979.

THE WHITE HOUSE
WASHINGTON

5/7/79

Frank Moore

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

Rick Hutcheson

Frank
Has Concerns.
Tomatoes #1
J

THE WHITE HOUSE

WASHINGTON

CONGRESSIONAL TELEPHONE REQUEST

TO: Rep. Sam Gibbons (D-Florida)

DATE: Before the Committee goes in at 10:00 a.m., Monday, May 7

RECOMMENDED BY: Frank Moore FM
Bob Maher

PURPOSE: To ask his support for hospital cost containment

BACKGROUND: Gibbons' first concern was that he opposes wage and price controls. It was explained that these are not frozen, rather they are passed through. Gibbons is also opposed to further regulations and is concerned about the growth in the Tampa area. The growth factor is now based on the state's growth factor, but Gibbons says Tampa is growing faster. We will take care of this by adding an amendment for Standard Metropolitan Areas. We also will have a 5-year Sunset provision to the bill which Gibbons will have the opportunity to offer if he wants.

The Congressman is listed as leaning with us and the hospitals list him as being with us.

Kahn vs Tomatoes

Date of Submission: May 7, 1979

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THE WHITE HOUSE
WASHINGTON

5/7/79

Gretchen Poston

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

Rick Hutcheson

Gretchen
do so
J

May 3, 1979

MEMORANDUM TO: Mrs. Rosalynn Carter

Please at your convenience invite the following to some event in Washington: for white house CHK

Mr. and Mrs. Don Sands
9425 River Club Parkway
Duluth, Georgia 30136

Mr. and Mrs. Bill Gaston
4743 Rivergate Circle
Duluth, Georgia 30136

CHK/b

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THE WHITE HOUSE
WASHINGTON

5/7/79

Jack Wat son

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

Rick Hutcheson

Jack
C

THE WHITE HOUSE

WASHINGTON

May 7, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON Jack

SUBJECT: Letters to State and Local Officials Regarding White House Conference on Families

Attached is a model letter for your signature to governors and Mayor Barry asking for their support for the White House Conference on Families. Jim Guy Tucker and Fran Eizenstat would like to get these letters out as soon as possible.

Also attached are lists of addressees. The text has been cleared with Bernie Aronson.

Attachements

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MODEL LETTER
WHITE HOUSE CONFERENCE
ON FAMILIES.

Last month
~~On April 12, 1979,~~ I announced Secretary Califano's appointment of Jim Guy Tucker, former member of Congress from the State of Arkansas, as Chairperson of the White House Conference on Families. I ~~want to personally ask~~ need your assistance and support in this important endeavor.

The main purpose of this White House Conference will be to focus the nation's attention on the strengths of American families, the difficulties they face, and the ways in which family life is affected by public policies. The Conference will examine the important effects that the world of work, the mass media, the ~~court~~ legal system, private institutions, and other major facets of our society have on American families.

It is my intention that this Conference recognize the pluralism of family life in America and that its deliberations reflect the widely differing regional, cultural, and ethnic heritages of our country.

Some states have already held activities in preparation for the White House Conference on Families and these efforts are ~~to be commended.~~ commendable. The families in /INSERT/ have a crucial role in this Conference and for that reason I ask that you designate a coordinator of activities

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for the White House Conference on Families. To expedite planning, I would appreciate your making this appointment as soon as possible. Please forward this name to Mr. Tucker at the following address:

Honorable Jim Guy Tucker
Chairperson
White House Conference on Families
330 Independence Avenue, S.W.
Washington, D. C. 20201
(202/245-6073)

Mr. Tucker will ~~be contacting you shortly~~ soon provide you with more information regarding state and local involvement in the Conference.

I wish you well in your planning efforts as we prepare for this cooperative effort mounted in the interest of our nation's families.

Sincerely,

Jimmy Carter

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Letter to Governors of the following States:

Alabama
Alaska
Arkansas
Colorado
Florida
Georgia
Idaho
Illinois
Indiana
Iowa
Kentucky
Louisiana
Maine
Massachusetts
Mississippi
Missouri
Nebraska
Nevada
New Hampshire
New Mexico
New York
North Dakota
Ohio
Pennsylvania
Rhode Island
South Carolina
South Dakota
Tennessee
Texas
Utah
Vermont
Washington
West Virginia

Letters to the Governors of the following States are to be personalized, using the designated insert:

ARIZONA

I want ~~particularly~~ to congratulate you for organizing and conducting the Governor's Task Force and the Conference on Marriage and the Family and for designating an annual Family Day.

CALIFORNIA

I want ~~particularly~~ to congratulate you and the people of California on the formation of a Steering Committee to organize and conduct a California Conference on Families.

CONNECTICUT

I want ~~particularly~~ to congratulate you and the citizens of Connecticut for organizing and supporting the Connecticut Consortium for the White House Conference on Families.

DELAWARE

I want ~~particularly~~ to congratulate you, the Delaware Cooperative Extension Service and the Delaware Humanities Forum for organizing and conducting the recent Family Forum, "Public Policy: Its Impact on Delaware Families and Children."

HAWAII

I want ~~particularly~~ to congratulate you, the Junior League of Honolulu, Inc. and the University of Hawaii for organizing and conducting the "Family in Hawaii" Conference held last year.

NEW JERSEY

I want particularly to congratulate you and the Governor's State Committee on Children, Youth, and Families for initiating and conducting a series of hearings in preparation for a New Jersey Governor's Conference on Families.

NORTH CAROLINA

I want particularly to congratulate you on organizing and conducting the Appalachian Regional Commission's Conference last November, "Raising a New Generation In Appalachia."

OKLAHOMA

I want particularly to congratuate you and the people of Tulsa for organizing and conducting the Citizen's Conference on the Family in February 1978.

OREGON

I want particularly to congratulate you and the people of Oregon for the work done on the "Grass Roots Report on the Erosion of the Family," and for the preliminary plans formulated for an Oregon Conference on Families.

VIRGINIA

I want particularly to congratulate you and the Virginia General Assembly for supporting the creation of a Virginia Commission on Family Life and for initiating plans for a Virginia Conference on Families to be held in November 1979.

WISCONSIN

I want particularly to congratulate you and the people of Wisconsin for formulating plans for Families Issues Task Forces, regional conferences, and a Wisconsin Governor's Conference on Children and Families.

WYOMING

I want particularly to congratulate you, the Wyoming Council for Children and Youth and the people of Wyoming for organizing and conducting the Wyoming 1978 Governor's Youth Conference around the theme, "The American Family."

Letter to Territories: American Samoa

Guam

Puerto Rico

Virgin Islands

Pacific Trust Territories

Northern Mariana

Amend as in other letter

Dear _____:

On April 12th, 1979, I announced Secretary Califano's appointment of Jim Guy Tucker, former member of Congress from the State of Arkansas, as Chairperson of the White House Conference on Families. I want to personally ask your assistance and support in this important endeavor.

The main purpose of this White House Conference will be to focus the Nation's attention on the strengths of American families, the difficulties they face, and the ways in which family life is affected by public policies. The Conference will examine the important effects that the world of work, the mass media, the court system, private institutions, and other major facets of our society have on American families.

It is my intention that this Conference recognize the pluralism of family life in America and that its deliberations reflect the widely differing regional, cultural and ethnic heritages of our country.

Some States have already held activities in preparation for the White House Conference on Families and these efforts are to be commended. The families in _____ have a crucial role in this Conference and for that reason I ask that you designate a coordinator of activities for the White House Conference on Families. To expedite planning, I would appreciate your making ~~please make~~ this appointment as soon as possible. Please forward this name to Mr. Tucker at the following address:

Mr. Jim Guy Tucker, Chairperson
White House Conference on Families
330 Independence Avenue, S.W.
Washington, D.C. 20201

Telephone: 202-245-6073

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for Preservation Purposes

Mr. Tucker will be contacting you shortly with more information regarding District of Columbia involvement in the Conference.

