**3/31/77**

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THE WHITE HOUSE
WASHINGTON

3-31-77

To Amy

Invite Paul

Evans over to visit

you -

Dad

THE WHITE HOUSE
WASHINGTON

March 31, 1977

The Vice President
Stu Eizenstat

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

**Rick Hutcheson**

cc: Jack Watson

Re: Transfer of Mining Enforcement and Safety Administration (MESA) From Interior to Labor

THE WHITE HOUSE
WASHINGTON

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| | AGENCY REPORT |
| | CAB DECISION |
| | EXECUTIVE ORDER |

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

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THE WHITE HOUSE
WASHINGTON

Mr. President:

Landon Butler strongly concurs with Stu, pointing out that the transfer would please organized labor. Although you made no commitment, organized labor has the impression from your campaign statements that you favor the transfer.

Jack reaches the opposite conclusion from Stu, and his comments are attached.

If you wish further information, letters from Andrus and Marshall are attached, along with an OMB analysis.

---Rick

Stu - I consider it a campaign promise to support the Xfer. Get Bert and/or others to try to remove objectionable features. Ok for Cecil to testify as to his own belief F.C.

THE WHITE HOUSE

WASHINGTON

March 30, 1977

THE PRESIDENT HAS SEEN.

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT
BILL JOHNSTON

SUBJECT: Transfer of Mining Enforcement and Safety Administration (MESA) from Interior to Labor

I. Issue

Companion bills before Congress (HR 4287/S 717) propose to strengthen mine safety enforcement and to transfer MESA from Interior to Labor.

We have been asked to testify on Friday April 1.

The Department of Labor, organized labor, and apparent majorities of Congress favor moving MESA to Labor and are eager to act now. The mining industry and the Department of Interior oppose the move. OMB has recommended we seek a postponement of the transfer.

II. Discussion

A. Opponents of the proposed transfer argue:

1) The Department of Interior has shown steadily improving performance in mine safety and should be given a chance to prove itself under new leadership.

2) Expertise in mining and mine safety is now concentrated in Interior but might be fragmented by transfer.

3) Transfer could jeopardize the funding level of mine safety. Compared to enforcement of OSHA, MESA spends twelve times as much per injury/fatility. After consolidation the the Labor Department might be tempted to reallocate funds to OSHA. (Others might argue that this reallocation would be justified)

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4) Transfer would be premature, prior to the formation of a Department of Energy, internal reorganizations of Labor and Interior, and government wide reorganization planning.

B. Supporters of the proposed transfer argue:

1) Transfer would consolidate health and safety functions in the Department of Labor which also has responsibility for administering OSHA and black lung programs. Coordination between these programs might be improved, and cost savings might be possible.

2) Transfer would end the inherent conflict of interest between encouragement of mine production and responsibility for mine safety, which now exists in Interior. (The formation of a Department of Energy would accomplish the same end.)

C. In the Pennsylvania primary you said:

"Another thing that concerns me is the placement of the mine safety administration. It's now in Interior -- Department of Interior. The function of the Department of Interior, obviously, is to encourage maximum production. The Department of Labor is the one responsible for the benefits of the workers themselves. This would probably be a better place to have this administration itself."

II. Recommendation

We believe you should come out strongly in favor of the transfer immediately. Our reasons are:

1) There is both a demonstrated commitment and a logical connection between mine safety and the Labor Department's other responsibilities.

2) This would be the first issue on which we can unequivocally support organized labor. The labor movement has been unhappy with some of our recent positions and this might help to improve our relations. Opposition or delay on the other hand, would add salt to the wounds.

3) We can take a position of leadership in Congress on an issue on which we will almost certainly win.

4) This reorganization will be easier to pass separately, rather than as part of a more comprehensive plan.

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# House Votes Mine Safety Shift To Dept. of Labor From Interior

By BEN A. FRANKLIN
Special to The New York Times

WASHINGTON, July 28—The House of Representatives passed today a bill, strongly backed for several years by the United Mine Workers union, that would transfer the enforcement of Federal coal mine safety standards to the Labor Department from the Interior Department, which has long been criticized for lax enforcement.

The measure, adopted 309 to 86, would transfer the Mining Enforcement and Safety Administration, or MESA, from the Interior Department and place it under a new assistant secretary for mines, giving the agency equal status with the Occupational Safety and Health Administration, which polices hazards in nonmining work places. An attempt to strike the proposed MESA transfer from the bill was defeated yesterday by a vote of 263 to 199.

Because former Gov. Jimmy Carter of Georgia, the Democratic Presidential nominee, had said he supported the transfer proposal during the Pennsylvania primary last April, the union has interpreted more general language in the 1976 Democratic platform as favoring the bill passed today. The platform pledges the party to seek "a comprehensive mine safety law, utilizing the most effective and independent enforcement by the Federal Government."

The House bill, which also includes stronger Federal safety standards for other mines, similar to those in effect in coal, now goes to the Senate. The Ford Administration and the coal industry have opposed the MESA transfer to the Labor Department.

Today's debate on the House version, sponsored by Representative Dominick V. Daniels, Democrat of New Jersey, brought from him the charge that there had been "a direct and overwhelming conflict of interest" on mine safety issues within the Interior Department.

"The credibility of Congress's commitment to the safety and health of miners is strained when the Interior Department, which is charged with maximizing production of energy sources, is also responsible for protecting the welfare of the miner," Mr. Daniels declared.

In a statement following the House passage, Arnold R. Miller, president of the coal miners' union, called the measure "a long overdue move to eliminate the basic conflict of interest in the Government between coal production and the enforcement of mine safety."

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WATSON COMMENT

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: THE PRESIDENT

FROM: Jack Watson
Jane Frank

March 30, 1977

RE: MESA

While there are compelling arguments both sides, we come down in favor of retaining MESA in Interior for these reasons:

1. Cecil Andrus has a strong personal interest in mine safety. He knows the program, knows how to improve it, and wants to be given a chance to do so. He says that moving the program at this stage will cause a substantial loss in momentum;

2. The argument that transfer is necessary to separate mine safety from mine production considerations is unpersuasive. As Stu points out, mine production will be moved to the Department of Energy. You might mention this as a reason for leaving MESA in Interior. It also explains why concerns raised in your Pennsylvania primary statement have been alleviated;

3. It seems to us premature to decide this issue in advance of your general reorganization plan.

INTERIOR MEMO

# United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

March 28, 1977

Memorandum

To: The President

From: Secretary Cecil D. Andrus

Subject: Retention of MESA in Interior

On Friday, I have been asked to testify on new mine health and safety legislation which in its present form would transfer the Mining Enforcement and Safety Administration (MESA) from Interior to the Labor Department. The arguments, summarized below, present a very strong case for retaining MESA in Interior and I urge you to adopt that position.

1. Interior has greater commitment to mine health and safety. Interior is moving to develop MESA into a vigorous, model regulatory agency. I and my staff have strong commitments and enthusiasm for doing so. Interior helped encourage the House Committee to adopt the stronger, more comprehensive Senate bill as its vehicle for improving the Coal and Metal/Nonmetal Mine Health and Safety Acts. Interior has worked closely with the Committee and unions to develop amendments that will further strengthen and improve the bill. Interior also has urged both Committees to put the legislation high on their agendas. The Labor Department has shown little interest in the legislation, except for the transfer provision. Interior has implemented administrative reforms and is preparing others to improve civil penalty assessment and collection, and to strengthen inspection and enforcement efforts.

2. Regulation of strip mining and health and safety must be coordinated. Pending strip mine legislation will establish in Interior a new regulatory program and an additional large inspection force for the Nation's coal mines. The strip mine bill's inspection, enforcement and penalty provisions are similar to those of the Coal Mine Health and Safety Act, and reclamation standards will impact on health and safety standards. If the two programs are administered by different departments, they likely will be implemented at cross purposes and lead to wasteful duplication.

3. Transfer provision would fragment MESA program. The bills would leave in Interior the National Mine Health and Safety Academy in West Virginia, where MESA's inspection and technical support personnel are trained. This could not be altered easily, because Majority Leader Byrd opposes transferring MESA and will vigorously oppose the entire bill if the Mine Safety Academy is to be transferred. The bills also retain in Interior full responsibility for mine safety research, and retain in HEW responsibility for mine health research and standards.

4. Transfer would jeopardize implementation of strengthening amendments. Transferring an agency to a different department always causes substantial confusion. It would be very undesirable to transfer MESA at the same time that Congress gives it extensive new regulatory responsibility to implement. The bills repeal the Metal/Nonmetal Act and merge it into the Coal Act, which in turn is amended to provide numerous new enforcement tools and other requirements. Transition to the new law will be even more difficult for MESA, miners, operators and the courts if MESA is transferred.