I wish you well in your planning efforts as we prepare for this cooperative effort mounted in the interest of our Nation's families.

5. Speedy Trial Legislation

Justice proposed amendments for the Speedy Trial Act to enlarge the time limits for trying federal criminal cases to eliminate unrealistic and unmanageable deadlines in the current law in a manner consistent with the intent of Congrees to safeguard the speedy trial rights of criminal defendants. Criminal recidivism will be reduced by retaining the shorter time limit for "high risk" defendants.

6. Judicial Selection

There are currently 167 federal judgeship vacancies (143 under the new law and 24 regular vacancies). Of this total there are 56 in process at the Justice Department, 7 pending at the White House, and 25 pending in the Senate. The Senate during this Congress has approved 12 (9 under the new law and 3 regular vacancies).

THE WHITE HOUSE
WASHINGTON
5/7/79

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

Re: Cabinet Summaries

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

Rick Hutcheson

EYES ONLY

1845

THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

FYI

REPORT TO THE PRESIDENT May 4, 1979

Last August I initiated a series of meetings with leaders of key industries. These meetings have been for two purposes: (1) to discuss issues of importance to the industry involved, and (2) to explain Administration goals and accomplishments and to foster business support for Administration policies.

The program involves a monthly meeting and working dinner with CEO's of major companies of a particular industry. Commerce officials participate in the working sessions; other Administration officials join us for the evening discussions. We have been ably assisted thus far by Charlie Schultz, Stuart Eizenstat, Barry Bosworth, Anne Wexler, Alan Wolff and Doug Costle.

In the past six months we have met with leaders of the paper and pulp, chemical, rubber, retail, machine tool, and automotive industries. The feedback from both business and Administration participants has been very positive, and I am convinced we have established a very constructive framework, particularly as we look toward 1980. I believe this fairly intensive, candid dialogue between the Executive Branch and an important constituency will contribute to better business understanding of complex issues and more effective public policy. These meetings have focused primarily on issues relating to inflation and our balance of trade. They have elicited expressions of industry support for such Administration initiatives as budgetary restraint, voluntary wage and price standards, uniform product liability law, regulatory reform, export expansion, the MTN, and normalization of relations with China. When business participants have objected to policies supported by the Administration, we have outlined our rationale and advised them that those issues are settled. Points raised in specific areas of concern include the following:

- o Regulatory Impacts - In addition to supporting regulatory reform initiatives, industry representatives identified specific regulatory policies for which there are available alternatives that are more cost effective for consumers and that cause less economic dislocation. Of these, the Department has followed up with the responsible agencies on: the RARE II allocation of public lands for wilderness and commercial development; front-loaded vs. straight line fuel economy standards for automobiles; pre-market testing and disclosure for toxic substances; and solid waste disposal incentives. Further, Commerce has established its own coordination activity to augment the capabilities of the Regulatory Analysis Review Group and the Regulatory Council in analyzing economic impacts.

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- o International Trade - Most industry sectors were supportive of the Administration's free trade initiatives; some were eager to assist actively in educating the public and the Congress on the benefits of the MTN. I also pointed out that ratification of SALT II would not only promote world peace but substantially enhance trade opportunities and that business support for SALT II was important.

- o Productivity and Innovation - Numerous executives expressed growing concern about the decline in productivity. Several specific recommendations to stimulate capital formation, innovation, and productivity are being included in our Domestic Policy Review of Innovation, which is presently being reviewed by OMB.

Since September I have had an extensive speaking and consultation schedule with national business organizations. My colleagues and I have met with the Business Council, Business Roundtable, Chicago Economic Club, Washington Business Government Relations Council, National Association of Manufacturers, U.S. Chamber of Commerce and others. The focus for these meetings was national and international economic issues with specific discussion of trade, anti-inflation policies, regulatory reform, productivity and economic growth.

Because of the favorable feedback, I will be continuing this program of industry consultations. Meetings are scheduled with the food processors, semiconductor manufacturers, and pharmaceutical producers. My upcoming speaking schedule will include discussions with iron, steel and aluminum producers and several other key trade groups such as the National Federation of Independent Businessmen and the American Society of Association Executives.

Juanita

Juanita M. Kreps

THE SECRETARY OF TRANSPORTATION

WASHINGTON, D.C. 20590

May 4, 1979

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

SUBJECT: Significant Issues for the Week of April 30

Transbus/New Design Bus - As I reported to you last week, May 2 was the deadline for opening bids on Transbus -- a new design bus with features to aid elderly and handicapped riders. No manufacturers submitted bids on an order for 530 buses placed by a consortium of three cities (Los Angeles, Philadelphia, and Miami). Because there were no bids, I have decided to appoint a scientific review panel to analyze the bus specifications, performance and costs and to advise me whether a new bus can be produced at a reasonable price. All interested parties including manufacturers, cities and involved citizens will be invited to take part in the review. I will keep Stu Eizenstat and Jody Powell apprised.

United Airlines Strike - The United Airlines strike is in its fifth week. Allegheny Airlines has just completed an agreement with the Machinists' Union which will likely be ratified. Since most of the machinists at United Airlines belong to the same organization, it is expected that United's people might be willing to settle along the lines of the Allegheny agreement which we unofficially understand are not within the Administration's anti-inflation guidelines.

Originally work rules and paid lunch periods were of major importance to the membership, but now it seems that wages and cost of living issues are the critical items. Airline passengers have been inconvenienced by the strike, but CAB route flexibility has permitted other airlines to handle most of the United passengers.

Amtrak - This week two significant Congressional actions took place which support our Administration plan to restructure the Amtrak rail system. On Tuesday the Senate Commerce Committee voted 10 to 7 not to report out a resolution to veto the Administration's plan. Also the Transportation Subcommittee of the House Interstate and Foreign Commerce Committee chose not to consider its veto resolution. We will be devoting considerable efforts this week and next to keep a veto resolution from being considered in either House.

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Metro Subway Financing - Assistant Secretary Downey testified before the House District Committee this week on Representative Pete Stark's bill which would authorize funds for D.C. Metro construction, debt service on the bonds, and operating assistance for the system. We indicated that the Department is in the process of negotiating an agreement on the bonds in line with your budget.

Additionally, we are working with Metro to develop an optimum construction program within the available funds transferred from now defunct Interstate Highway projects. We made it clear that consideration of legislation for further financing would be premature until agreement on these issues has been reached, but that we are open-minded as to the best means to provide future authorization. Metro has agreed to live within our budget restraints for Fiscal Years 1979-1981.

Department of Energy
Washington, D.C. 20585

May 4, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: JIM SCHLESINGER

SUBJECT: Weekly Activity Report
April 28 - May 4, 1979

1. Enforcement Actions. The DOE's Office of Special Counsel for Compliance issued, on May 1, 1979, Proposed Remedial Orders charging Texaco, SOHIO, SOCAL, Amoco, Marathon, Gulf and ARCO with a total of $1.7 billion in crude oil pricing violations. These civil charges, the largest pricing violations identified by the DOE in its compliance audits of the 35 major refiners, assert that these firms improperly certified lower tier "old oil" as upper tier "new oil" because of erroneous property determinations and priced other volumes as exempt rather than "old" oil because of improper stripper well determinations. These charges bring the total of pricing violation cases brought by DOE's Special Counsel to 74, alleging $3.5 billion in overcharges. More than $125 million is being refunded to customers and retail consumers under Consent Orders signed by the Department and certain refiners.

2. Small Refiner Bias. The Department this week adopted amendments to the entitlements program which will have the effect of reducing the additional level of benefits given small refiners under the mandatory oil pricing regulations. Because the statutory authority for price controls and the entitlements program expire on September 30, 1981, and because you have announced your intention to decontrol all domestic crude oil production by that date, we have structured the amendment so that this small refiner bias will be gradually eliminated as the entitlements program expires.