5. Transfer could jeopardize MESA program level. There would be tremendous pressures in DOL to increase OSHA funding at the expense of MESA's, as DOL personnel have urged frequently during the past several years. We believe such de-emphasis and an eventual merging of MESA and OSHA, as DOL officials have urged in the past, would be almost inevitable in the long run despite provisions in the bill that attempt to prevent it. This would be a great injustice to miners.

6. Transfer now would decrease your reorganization options. At the very least, transfer should be held off until you develop your own government-wide reorganization options. Our discussions with Congressional staff indicate that Congress may agree to hold off on the transfer (while passing the strengthening amendments expeditiously, as we recommend) on these grounds. In fact, we believe many Congressmen would welcome this justification for backing off the transfer. Many realize that the old pro-transfer arguments do not apply to your Administration.

7. Transfer is unnecessary. Despite lack of strong support from recent Administrations, MESA has established a progressively more vigorous and successful program in Interior. From 1970 to 1976, the number of inspections increased from 11,758 to 98,627, closure orders increased from 2,134 to 10,403, and collection of penalties increased from $.1 million to $9.5 million. The program recently has been strengthened through better identification of problem mines, more inspections of such mines and "blitz" inspections. Fatality frequency rates are declining steadily. The fatality rate in coal mining in 1976 -- .34 per million man-hours -- is the lowest on record.

8. Nearly all MESA employees oppose transfer. MESA personnel are convinced that transfer would lead to de-emphasis of their program and therefore oppose transfer.

9. DOL has failed to present sound arguments for taking MESA from Interior. The burden should be on DOL to present overwhelming arguments that it can better develop MESA into a model regulatory program. I believe it has not because it cannot. Its arguments to date are unsound:

-- Congress is "locked in" to transfer. I find it very difficult to believe that Congress would refuse to hold off on transfer pending development of your reorganization plan. We have discussed this option with key Congressional staff and have received encouraging responses. Senate Committee staff say that there are now strong arguments on both sides of the issue. Rep. Carl D. Perkins (D-Ky.), chairman of the House Committee, is opposed to transfer and United Mine Worker officials in his state are pressuring him to fight it actively. House Subcommittee staff agree that it might be good to hold off transfer until the UMW elections later this year, in that the UMW leadership is split on the issue.

-- The unions support transfer. The Steelworkers, which represent some metal/nonmetal miners, are strongly committed to the transfer because they originated the transfer effort several years ago. The UMW is on record in support, but its leadership is divided on the issue. UMW staff indicate to us that the union's support is not enthusiastic, and perhaps unwise.

-- Interior has conflicting missions. Transfer of Interior coal production functions to the Department of Energy will largely remove this argument. Senate Committee staff agree.

-- Both MESA and OSHA should be consolidated in DOL. The fragmenting of the mine health and safety program that would result is a more serious concern than MESA and OSHA being in different departments. It is more important to coordinate MESA with strip mine regulation, since they both concern mining, than with OSHA. The overlaps in MESA and OSHA jurisdiction are minor, and should be resolved by the pending legislation.

-- Consolidation in DOL might produce cost savings. DOL could produce savings only to the extent that it merged the two programs, which it pledges publicly it will not do while arguing that cost savings are possible depending on "how the transfer is effected". MESA and the United Mine Workers would bitterly oppose any merging of the two programs.

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

MAR 28 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: RAY MARSHALL Ray Marshall
SECRETARY OF LABOR

SUBJECT: Proposed Transfer of the Mining Enforcement and Safety Administration (MESA) from the Interior Department to Labor

The House Education and Labor Committee has asked the Labor Department to testify this Friday, April 1, on mine safety legislation. The proposed legislation would strengthen existing laws and transfer the administration of these laws from the Interior Department to the Labor Department.

The Labor Department supports both strengthening and transfer provisions of the House bill. It is my understanding that Secretary Andrus has explained to you the Interior Department's position on this legislation. They support strengthening existing legislation, but believe that the program should remain in the Interior Department.

The key issue, then, is whether the Mining Enforcement and Safety Administration (MESA) should be shifted from the Interior to the Labor Department. Let me outline the reasons why the Labor Department strongly supports such a transfer:

1). The Labor Department has primary responsibility for protecting the health and safety of American workers. It makes administrative sense to place all statutes dealing with employee health and safety in the same Cabinet Department. The Department of Labor currently administers the Occupational Safety and Health Act (OSHA) that covers 65 million workers. In addition, we administer the black lung benefits program that is intimately tied to coal mining. The transfer of MESA would lead to closer cooperation between these two programs which are concerned with related aspects of coal mine safety and health.