3. Standby International Oil Allocation Regulations. The Department plans next week to issue regulations which could be activated to implement U.S. obligations under the International Energy Programs (IEP). This rule could not become effective unless tranmitted to Congress, and you have found that putting the rule into effect is required in order to fulfill the obligation of the U.S. under the IEP. This finding together with a statement of the effective date would also have to be transmitted to the Congress.

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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460
May 4, 1979

C

OFFICE OF THE
ADMINISTRATOR

WEEKLY REPORT TO THE PRESIDENT

The dimensions of the hazardous waste problem are becoming clearer, although we still have a lot more work to do. Based on a preliminary EPA-sponsored study, however, we now estimate that there are between 32,000 and 51,000 dumpsites that contain hazardous waste.

We are much less sure at this point how many of these sites pose a significant risk to human health or the environment. The figure has been reported to be in excess of 1,200. We are unable to quantify the number of sites which pose imminent health hazards.

Wherever possible, we want those responsible for dumping the waste improperly to pay for the clean-up. On April 30, EPA and the Department of Justice announced that investigations of hazardous waste sites are being stepped up. As many as 50 prosecutions a year may result. It also was announced that EPA and Justice are placing "the highest priority possible" on the effort.

Personnel in EPA's Regional Offices are being diverted from other duties to concentrate on the investigations and case preparations. Mike Egan and I held a joint meeting with key staff in Denver to launch the new effort.

There has been a tremendous volume of national attention focusing on hazardous waste. Because of the seriousness of the problem and because it has been continuously highlighted in the media, public concern is high.

Working with Justice and OMB, we are preparing legislation to provide remedies which will alleviate the problem. When the legislation is prepared and when Justice and EPA are organized to move ahead decisively (which will be soon), I feel you should take credit for the initiative.

Barbara

Barbara Blum
Acting Administrator

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

C

May 4, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren
Gus Speth
Jane Yarn

SUBJECT: Weekly Status Report

1. Interagency Study of Agricultural Land Conversion. Jim McIntyre, Bob Bergland, and I met on Wednesday and reached agreement on how we will undertake an interagency study of agricultural land conversion. The study will assess the quantity, quality, location and ownership, and need for agricultural lands, will analyze the effects of industrial, urban, transportation, energy development, and other competing land uses on agricultural lands, and will develop policy recommendations. State, local governments, land users, conservation interests, and members of the public will be consulted and their views will be actively solicited. The study is to be completed in January 1981.

2. Forest Management Regulations. Last week we reported to you that two key provisions which would provide protective buffer strips along streams and would establish minimum sizes for clearcuts in specific forest regions were to be eliminated from the proposed Forest Management Regulations apparently in response to requests by the timber industry. This week it was decided that these two provisions would remain in the proposed Forest Management Regulations.

3. Organization for Economic Cooperation and Development (OECD). I will be in Paris this week heading the United States delegation to the OECD. In my absence, I have asked Gus to serve as acting Chairman.

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

May 4, 1979

MEMORANDUM FOR THE PRESIDENT

FROM JOSEPH A. CALIFANO, JR.

SUBJECT: Weekly Report of HEW Activities

- Childhood Immunization: If you have an opportunity during the next several days to talk with any members of the Appropriations Committees, you should impress upon them the need to approve our request for a $12 million supplemental for the childhood immunization program. With this funding, we expect to reach our goal of a 90% immunization level among our nation's children, a level which we set at your initiative in April 1977. Unless the supplemental is approved soon, there is a possibility that some of the states will reduce their immunization efforts as current funds will run out. This would hurt our efforts in the fall, as schools open, when it is so important to make a major effort.

- SSA Reorganization: Since I announced the reorganization of the Social Security Administration in January, we have made some important strides:

  -- The previous executive staff consisted of all white males. There are now 5 women, 2 blacks and one Hispanic in the 24 top jobs. In addition, 4 of the 9 new deputy associate commissioners are women and/or minorities.

  -- 800 staff positions in headquarters are being eliminated, and by the end of this fiscal year the SSA full-time staff will be 3300 less than the level planned for this year.

  At the same time, we expect changes in SSA computer operations and greater focus on payment accuracy to improve services, upgrade management effectiveness and lead to fewer errors and less waste.

good

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- World Health Assembly: I look forward to going to Geneva with the First Lady to the World Health Assembly. Her participation in the Assembly will be eloquent testimony to your commitment to world health. In my address on behalf of the delegation, I will review the actions that we have taken to implement the Presidential initiatives announced last year and will suggest specific objectives which might be adopted to move toward the Assembly's ambitious goal adopted last year of "Health for All in the Year 2000."

- Welfare Reform: You will have a welfare reform decision memorandum within the next several days. When you have made your decisions, I would urge you to find time to announce the sending of the proposal to the Congress. It would be a good opportunity for you to demonstrate your concern for this constituency and for making these important programs more effective.

- Acting Secretary: In my absence next week, Hale Champion will be Acting Secretary. He will not be able to attend the Cabinet meeting because of the Ways and Means Committee markup of Hospital Cost Containment. Dick Beattie, my Executive Assistant, will attend as an observer.

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

C

May 4, 1979

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

Subject: Weekly Report of Major Departmental Activities

1979 Brings Increased Disaster Activity.

A. So far this year 14 major disaster declarations have been approved, ten of these during April alone. This is the highest level of disaster activity experienced in a short period of time since an outbreak of tornadoes in April of 1974. These 14 disaster areas are expected to receive about $250 million from the President's Disaster Relief Fund, primarily for the repair or replacement of public facilities. A grand total of $1 billion in federal grants and loans is expected to be made. Over 30,000 individuals have been registered and referred for some form of assistance in the 123 counties designated thus far in 1979 as eligible for federal assistance. This number will rise sharply once registrations begin in 77 additional counties recently designated in six states. Temporary housing will be provided for over 18,000 affected families, and approximately the same number will receive disaster loans from either the Small Business Administration or Farmers Home Administration.

B. The dramatically increased level of disaster relief activity has made it necessary for HUD to request $200 million in supplemental appropriations for this function. I approved a request for these additional funds on April 27, and this was forwarded to the OMB on the same day.

HUD Intergovernmental Management Program. This week I announced a unique work/study program designed to develop a network of federal, state and local government managers who can more effectively and creatively implement community development and housing programs. Participants in this program will be exposed to management and policy issues at HUD headquarters as full-time staff employees and, at the same time, they will be analyzing contemporary urban development, public administration and management issues as full-time graduate students at the Washington Public Affairs Center of the University of Southern California. Those individuals involved in the program will be selected on a competitive basis from HUD field offices, headquarters and state and local governments, with the non-HUD participants detailed to the Department for approximately one year under the mobility provisions of the Intergovernmental Personnel Act.

Fiscal Year 1980 Congressional Hearings Concluded. On May 2 Secretary Marshall and I testified before the Subcommittee on Housing and Urban Affairs of the Senate Committee on Banking, Housing and Urban Affairs in opposition to pending legislation that would remove Davis-Bacon requirements from HUD housing and community development programs. This concluded the current round of hearings on HUD's FY 1980 authorization and appropriations bills. The House Subcommittee on Housing and Community Development has reported our authorizing legislation to the full Committee with a majority of the provisions similar to the Administration's proposals. During markup the Subcommittee rejected an amendment to shift a portion of the amended budget request for Urban Development Action Grants to the Community Development Block Grant program.

Patricia Roberts Harris

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

May 4, 1979

Principal Activities of the Department of Justice
for the Week of April 20 through May 4, 1979

1. Meetings and Events

The Attorney General spoke at the University of Georgia and the Georgia Rotary Club Conference this weekend. He hosted breakfasts for the House and Senate Appropriations Subcommittees for Justice. He attended a briefing on the new Inspector General fraud and abuse program by Jim McIntyre. On Thursday, he testified before a House Judiciary Subcommittee on refugee legislation. On Friday, he joined the Chief Justice at the dedication of the Mercer University law school building.

2. Drug Smuggling Arrests

A joint DEA-FBI investigation culminated this week in the arrest of 14 persons charged with operating a drug smuggling ring responsible for importing approximately 500 tons of marijuana in a sixteen month period. This is the largest drug trafficking case brought by Justice during the Carter Administration and the first fruits of our combined DEA-FBI investigation program.

3. Public Corruption Cases

Justice reported this week that more federal, state, and local public officials were convicted on federal corruption charges in 1977 and 1978 than every before.

4. Office of Intelligence Policy and Review

The Attorney General decided to establish in the near future a new office in the Department to consolidate several intelligence-related responsibilities that have grown in various offices in the past few years. This new Office for Intelligence Policy and Review will enable Justice to provide more timely and informed advice on the legal aspects of intelligence activities. Material explaining this decision was sent to the NSC.

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U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

May 4, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall

SUBJECT: Major Departmental Activities
April 30-May 4, 1979

Rubber workers continue to challenge guidelines. As previously reported, the rubber workers have set a strike deadline for midnight tonight against Uniroyal. No progress has been made at the bargaining table. In addition they are challenging in court the legality of procurement sanctions to enforce the guidelines. The U.S. District Court will rule today on the URW request for a temporary restraining order prohibiting our use of procurement until the merits of the case can be heard.

Yesterday, the rubber companies visited me and requested that the government again announce its support of the pay standard. The Collective Bargaining Committee met yesterday afternoon and agreed to send a telegram from Fred Kahn and COWPS to Peter Bommarito and each of the "Big Four" rubber companies reiterating our commitment to the standards. It looks as if Uniroyal will take a strike. However, it is financially the weakest company and can probably not take a long work stoppage. The problem for us in this dispute is that although Uniroyal and the URW can reach an agreement within the standard, this agreement when applied as a pattern throughout the industry will put the industry out of compliance. The chances of getting an agreement on an industry average basis that is in compliance are not good now.

Inflation program under pressure. While most of your advisers agree that the pay and price standards have exerted a significant downward pressure on pay and some prices the program is facing a crucial series of tests. The rubber workers could well break the standard and this combined with a widespread perception that the Teamsters were in compliance only through the "new guideline math" will do significant damage to the pay standard. It will

make it difficult, if not impossible to gain compliance in the upcoming electrical and UAW negotiations. Also any adverse court decision on the use of procurement will further erode the programs strength and continuing bad news on price trends will place us in an untenable situation. I believe an immediate and thorough review of the situation and our options is in order. I will proceed to work on this matter with the EPG.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

Charles
C
—

May 5, 1979

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze CS

Subject: CEA Weekly Report

International. This week in London I chaired a group of seven economists from the Summit countries to negotiate an agreed-upon background paper on overall economic policy in preparation for the Tokyo Summit. It was a successful meeting, and I will be sending the paper to Henry Owen and his colleagues who are charged with preparing the Summit.

Tax Exempt Bonds. CEA has been concerned for some time about the use of these bonds to subsidize housing. We would recommend support for Representative Ullman's bill to prohibit such uses.

old (?) No decision We need a memo?

Sulfur-Scrubbing. Working with Fred Kahn's staff we are getting together as much information as we can on the state of the art in "dry-scrubbing" technology which is at the heart of the controversy as to whether 50 percent or 70 percent scrubbing should be required on low-sulfur coal. Based on our findings, we will very shortly be sending you a memo with our recommendations.

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Community Services Administration

WASHINGTON, D.C. 20506

C
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MEMORANDUM TO THE PRESIDENT

Attention: Rick Hutcheson
Staff Secretary

FROM: Graciela (Grace) Olivarez
Director
Community Services Administration

SUBJECT: Weekly Report of Significant Agency Activities
(April 30 - May 4, 1979

Crisis Intervention Program

Grantees in 30 States have qualified to receive $31 million in additional Crisis Intervention Program (CIP) funds. This money is being distributed according to survey results indicating which organizations needed more CIP funds than they already had received. With this additional funding, CSA has allocated $185,023,551 of the $200 million appropriated for the Fiscal 1979 program.

Hunger in America

The "Hunger in America" report just submitted to the Senate Subcommittee on Nutrition concludes that malnutrition in this country has declined since 1967 because of improvements in federal food and nutrition programs, not because of overall improvement in the economies of the areas studied. Of the 44 national, regional, state and local anti-hunger organizations mentioned in the report, 27 are funded under CSA's Community Food and Nutrition Program.

National Rural Home Repair Project

I would like to call your attention to the continuing problem of this Agency's National Rural Home Repair Project in obtaining a dependable supply of CETA slots so that low-income persons can be trained in the construction field while they also help repair homes of low-income people. Unless this problem can be solved soon, the success of this three-year project will be severely jeopardized.

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THE WHITE HOUSE
WASHINGTON
07 May 79

Frank Moore

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

Rick Hutcheson

The Vice President
Stu Eizenstat
Hamilton Jordan
Jack Watson

Administratively Confidential

1848

THE WHITE HOUSE

WASHINGTON

May 5, 1979

Frank J

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Weekly Legislative Report

I. DOMESTIC POLICY ISSUES

1. Budget - House Floor Action

Third Resolution - 1979

The modified Simon amendment -- which added $2.3 billion in 1979 budget authority for two Iranian ships, food stamps, disaster relief, targeted fiscal assistance, and other programs was passed 235 to 177. After adopting a Mattox amendment to delete $250 million for targeted fiscal assistance on Tuesday, the House put back in $200 million on Wednesday with passage of the Solarz amendment (224 to 197).

The only change to the original Simon amendment was the addition of $75 million for nutrition programs for the elderly.

Several other amendments were offered to the Simon amendment, and all were defeated. A Wilson amendment to increase the amounts for Defense was defeated 183 to 229. A Jack Edwards substitute to accommodate the Defense program supplemental and delete the Simon increases for domestic programs was defeated 141 to 269. Amendments to delete the Simon increases for food stamps and the Iranian destroyers were defeated by large votes.

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First Resolution - 1980

Two amendments have been adopted so far:

1. A Roberts amendment to increase veterans BA and outlays by $265 million; and

2. A Panetta amendment to decrease BA and outlays for allowances by $1.1 billion to reflect cuts in travel, movie making, and employment (attrition).

An amendment to increase Defense spending in 1980 was defeated. Obey and Rousselot amendments to balance the budget were also defeated.

Action on the resolution will continue on Monday or Tuesday. We expect the following amendments to be offered:

1. A Mattox amendment to delete funding for "new starts" across the Federal budget (including EDA, UDAG, rural housing, the Co-op bank, water projects, veterans). If this amendment stays together, it is expected to be defeated.

2. Separate Jones amendments to delete funding for EDA, CETA, and targeted fiscal assistance (1980). The most difficult to hold will again be targeted fiscal assistance.

3. A Republican substitute cutting spending in many areas. So far, Latta and Holt are feuding. If they achieve a consensus over the weekend, they will pose a definite challenge.

2. Appropriations

Schedule

The Agriculture Subcommittee mark-up was completed this week in closed session and, so far, Chairman Whitten has placed a complete embargo on communicating results of the mark-up.

Next week, the following House Subcommittee mark-ups are scheduled:

Tuesday	D. C.
Wednesday.....	State-Justice Treasury-Postal (postponed)
Thursday	Energy and Water Development, Labor-HEW
Friday	Transportation

Prognosis

Energy and Water Development - We expect fewer major disagreements than last year. There will be several unrequested new starts, but none of major magnitude. The bill's budget totals likely will also be acceptable. (NOTE: The Senate may add more new starts to appease the nervous 24 Senators up for reelection.)

Labor-HEW - Jim McIntyre met with Chairman Natcher this week to discuss strategy on this Subcommittee bill.