2). The transfer of MESA would separate mine safety from mine production considerations. It is a basic administrative rule that the agency trying to spur production should not be the agency that also guarantees safety. The Atomic Energy Commission (AEC) provided an example of what happens when both responsibilities are placed in the same agency. Currently, the Interior Department is seen as primarily concerned with mine production. Although the proposed Energy Department will absorb many of the Interior Department's coal mining programs, enough will remain in Interior to continue this conflict between mine safety and mine production.

3). Transfer will not weaken mine safety and health programs. The proposed legislation prohibits any weakening of existing enforcement efforts. Appropriate emphasis will be placed on mine safety and health programs by providing a separate organization with its own budget. Congress has made it clear that the only transfer it will support is one which creates an Assistant Secretary for Mine Safety and Health. Transfer of personnel will assure a continuity of enforcement.

4). Among interested parties, there has been a general feeling that the Administration will support transfer because of statements reported in the media during the primaries. For example the July 29, 1976, issue of the New York Times states, "...former Governor Jimmy Carter of Georgia, the Democratic Presidential nominee...said he supported the transfer proposal during the Pennsylvania primary last April..." A copy of the New York Times article is attached to this letter.

5) The transfer will help resolve jurisdictional disputes between MESA and OSHA. The Secretary of Labor could resolve any jurisdictional disputes between the two health and safety agencies. One area where this would be particularly important is in setting health and safety standards. Currently, OSHA and MESA have different standards for dealing with asbestos. This lack of coordination encourages confusion and hampers effective regulation. Transferring MESA to the Labor Department will also encourage a better cross-fertilization of ideas and procedures between OSHA and MESA.

6) Transfer of MESA will not affect government-wide reorganization. This transfer would represent a first step toward grouping functionally related programs, but would in no way preclude further reorganization. In fact, this transfer could be viewed as a test run for a more comprehensive reorganization of health and safety agencies.

In addition to these six points, I would like to mention that both Congress and the labor movement are strongly in favor of the transfer of MESA. There is strong support in Congress for the transfer, especially among the ranking members of the Congressional committees most directly affected. Last year, this legislation passed the House, only to die in the Senate due to the opposition of the Ford Administration and the rush to adjournment. Passage is even more likely this year. Both Houses are considering similar bills and this legislation is considered a priority item. The views of the labor movement are equally clear. The two unions directly involved with coal mining (the United Mine Workers and the Steelworkers) support the transfer. I. W. Abel and Arnold Miller have personally advocated this change. In addition, both Congress and the labor movement believe that the transfer of MESA represents one of your campaign commitments.

I will, of course, be glad to furnish you with any additional information on why we support the transfer of MESA to the Labor Department. In supporting this transfer, my primary interest is the health and safety of America's miners.

Enclosure

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

ACTION

MAR 30 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Bert Lance

SUBJECT: Position on Transfer of the Mining Enforcement and Safety Administration (MESA) from Interior to Labor

Issue

Should the Administration: (1) support pending legislation to transfer the Mining Enforcement and Safety Administration from the Interior Department to the Department of Labor; (2) oppose such transfer; or (3) seek postponement of a decision until mine safety enforcement responsibilities can be reviewed as part of your government reorganization effort?

Background

The Labor and Interior Departments have been asked to testify before House and Senate Committees beginning April 1 on legislation which attempts to strengthen mine safety laws and would also transfer the Mining Enforcement and Safety Administration to Labor.

There is wide agreement in Congress and the Executive Branch that mine safety enforcement provisions need strengthening. Last summer the House voted mine safety legislation, including transfer, by a wide margin. The Senate adjourned before a vote on its bill. Organized labor is on record in support of transfer. The mining industry generally opposes it. You indicated during the campaign that you would consider such a transfer. You made no commitment, but organized labor has interpreted "consider" to mean "support." Given the defeats of organized labor last week, the unions will be sensitive to any signal that you are backing off from a commitment.

Departmental Positions - Attached are separate memos to you from Cecil Andrus and Ray Marshall stating their respective views on this issue, which are summarized below:

For Transfer: (Labor Department position)

- Would substantially consolidate employee safety and health responsibilities in one Department;

Therefore OMB recommends that the Administration:

(1) Support general strengthening of mine safety legislation, and

(2) request that the transfer issue be deferred pending its systematic consideration as part of the President's reorganization program especially in regard to health and safety regulation.

Witnesses could make a case for deferral by stressing the following points:

° Deferral is consistent with your promise to consider the issue because it in no way precludes the possibility of transfer after adequate study.