Carl Perkins is actively urging support of major budget increases for education:

	$ in millions
Title I ESEA ..... (regular program)	400
Vocational Education.....	300
Impact Aid ..... (would reverse our savings and add more)	366
Other Programs	500

There is also substantial pressure to increase funding for NIH ($250 million or more) and health manpower programs.

Chairman Natcher plans to be as tough as he can in resisting these increases, but he needs our support.

ok

We will ask you to call him early in the week.

Transportation - Pressures to increase our budget include the following:

1. Jim Howard and his colleagues on House Public Works are requesting $566 million in add-ons -- $250 million for transit and the rest for discretionary categorical highway programs. They also want to increase the obligation limitation for Federal-aid highways by $300 to $400 million per year for 1979 and 1980.

Use Energy Sec Fund re Hpart

2. The Commerce Committee and some Members of the Appropriations Committee want to increase spending for AMTRAK, including the restoration of funding for specific trains. Congressman Conte is especially adamant on the Montrealer.

Chairman Duncan has not yet finalized his recommendations to the Subcommittee.

3. Energy

Rationing - Late Friday we agreed to send to the Hill on Monday an amendment to the rationing plan. The amendment would set aside an 8% reserve (to be used primarily for emergency purposes) which would be allocated to states on the basis of historical use. It would also create a 2% National Reserve. A state's share of the (90%) base allocation would be determined half on historical use, and half on the state's relative number of cars.

We would also propose making only three cars per family eligible to receive coupons.

The submission of any amendment causes severe parliamentary problems on the House side. We will go to the Rules Committee to make the amendment in order prior to the original plan's Thursday expiration date.

Despite these difficulties the amendments will make adoption of the plan more likely in the Senate and at least possible in the House.

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In the Senate the Energy Committee will most likely adopt the amendment as soon as it reaches the Hill, and the full Senate will vote on the plan on Tuesday.

Windfall Profits Tax - Secretary Blumenthal will testify on the tax Wednesday before the Ways and Means Committee. DPS, Treasury, and Energy will have briefed almost all committee members by that time.

From a preliminary reading, it appears there are sufficient votes to toughen up the Administration's tax by changing the decline curves for lower tier oil, eliminating or redefining some of the exception of Alaskan oil, and capturing a larger percentage of the OPEC price increases.

It is uncertain the form this proposal will take but several Members are working on amendments.

The generally accepted view in Congress is that the Administration's tax is too meager.

4. Alaskan Lands

The Speaker has assured Chairman Udall that votes on amendments and final passage occur on Wednesday and Thursday. The first vote on the Udall/Anderson substitute will be critical, as it will amount to a showdown between that bill and the Breaux substitute.

At this time, a large number of Members remain undecided, and the vote looks much closer than last year. WHCL is working closely with Interior, USDA, Chairman Udall's task force, and the Alaska Coalition to prepare for floor action.

Inc on Tues memo

A word from you to the House Leadership Tuesday morning would help, particularly with Congressmen Wright and Rostenkowski.

5. Clinch River Breeder Reactor

The House Committee on Science and Technology completed mark-up of H.R. 3880 May 1 and reported the bill with full funding for CRBR. Congressman Brown expressed his intention to try to combine his amendment on the Clinch River Breeder Reactor with that of Mr. Fuqua's for a joint offer on the House Floor which should occur the first of June. A White House Task Force on CRBR has been formed and is working with Brown.

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6. AMTRAK

Resolutions disapproving the Administration's Amtrak Restructuring proposals were stalled before the Commerce Committees of both Houses of Congress.

The Transportation Subcommittee of House Commerce decided to put off consideration of the resolution of disapproval and concentrate on Amtrak authorization legislation. The full Senate Commerce Committee, however, voted nine to eight against a resolution of disapproval and ten to seven against sending the resolution to the floor. The Senate Committee decided to postpone consideration of the Amtrak authorization bill until Tuesday. The restructuring opponents may still be able to get a resolution of disapproval to the floor of the Senate before the May 22 deadline. Majority Leader Byrd, who will influence this situation, has expressed an interest in retaining "The Cardinal" which runs in West Virginia.

During consideration of the resolution of disapproval, Assistant Secretary Terry Bracy and Bill Harsh, a F.R.A. official, were unexpectedly called to the witness table and questioned on the Administration's position by our opponents. Their excellent performance turned the tide in our favor.

7. Aviation Noise

Senator Cannon's aviation noise bill breezed through the Senate Tuesday on a 78-15 vote but the Administration efforts to block the bill bore fruit in the House.

This legislation authorizes $175 million to airports for aircraft noise reduction projects and provides for waivers and delays in the enforcement of the FAA's regulations governing the noise made by aircraft engines. Congressman Johnson, the Chairman of the House Public Works Committee, tried to get a similar bill out of the Aviation Subcommittee of House Public Works Thursday. Working closely with Senator Cannon, Chairman Johnson was pushing a bill similar to Cannon's bill including a provision waiving engine noise regulations.

Representatives Levitas and Ferraro led the opposition and the waiver provision was killed on a 11-3 vote in Subcommittee.

8. Department of Education

The Department of Education bill passed the Senate Monday 72-21.

Wednesday, the House Government Affairs Committee reported the bill favorably 20-19. Chairman Brooks and Congressmen Fascell and Levitas were particularly helpful during mark-up.

The major changes to the bill in Committee were amendments (1) to add the BIA schools and the Vocational Rehabilitation programs; (2) to allow a one-house veto; (3) to limit the future personnel growth of the department.

We hope to get a Rule and take the bill to the floor in the next 2-3 weeks.

9. Hospital Cost Containment

Because of hearing postponements, only the House Committee on Ways and Means (Ullman) is now expected to take up hospital cost containment this week.

The Committee will begin marking up the Health Subcommittee approved version of the Administration's proposal on May 7 and continue consideration on May 8 if necessary.

10. Davis-Bacon

DOL reports that we appear to have the votes to defeat the expected Tower amendment to repeal Davis-Bacon provisions in the Housing legislation. Mark-up in Senate Banking will take place May 8 and 9.

On the House side the Military Construction Subcommittee defeated by one vote a Davis-Bacon repeal amendment offered by Representative Hagedorn.

11. SBA Authorization Legislation

This week the Senate Small Business Committee marked up and agreed to report an omnibus authorization bill which goes a long way toward meeting the Administration's three major concerns with SBA authority: disaster interest rates, farm lending jurisdiction, and imposition of a credit elsewhere test for SBA's business disaster loan programs. The disaster lending proposal was offered by Senator Huddleston.

The Huddleston proposal has been presented to Neal Smith who has verbally accepted the amendment. H.R. 90 is pending in the Rules Committee.

12. FmHA

A challenge to the Administration is brewing in the form of both personnel ceilings and budget levels for the USDA's Farmers Home Administration programs. This week the House Agriculture Subcommittee added over $2.5 billion annually to the Administration's recommended authorization for FmHA programs in FY 80 through FY 82.

It is clear from current spending levels that FmHA spending will set a record this year, and if the trend continues, the need for funding will greatly exceed the amount in your budget. USDA reports that this situation is largely due to low income in the farm sector forcing more reliance on FmHA funding, various natural disasters in rural areas, and improved accessibility to the programs.

In addition, the first Inspector General's Report for the Department of Agriculture which must go to Congress in the next month will contain criticism of current FmHA programs due to a lack of staff. Because of favorable attitudes on Capitol Hill toward FmHA, it is certain that this will generate a great deal of support for expanding both FmHA funding and personnel ceilings.

13. Debt Ceiling Bill

Congressman Gephardt is fervent in his desire to try to amend the debt ceiling process now, in order to avoid another fiasco in September when we will need another increase.

What to do?

The Justice Department has indicated in the past that tying the debt ceiling to the budget process would be unconstitutional. Some in Congress and some at Treasury, believe that the preliminary Justice view is not valid. Gephardt feels that we must move quickly to change the process or we will lose our chance.

14. McKinney Amendment

Chairman Zablocki has agreed to introduce a substitute to the McKinney amendment which satisfies the two principal Administration concerns about the amendment.

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II. FOREIGN POLICY ISSUES

1. Rhodesia

Your phone calls enabled us to stall a threatened move by Senator Harry Byrd to lift the Rhodesian sanctions. Senator Helms has notified us that a similar effort will be mounted early next week (See State Department Authorization).

We will continue to advance our case on the grounds that you should have the opportunity to make an orderly determination as required by law. Senator Javits will take up this argument and may, with Senator Hatfield, offer a substitute to Helms calling on you to make a determination within two weeks of the seating of the new Rhodesian government.

2. State Department Authorization

The State Department Authorization goes to the Senate floor Wednesday. At this time the bill contains several undesirable features including the Zorinsky Amendment which requires future National Security advisors be subject to Senate confirmation.

unacceptable →

We will expect the bill to attract at least three major substantive amendments:

(1) To repeal the Rhodesian embargo (This amendment may come on Monday when the Senate takes up the Uganda legislation).

(2) To maintain restrictions on UN technical assistance (another Helms amendment).

(3) A move by Senators Baker and Lugar to strike the McGovern amendment which facilitates visa entry for Soviet and Eastern European Communist officials.

3. Senate Security Assistance Mark-Up

The Senate Foreign Relations Committee mark-up of the Security Assistance bill opened on Thursday with an announcement by Senator Church that he hoped to cut $89 million in budget authority from the Administration's proposal.

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Under the McKinney/Wolpe amendment, you would be required to determine that oil swaps would result in consumer savings. Under the current McKinney amendment, your determination can be overridden by a one-House veto. The Zablocki substitute requires a Presidential determination that swaps would benefit the national economy and requires a two-house veto to override a Presidential decision.

DOE, Commerce, DPS, State, NSC and WHCL are working on this and are receiving a somewhat more positive response from Committee Members than was the case two weeks ago with our simple opposition to the McKinney amendment.

15. EDA Reauthorization

Senate -- Last Monday, the Senate Subcommittee on Regional and Community Development marked up a one year simple extension of the EDA Act, including an increase of $275 million for public works grants. Full Committee mark-ups are scheduled for May 7-10.

The Senate Banking Committee completed hearings on the EDA/Development Financing proposal last week. Committee mark-up is scheduled for May 11. Commerce reports that we should have sufficient votes to report out the bill.

House -- Banking Subcommittee Chairman Moorhead cancelled the EDA hearings Wednesday. He cited the press of Committee business, the fact that the Administration bill has not been introduced, and that he does not want to challenge Bob Roe's control/strategy over the EDA bill.

Bob Roe does not intend to introduce our EDA bill but does intend to report an EDA reauthorization bill, containing significant portions of the Administration's proposal.

16. Regulatory Reform

Hearings in Governmental Affairs are continuing. WHCL, DPS and OMB will ask Ribicoff's staff to move the legislation after DNR. Senate Judiciary will probably begin their hearings this week.

Throughout the mark-up, the Committee insisted on keeping the authorization below last year's appropriation.

The Committee took the following actions:

-- Panama: Approved the entire FMS proposal.

-- Turkey: Authorized $50 million concessional FMS (10 years' grace for repayment of principal) instead of $50 million grant MAP (see below).

-- Greece: Added $42 million FMS (same terms as Turkey) to offset the increase for Turkey.

-- Cyprus: Added $13 million ESF for refugees (Pell).

-- Southern Africa: Cut ESF by $25 million to $75 million. Rejected a $40 million cut.

-- IMET: Cut by $1.4 million.

-- Oman: Additional request for $15 million FMS approved.

-- Sudan: Additional request for $40 million ESF, and $10 million FMS approved.

-- Jordan: Cut ESF $38 million (Magarin Dam). Report will say unused FY 79 funds remain available for expenditure in FY 80.

-- Syria: Cut ESF by $15 million.

-- Zaire: Approved Administration request. Report language will tie authorization to progress in eliminating corruption and reforming the Army. Authorized transport by U.S. military of foreign troops in Zaire.

-- Morocco: Added $14 million FMS.

-- Thailand: Added $15 million FMS.

-- Sinai Support Mission: Cut by $6.1 million. Transfer of fixed property to Egyptians approved.

-- MAAG funding: Cut by $600,000.

The Committee will address the $100 million FY 79 supplemental for ESF for Turkey in the mark-up on Tuesday. We expect approval. A Lugar proposal to cut a further $15 million from Syria may also be considered. Report language indicating which countries' IMET programs should be cut will also be considered at that time. We are working to forestall mention of Panama.

4. Turkish Supplemental

The Senate Foreign Relations Committee, which last year voted 8-4 against lifting the Turkish embargo, tentatively approved both the $300 million regular military and economic assistance package plus the $150 million supplemental aid package for Turkey. If the Committee action is sustained on the Senate floor, we will still face difficulty in getting the added Turkish money through the House/Senate conference. The European Subcommittee of the House Foreign Affairs Committee begins hearings on the Turkish supplemental on May 15 with Warren Christopher scheduled to present the Administration position.

5. Panama

This will be an active issue for the next two or three weeks. The Senate Armed Services Committee will begin hearings on implementing legislation in May, possibly as soon as May 15. House floor action probably will begin May 21.

The intelligent attitude of Senator Carl Levin, who will chair the Senate hearings, and the support he is getting from John Stennis, is cause for optimism about getting a better bill in the Senate than in the House. In the House we are concentrating on getting the Murphy bill passed without further damaging changes. Our preliminary judgment is that while the vote will be fairly close on the bill as a whole, the principal threat will be killing amendments -- most notably one by Rep. George Hansen to make Panama pay all treaty costs, the United States' original investment, etc.

Secretary Vance has met with Murphy, who will be the floor leader, and a spirit of cooperation has developed though he does not want a public embrace from the Administration. Murphy has even given some indications that he will be flexible in conference. We are inclined to go along with his strategy of no substantive amendments, since the bill is more likely to be worsened by floor amendments.

6. Middle East Supplemental

The House Foreign Affairs Committee will hear Secretaries Vance and Brown on Tuesday on the Middle East Supplemental. They will mark up the legislation Tuesday afternoon and Wednesday. We continue to hear expressions of concern about the difficult economic burden on Israel and expect a move to soften the terms of the FMS side.

7. FY 79 Supplemental Defense Authorization Bill

Senator Stennis is quite put out over the Administration's support of the Riegle amendment.

Stennis suggested on the floor that he was given no advance notice of our position favoring only two destroyers in FY 79 and the other two in FY 80. In fact, he was notified by Deputy Secretary Duncan on March 21 and his Committee report - filed a month ago - correctly states our position.

Apparently, Stennis' ire resulted from the transmittal of an OMB letter on the Administration position to Riegle with no copy to him.

8. Selective Service Registration

On Wednesday the House Armed Services Subcommittee on Military Personnel completed mark-up of the FY 80 Defense Authorization Bill. During the mark-up the Subcommittee added language to the Bill which requires selective service registration of eighteen year-olds effective January 1, 1981. This provision does not include women but requires you to make a recommendation to the Congress whether women are subject to registration.

III. MISCELLANEOUS

Momentum for the Jackson/Kennedy bill to extend controls on oil prices is building in the Senate. Your recent statement that you would sign such a bill may assist proponents of that effort somewhat.

On the House side, as you know, we have worked against extension of controls in the Commerce Committee. Of the twenty-one supporting decontrol Dingell would be the most likely to move to the other column.

Senator Glenn, according to various reports, was upset that he was not invited to the Japanese State Dinner. WHCL met with him on Friday and he now understands that he was not "snubbed" (because of his recalcitrant attitude on verification). He realizes that there simply were not enough invitations available for everyone who might have a legitimate protocol reason for being there (he is Chairman of the Far East and Pacific Affairs Subcommittee.)