° Implementation of new enforcement powers can be accomplished best without simultaneous reorganization.

° The President's reorganization program will give early attention to mine safety in the context of all health and safety regulation.

° The safety of miners will not be impaired by deferral of the transfer issue.

° We need to know outcome of Energy Department legislation because it bears on proper placement of mine safety.

Presidential Decision

☐ Support transfer to Labor as proposed in pending legislation.

☐ Oppose transfer on grounds that Interior is the best placement.

☐ Seek deletion of transfer provision pending more adequate study as part of your reorganization program.

THE WHITE HOUSE
WASHINGTON

March 31, 1977

Frank Moore

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

**Rick Hutcheson**

Re: Recommended Telephone
Call to Dale Bumpers
re Tax rebate

THE PRESIDENT HAS SEEN.

Frank -
Hold until
March Indicators
& after recess
J

THE WHITE HOUSE

WASHINGTON

March 30, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE FM

RECOMMENDED CONGRESSIONAL TELEPHONE CALL

To: Senator Dale Bumpers -- 224-4843

Date: Today, Wednesday, March 30, 1977, before 4:00 p.m.

Purpose: To discuss with Senator Bumpers' the importance of his vote in favor of a tax rebate.

I have attached a copy of Charlie Schultze's memo to you outlining the arguments in favor of the rebate.

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for Preservation Purposes

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

March 29, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze CLS

SUBJECT: Suggested talking points if you call Senator Bumpers

Senator Bumpers seems to have two main points:

1. If economic stimulus is needed, a rebate is a poor way to do it.

2. Maybe a stimulus isn't needed, given the encouraging economic statistics of recent weeks.

1. Why a rebate:

A. It works. People will spend a large fraction of it. The University of Michigan has the most prominent consumer research unit in the country. They carefully studied the 1975 rebate and concluded that it was treated like any other income and a large fraction of it was spent. Consumer spending in 1975 rose sharply.

B. Any tax cut or rebate creates less jobs per dollar than public service employment. Because productivity grows when private recovery takes place, the percentage increase in employment is less than would result from an equivalent amount spent on direct hiring by government. But that is a spurious advantage. We don't want the recovery to rely principally on putting people on the public payroll. We must get the private economy going again. (Five out of six jobs must ultimately be private.)

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

C. Nothing else can give us stimulus now and at the same time preserve our flexibility for the future. (Permanent tax cuts mortgage future revenues; more public works wouldn't be spent quickly, and would add to the deficit in 1978 and 1979.

2. Do we need the stimulus

A. Yes. We are not saying that there will be no recovery without stimulus; just that it won't be large enough to make a big enough dent in unemployment. The stimulus will add to growth--by about 1 percent over the year. Indirectly it will also help raise business investment (more markets and sales).

B. The February figures (and probably March) will look very good because of the rebound from cold weather. But we shouldn't be misled by such numbers.

- In particular, without the rebate consumption won't continue growing as it did last year. People cut their saving rate to a very low level, and this pushed up consumption faster than income. Further reductions in the savings rate are very unlikely after the first quarter of 1977.

THE WHITE HOUSE
WASHINGTON

March 31, 1977

Frank Moore

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

**Rick Hutcheson**

Re: Arguments in Favor of the $50 Tax Rebate

THE WHITE HOUSE
WASHINGTON

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

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 28, 1977

MEMORANDUM TO: THE PRESIDENT

FROM: FRANK MOORE FM

SUBJECT: ARGUMENTS IN FAVOR OF THE $50 TAX REBATE

I. Economic Arguments

A. Growth in consumer spending could weaken in 1977. Consumer incomes have been sapped by an additional $2 to $3 billion spent this winter for fuel for heating. Rising food prices stemming from cold weather will also siphon off consumer purchasing power.

B. The rebate is the only feasible way to get additional consumer spending into the economy rapidly, since all other types of stimulation have considerable lag time.

C. The rebate is an integral part of a carefully balanced package, along with business incentives and targeted jobs programs, and is integral to the success of the other parts.

D. The rebate will work. Close examination of the 1975 rebate experience demonstrates that about 60 percent of that rebate was spent soon after the rebate was paid out. Furthermore, there is reason to believe that there may have been some anticipatory spending early in 1975, before rebate checks were mailed out.

However, the effects of the 1975 rebate wore off because there was not the follow-through that is built in to this Administration's stimulus package.

E. Although the economy shows signs of recovering, the pace is too slow to reach the economic growth rates targeted by the Administration, and therefore needs the additional impetus.

F. With slack in productive capacity and the short-fall in Federal spending, the rebate is neither inflationary, nor will it produce crowding out in the money markets.

II. Political Arguments

A. A stimulus package based only on business incentives, without a corresponding individual incentive, is politically unsound and would not inspire the consumer confidence necessary for a recovery.

B. The rebate does not obligate future revenues (such as a permanent tax reduction). If future revenues are obligated now, it seriously hampers efforts on tax reform and balancing the budget by 1981.

C. The rebate reaches the broadest spectrum of individuals with the least administrative expense in the shortest amount of time to demonstrate that the Administration is moving quickly to solve our economic problems.

D. This is the Administration's first major economic initiative and any defeat will be considered a lack of confidence in its economic judgment.

THE WHITE HOUSE
WASHINGTON

March 31, 1977

Stu Eizenstat -

I will let you communicate the attached to Secretary Califano.

Rick Hutcheson

Re: Letter to Senator Cranston re: Veterans Compensation and Pension Programs

cc: Jack Watson
Frank Moore

THE WHITE HOUSE
WASHINGTON

Note to Stu - I will let you communicate attached to California

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

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 30, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT

SUBJECT: Secretary Califano's Proposed Letter to Senator Cranston

We suggest one change in the attached letter -- a reference to the fact that Secretary Califano will work closely with Max Cleland, the VA Administrator, in any review of veterans' programs. Senator Cranston's office tells us that -- while they will still be angry -- this will make the response more palatable to the veterans organization.

Secretary Califano has agreed to make the change when the attached letter is returned to him. Therefore, we recommend approving the draft with this exception.

Approve ✓ Disapprove _____

as amended

J

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re Comp Reform

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

March 29, 1977

FOR THE PRESIDENT

FROM JOE CALIFANO Joe

The attached letter is self-explanatory.

The Veterans' Pensions Program provides non-service connected, means-tested income to aged veterans. It gives $3.1 billion to 2.3 million recipients. I do not think we can even hold that program in our welfare* reform pool against a concerted fight by the veterans. But I am willing to at least begin the educational process with the enclosed letter to Cranston. By doing that, however, we will draw some continuing flack from the veterans.

In view of our discussion on welfare reform and the fact that I must make this letter public to respond to the numerous press and other inquiries here, I wanted your clearance and views before sending it.

* We must come up with a new name.

Enclosure

DRAFT

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

The Honorable Alan Cranston
Chairman
Committee on Veterans' Affairs
U. S. Senate
Washington, D. C. 20510

Dear Alan:

The President has asked me to respond to your letter of March 23 expressing concern about the possible inclusion of Veterans' Compensation and Pension programs administered by the Veterans Administration, in the welfare reform study underway here in HEW.

As a naval veteran, let me say at the outset that I greatly respect the high administrative standards and operational efficiency of government programs for veterans in general. I also understand the importance of maintaining the integrity of repayment for the loss of earning powers by a veteran who has incurred service-connected disability. While my study group is looking at the total array of government programs that support individual and family income, we do not under any circumstances contemplate including compensation for service-connected disabilities as an element of the Administration's welfare reform proposal.

The President will certainly assess the adequacy and effectiveness of ~~We have been considering whether or not to include~~ the Veterans' Pensions program, which provides income-related cash assistance to aged veterans, based upon need rather than service-connected disability as an element of the ~~welfare~~ reform proposal. As of this date, neither I nor anyone else in the Administration has decided to include this or any other part of the veterans program in the Administration's proposal. I welcome the information and advice that you and Chairman Roberts have offered on the matter, and want to assure you that your views will be carefully considered as we draw our study to a close and formulate recommendations for the President's review.

Sincerely,

Joseph A. Califano, Jr.

THE WHITE HOUSE
WASHINGTON

March 31, 1977

Richard Harden
Bob Lipshutz

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

**Rick Hutcheson**

cc: Ham Jordan

Re: Articles on Size of White House Staff

THE WHITE HOUSE
WASHINGTON

3-31-77

To Lipshutz
Harden

Please explain -
This makes liars
of us all -

F. C.

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# White House Staff Swells Despite Carter's Pledge To Make Deep Cutbacks

By Edward Walsh
Washington Post Staff Writer

Two months after taking office, President Carter is presiding over a White House staff that is larger than that of his predecessor and has all but abandoned his promise to make a deep cut in the size of the White House staff.

Richard Harden, special assistant to the President for budget and organization, told a breakfast meeting of reporters yesterday that the Carter White House now has 490 full-time employees—just under the 510 full-time White House employees at the end of President Ford's term.