Anti-Dumping/MTN - Fred Kahn wrote to Ab Mikva supporting the removal of perishable fruits and vegetables from the anti-dumping act. These has been interpreted as anti-Florida by that delegation. We will continue to work with the Trade Subcommittee in order to come to a workable solution.

The program for the House of Representatives for the week of May 7, 1979 is as follows:

Monday
May 7

House Meets at Noon
Consent Calendar
Suspensions (4 Bills)

Votes on Suspensions will be postponed until end of all Suspensions.

1. H.R. 3404 -- Extend Treasury Drawn Authority from Federal Reserve.
2. H.R. 3757 - Technical Amendments for National Parks Act of 1978.
3. H.R. 3756 - Authorization for Trust Territories and Insular Areas of U.S.
4. H.R. 2807 - Nondischargeability of Certain Student loans.

H. Con. Res. 107 - The Congressional Budget for the United States Government, FY 80.
Complete Consideration

Tuesday
May 8

House Meets at Noon
Suspensions (No Bills)

H. Res 209 - Approve Emergency Standby Temperature Restrictions on Certain Buildings

H. Res 212 - Approve Emergency Standby Authority for Gasoline Rationing

Wednesday
May 9

House Meets at 3 p.m.

H.R. 39 - Alaska National Interest Lands Conservation Act of 1979
(Votes on Amendments and Bill)

Thursday
May 10

House Meets at 11 a.m.

H.R. 10 - Civil Rights of Institutionalized Persons
(Open Rule, One Hour)

Friday
May 11 House Meets at 11 a.m.

H.R. 10 - Civil Rights of Institutionalized Persons
(Complete Consideration)

H.R. 3236 - Disability Insurance Amendments of '79
(Subject to a Rule Being Granted)

THE HOUSE WILL ADJOURN BY 3 p.m. ON FRIDAY AND BY 5:30 p.m. ON ALL OTHER DAYS EXCEPT WEDNESDAY.

THE WHITE HOUSE

WASHINGTON

May 7, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE fm/pd.

SUBJECT: Hospital Cost Containment

FOR YOUR INFORMATION, NO ACTION REQUIRED

Chairman Ullman and the Ways and Means Committee are meeting right now to determine if they have the votes to report the bill.

If the votes are not there, Ullman will not go with tomorrow's mark-up and because of the Committee's schedule, the bill would not be taken up again until July.

This morning we were trying to get three votes from the following five: Pickle, Gibbons, Cotter, Fowler and Jenkins. You were trying to reach Gibbons and Fowler; Strauss was trying Pickle. The Speaker and Chairman Ullman have talked with Cotter and they report him as very negative.

Congressman Jim Jones (D-Oklahoma) is the key right now. He holds three to five votes and may determine if we proceed with the mark-up.

Bill Cable and Bob Maher are in the Committee room and will call in reports which I will send to you. We may need to ask you to make a phone call or two this afternoon depending on the outcome of the discussions which are now underway.

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THE WHITE HOUSE
WASHINGTON

5/7/79

Mr. President:

Arnie Miller concurs.

Rick

THE WHITE HOUSE

WASHINGTON

May 4, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: BOB LIPSHUTZ
LANDON BUTLER

RE: Executive Order "Creating an Emergency Board to Investigate a Dispute Between the National Railway Labor Conference and Certain of its Employees"

Attached are an Executive Order and related documents establishing an emergency board to forestall a strike by the American Train Dispatchers Association. This is a relatively small union, but a strike by it could trigger a nationwide railroad strike.

The union is free to strike on May 10 if the emergency board is not created. Both the National Mediation Board and Secretary Marshall recommend creation of the emergency panel. We concur and recommend that you sign the attached Executive Order as well as letters designating the three emergency board members:

James Reynolds
Ida Klaus
Nicholas Zumas

The Order and accompanying letters should be signed by May 7.

✓ Approve _____ Disapprove

FOUR SIGNATURES REQUESTED

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

May 1, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall

SUBJECT: Possible National Railroad Strike

National railroad negotiations have been conducted between the National Railway Labor Conference and the American Train Dispatchers Association under the auspices of the National Mediation Board since May 3, 1978. In accordance with the Railway Labor Act when an impasse had been reached in negotiations, the Mediation Board proffered arbitration on April 9, 1979. The Dispatchers refused to proffer and are free to strike on May 10, 1979. They have taken a strike vote and may well strike on that date.

The Railway Labor Act provides that if the Mediation Board finds that a strike would "threaten substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service," it may recommend that you create an emergency board to investigate and report regarding the dispute.

Attached is a letter from the Mediation Board indicating that it believes that such an emergency situation exists.

I concur in the recommendation that you appoint an emergency board since I too believe a strike would substantially impact on the economy. I suggest the following individuals as members of the board.

James Reynolds, Chairman
Ida Klaus, Member
Nicholas Zumas, Member

NATIONAL MEDIATION BOARD
WASHINGTON, D. C. 20572

OFFICE OF THE CHAIRMAN

May 1, 1979

Emergency Board No. 190

Dear Mr. President:

In the judgment of the National Mediation Board, a situation exists such as is described in the Railway Labor Act, as amended, Section 10, with respect to a dispute between the carriers represented by the National Railway Labor Conference and certain of their employees represented by the American Train Dispatchers Association.

The dispute covers the organization's proposals and the carriers' counterproposals requesting improvement in wages, cost of living, health & welfare and other terms and conditions of employment as well as work rules and moratorium provisions.

The situation appears to the National Mediation Board as being extremely critical in that the dispute in question threatens substantially to interrupt interstate commerce to a degree such as to deprive sections of the country of essential transportation services.

The Board is informed that the Organization has taken a strike vote and will be free to strike at 12:01 a.m., Thursday, May 10, 1979. This dispute has been handled in conformity with the Railway Labor Act, as amended, but has not been adjusted.

We are herewith transmitting for your consideration a draft of an executive order creating a board to investigate the dispute pursuant to Section 10 of the Railway Labor Act, as amended.

Respectively,

David H. Stowe

David H. Stowe
Chairman

The President
The White House

EXECUTIVE ORDER

CREATING AN EMERGENCY BOARD TO INVESTIGATE A DISPUTE BETWEEN THE NATIONAL RAILWAY LABOR CONFERENCE AND CERTAIN OF ITS EMPLOYEES

A dispute exists between the National Railway Labor Conference and certain of its employees represented by the American Train Dispatchers Association, a labor organization;

This dispute has not heretofore been adjusted under the provisions of the Railway Labor Act, as amended; and

This dispute, in the judgment of the National Mediation Board, threatens substantially to interrupt interstate commerce to a degree such as to deprive a section of the country of essential transportation service:

NOW, THEREFORE, by the authority vested in me by Section 10 of the Railway Labor Act, as amended (45 U.S.C. 160), it is hereby ordered as follows:

1-101. Establishment of Board. There is established a board of three members to be appointed by the President to investigate this dispute. No member of the board shall be pecuniarily or otherwise interested in any organization of railroad employees or any carrier.

1-102. Report. The board shall report its finding to the President with respect to the dispute within 30 days from the date of this Order.

1-103. Maintaining Conditions. As provided by Section 10 of the Railway Labor Act, as amended, from this date and for 30 days after the board has made its report to the President, no change, except by agreement, shall be made by the National Railway Labor Conference, or by its employees, in the conditions out of which the dispute arose.

Jimmy Carter

THE WHITE HOUSE

THE WHITE HOUSE

WASHINGTON

To James Reynolds

Pursuant to the Railway Labor Act, as amended, I created by Executive Order an Emergency Board to investigate a dispute between the National Railway Labor Conference and certain of its employees represented by the American Train Dispatchers Association. The functions and duties of the Emergency Board are set forth in the Railway Labor Act, as amended, in the Executive Order creating the Board.