But on top of the 490, Harden acknowledged, the new administration has hired about 175 temporary "detailees" from other government agencies, swelling the size of the Carter White House so that it is now 30 per cent larger than the Ford White House.

Harden blamed this largely on an extraordinary volume of mail, the inclusion of energy experts on the White House staff before creation of an Energy Department and the need to beef up the White House personnel office while the new administration is taking shape.

But even when these problems are solved and most or all of the temporary detailees return to their agencies, Harden conceded, the White House is now aiming at a 10 to 12 per cent cut in staff size, not the 30 per cent cut the President said he would impose.

Carter made efficiency in government a hallmark of his campaign and the White House staff a particular target of his jibes. He charged that the White House had become bloated under the Nixon administration and had remained so under Ford. He promised to make drastic reductions.

When Carter took office, he ordered a 30 per cent, across-the-board reduction in the size of the White House staff from what it had been under Ford. Harden said this was a completely arbitrary figure, arrived at one day in the study of the then President-elect's home in Plains, Ga., during the transition.

"Thirty per cent sounds like a good figure," he quoted Carter as saying at the time.

But since then, Harden said, the realities of running the White House have impeded the 30 per cent goal. About half the White House staff is made up of career employees who provide logistical support and other services to the First Family. There will be few, if any, cuts among these employees, Harden said.

The remaining White House employees are the professional staff, filled with political appointees. Harden said the new goal of the President is to reduce this from abut 275 people under Ford to about 220, providing a 10 to 12 per cent overall reduction.

Last week, the White House announced that top presidential assistants would receive pay raises but that the increases would be less than the amounts authorized. Asked if any factors "other than the obvious political reasons" of projecting an image of self-sacrifice were involved in that decision, Harden replied, "No."

The pay raise decision was made by Carter's senior staff aides, who provided themselves and other top assistants with raises of up to $1,500 a year below the authorized amount while holding the raises for more junior assistants to $6,000 a year below the authorized amounts. Harden defended this practice, saying the senior aides have more responsibility.

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THE WHITE HOUSE
WASHINGTON

March 31, 1977

Midge Costanza -

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

**Rick Hutcheson**

Re: National Women's Political Caucus Reception & Meetings at White House

2

THE WHITE HOUSE
WASHINGTON

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

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THE WHITE HOUSE

WASHINGTON

March 29, 1977

NATIONAL WOMEN'S POLITICAL CAUCUS RECEPTION
Wednesday, March 30, 1977
6:45 p.m. (15 minutes)
The Corcoran Gallery

From: MARGARET COSTANZA

I. PURPOSE

Major National fund-raising event to honor women in government

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: National Women's Political Caucus holds a major National fund-raising event annually to honor women in government. The President met with the NWPC in Plains in January to discuss appointments for women. On March 10 the President met with an ad hoc coalition of women to discuss both appointments and issues. This coalition has as its basis the NWPC and during the March 10 meeting it was agreed that there would be weekly meetings at the White House with women's groups.

B. Participants: The President and Mrs. Carter; members of the Caucus and supporters (including many elected officials).

C. Press Plan: Press coverage to be coordinated with the Press Office

III. TALKING POINTS

1. International Women's Year Commission -- The President has recently signed off on a list of recommendations for appointment to the IWY Commission. He will be expanding that Commission by Executive Order from 35 members to 42 members. The appointments represent a broad spectrum of ethnic/racial backgrounds and interest group/political/professional affiliations. Bella Abzug of the NWPC has been considered for Chairperson of the Commission.

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2. Appointments -- The coalition is happy with the caliber of women named to top positions within government, but feel that not enough has been done in this area. Representatives of the group asked Hamilton Jordan during a recent meeting to provide a written monthly report from Presidential Personnel indicating progress in the hiring of women; they hope that Cabinet Secretaries will be asked to feed such information into Presidential Personnel. The group requested that Cabinet Secretaries name a liaison for women's issues in each agency. They have also made it known that they would like to see a woman named to head up the Civil Rights Divisions of HEW and Justice, as well as the Office of Federal Contract Compliance and the EEOC (they hope Eleanor Holmes Norton is being considered for the EEOC spot);have asked for Cabinet-level women's advocate.

3. ERA -- The President might want to bring coalition up to date on any plans for pushing the passage of ERA. The coalition will be requesting a more organized, on-going effort in this area.