I am pleased to learn that you are willing to serve on this Emergency Board, and accordingly, I hereby appoint you as Chairman of the Board. This letter will constitute your appointment and your authority to act as Chairman of the Board. Each member of the Board is to receive compensation at the rate of $175.00 per day for each day that the member is actually engaged in the performance of the member's duties or in travel in connection therewith. In addition, each member of the Board will be allowed per diem in lieu of subsistence while so engaged away from the member's home or the member's regular place of business.

Sincerely,

Jimmy Carter

Mr. James J. Reynolds
3900 Watson Place, N.W.
Washington, D.C. 20016

THE WHITE HOUSE

WASHINGTON

To Nicholas Zumas

Pursuant to the Railway Labor Act, as amended, I created by Executive Order an Emergency Board to investigate a dispute between the National Railway Labor Conference and certain of its employees represented by the American Train Dispatchers Association. The functions and duties of the Emergency Board are set forth in the Railway Labor Act, as amended, in the Executive Order creating the Board.

I am pleased to learn that you are willing to serve on this Emergency Board, and accordingly, I hereby appoint you as a member of the Board. This letter will constitute your appointment and your authority to act as a member of the Board. Each member of the Board is to receive compensation at the rate of $175.00 per day for each day that the member is actually engaged in the performance of the member's duties or in travel in connection therewith. In addition, each member of the Board will be allowed per diem in lieu of subsistence while so engaged away from the member's home or the member's regular place of business.

Sincerely,

Jimmy Carter

Mr. Nicholas H. Zumas
1140 Connecticut Avenue, N.W.
Suite 505
Washington, D.C. 20036

THE WHITE HOUSE

WASHINGTON

To Ida Klaus

Pursuant to the Railway Labor Act, as amended, I created by Executive Order an Emergency Board to investigate a dispute between the National Railway Labor Conference and certain of its employees represented by the American Train Dispatchers Association. The functions and duties of the Emergency Board are set forth in the Railway Labor Act, as amended, in the Executive Order creating the Board.

I am pleased to learn that you are willing to serve on this Emergency Board, and accordingly, I hereby appoint you as a member of the Board. This letter will constitute your appointment and your authority to act as a member of the Board. Each member of the Board is to receive compensation at the rate of $175.00 per day for each day that the member is actually engaged in the performance of the member's duties or in travel in connection therewith. In addition, each member of the Board will be allowed per diem in lieu of subsistence while so engaged away from the member's home or the member's regular place of business.

Sincerely,

Jimmy Carter

Ms. Ida Klaus
860 United Nations Plaza
New York, New York 10017

THE WHITE HOUSE
WASHINGTON

Cabinet 5-7-79

> Iowa / Calif = Nuclear, gas 2-4% < '78
> D-2 lands - Wed-Thurs vote
> Energy - rationing -
> Econ = WP + 9 = emp ? food $
Trade bal +
> Rubber workers
> Mike lead
> Japan summit, Ohira
> Hosp Cost
> Nuclear demonstration
> Luther Hodges, Jr.
> Intl - Regulatory
> Rhodesia

> British election - good cabinet
> Mid East Mesot
> SALT - vote today - summit

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THE WHITE HOUSE
WASHINGTON

please note: outside flap contain notes from lunch with vice president on 5/7/79 ...inside is list and brief notes regarding meeting with nuclear rally people... and second attachment is list of comments from same meeting

Fri Lunch 5-7-79

Cy.

Kis

Greeks

Milk parity - 80% → 77%

Afghan

Stan. Bill

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meeting with representatives of
may 6 anti-nuclear coalition 5/7/79

THE WHITE HOUSE
WASHINGTON

Rally - peaceful, constructive
Nuclear power - Chicago - minimize
Existing - safe
NRC & Kemeny
Non-prolif.
CRBR
Barnwell Reprocg
SALT
CTB
Solar 313 → 845 m
Review this mo.
Conservation
Spent rods

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THE WHITE HOUSE

WASHINGTON

May 4, 1979

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MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON Jack

SUBJECT: Your May 3rd Note

In response to your note to me yesterday morning:

Bishop College

An audit performed as part of an agreement between Bishop and HEW to permit continued federal funding to the College has found that Bishop owes HEW $2.9 million in misspent student aid funds, rather than $1.3 million as originally charged.

Bishop's management problems are so severe that, as recently as this March, the College was unable to account for $200,000 of $500,000 which HEW provided that month for student aid. As a result, HEW has stopped making payments to Bishop and has given the school until the middle of May to explain why it cannot yet adequately handle federal funds.

The likely outcome of all this is continued federal student financial aid through the remainder of this academic year, but no federal aid next year.

The U.S. Attorney in Dallas who has pursued this case for several years has obtained 15 convictions (either through confession or trial) out of 15 indictments handed down. There is a reasonable chance that the President of the College, Milton Curry, will be indicted by the grand jury for misappropriating federal funds. Joe Califano will be giving a deposition to the U.S. Attorney next week on the overall situation.

— I'd like to speak with you for a few moments about the other matter you asked about — at your convenience —

Jack

THE WHITE HOUSE

WASHINGTON

May 4, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT

SUBJECT: Crude Oil Decontrol

I am extremely concerned (as are all other members of the Inter-agency Energy Group) about the statement you made in Iowa, indicating you would not veto a bill extending controls, for the following reasons:

1. This will give a big boost to Toby Moffett's efforts in the House and the Kennedy/Jackson effort in the Senate. It will force them to keep pushing by removing the argument they do not have a 2/3 majority needed to overturn a veto. It says you do not feel strongly enough about a major decision to oppose its overturn.

2. This gives the impression of an absence of leadership -- that you really do not care one way or another whether controls are extended or not. This impression of an absence of leadership will be reinforced to the extent we continue to justify the decision to decontrol solely on the ground of the Congressional mandate.

3. This gives the impression of waffling on a critical issue. You stated forcefully in your nationwide address the positive reasons why decontrol was essential and other officials of your Administration in background briefings and in public statements have reinforced these positive reasons:

-- The need to provide an incentive for increased production to make us less dependent on OPEC;

-- the need to end the cumbersome and burdensome entitlement system;

-- the positive impact this would have on the strength of the dollar;

-- your Bonn commitment.

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Your opening statement at the press conference following your nationwide address made a point of stating that you had "cut the Gordian knot on energy pricing". And you pointed out that the indecision in this area had paralyzed energy policy for several years. We must not and cannot appear to be backing away from your decision. I say this, as you know, as one who argued against removing controls before your decision was made. Now that the decision is made we cannot appear to back away from it without a grave loss of credibility. This is an issue in which we simply cannot have it both ways.

4. The only chance we have of getting a windfall tax passed is to make it clear as we have done up to this point, that the decontrol decision is final and irreversible. You may remember that you decided not to leave open the possibility of reimposing controls for economic or other circumstances for precisely the reason of the need to be definite and clear on this issue. To the extent that we begin to imply that we do not mind an extension of controls we badly undercut any possibility of getting a windfall tax.

5. Secretaries Blumenthal and Schlesinger and Charlie Schultze will be testifying next week before Chairman Ullman. As they have done since the time of your decision, their testimony will contain a positive endorsement of decontrol. Our whole tax is premised on the basis that with your decontrol decision the tax leaves enough incentive for increased drilling while recapturing the windfall portion. We cannot have their testimony equivocate on the decontrol issue. You have made a decision. We must not defend it forcefully.

6. I understand that you are concerned about being the lead advocate for decontrol. But I would point out there is a difference between utilizing all of the resources of the Administration (which we need not do) to block efforts to extend controls, and giving a public posture of not seeming to care about the control issue.

I would therefore urge in future statements that while you can mention the Congressionally imposed deadline as one factor, you reassert, as you did originally and as others in the Administration have continued to do, the positive benefits to decontrol taken together with the windfall profits tax.

7. If you are asked again about a veto, there is no reason to answer the question directly. We have always made it a practice to never forecast vetoes in advance and there is no reason to do so now.