THE WHITE HOUSE
WASHINGTON

March 31, 1977

Frank Moore

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

Rick Hutcheson

cc: Hamilton Jordan

RE: Handwritten note to Howard Metzenbaum.

THE WHITE HOUSE
WASHINGTON

originals to Frank to be routed - carried

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

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THE WHITE HOUSE

WASHINGTON

3-31-77

To Howard Metzenbaum

The human rights letter was a great help for me, and I want you to know how much I appreciate your leadership role in securing this expression of support from the 56 other Senators-

Your friend,

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

5-31-77

To Scoop Jackson

Thank you!

Your statement yesterday set the whole tone for our meeting and was an impressive demonstration of your leadership. Also, my staff recorded for me your television interview this morning. It was superb.

Your friend,

Jimmy

THE WHITE HOUSE
WASHINGTON

March 31, 1977

Hugh Carter
Richard Harden
Bob Lipshutz
Jody Powell
Jack Watson

For your information the attached letter has been signed and given to Bob Linder for handling delivery to the Secretary of Defense.

Rick Hutcheson

Re: the Sequoia

8/31/77

THE WHITE HOUSE

WASHINGTON

March 30, 1977

SUSAN
Betty

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER

SUBJECT: Presidential Yacht (Per Your Request)

Attached for your signature is a memorandum for Secretary Brown asking him to deactivate the SEQUOIA and place it up for public sale.

THE WHITE HOUSE

WASHINGTON

March 30, 1977

MEMORANDUM FOR

THE SECRETARY OF DEFENSE

SUBJECT: Presidential Yacht

Please deactivate the SEQUOIA and have it disposed of through public sale. Despite its distinguished career, I feel that Presidential yacht SEQUOIA is no longer needed.

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

March 31, 1977

Charles Schultze

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

Rick Hutcheson

cc: Hamilton Jordan

Re: Handwritten note to Charles Schultze re his inflation memo.

THE WHITE HOUSE
WASHINGTON

original to Schultze 3/7

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

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THE WHITE HOUSE

WASHINGTON

5-31-77

To Charles Schultze

There is nothing in your inflation memo involving Government spending restraints - future impact of initiating new programs - balancing the federal budget etc.

Why?

J. C.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

VISIT TO
THE NATIONAL THEATER - "ANNA CHRISTIE"
Thursday - March 31, 1977

From: Tim Kraft

SEQUENCE

7:57 p.m. — You and Mrs. Carter board motorcade and depart South Grounds en route National Theater.

8:00 p.m. — Arrive National Theater where you are met by Maurice B. Tobin, Chairman of the Board of the National Theater, and Mr. Richard Schneider, Theater Manager.

You proceed inside to your seats.

8:04 p.m. — You take your seats.

PRESS POOL COVERAGE.

8:05 p.m. — Play begins.

NOTE: There will be intermissions following the first and third acts at which times you and Mrs. Carter may wish to proceed to the holding room.

10:30 p.m. — Play concludes. You and Mrs. Carter proceed to motorcade, and depart en route the White House.

10:38 p.m. — Arrive South Grounds.

# # # # # #

THE WHITE HOUSE

WASHINGTON

March 31, 1977

MEMORANDUM FOR: TIM KRAFT

FROM: HUGH CARTER

SUBJECT: Meeting with Col. John Dunn
4:00 p.m., Thursday, March 31

Apparently at the President's request, Greg Schneiders was asked to contact Col. John Dunn of the Georgia State Archives, and have him come up to take a look at our Central Files and Archives offices.

Col. Dunn has now completed his study and wants to have a short meeting with the President to review his findings.

Areas he might discuss are:

-Photographs
-Government publications destined for Presidential Library
-Video Tape operations vs. motion picture film -- costs and economics
-Presidential Diary
-Presidential Referral Mail
-Disposal of Presidential records - retention standards
-Computer files
-Staffing of Central Files
-Commission on Constitutional Officers
-Paperwork Management Commission
-Congressional Oversight Committee
-National Records Management Effort

THE WHITE HOUSE

WASHINGTON

March 30, 1977

Meeting with Winners of the
White House News Photographers Assn.
Annual Competition
Thursday, March 31, 1977
3:45 p.m. (10 minutes)
The Oval Office

MEMORANDUM FOR: THE PRESIDENT

FROM: Jody Powell

I. Purpose

To honor winners of the Association's 34th annual competition for photographers and TV cameramen.

II. Procedure

Bob Cirace, president of the Association, will introduce you to the 12 winners, some of whom will have their prize-winning work with them. Charles Bennett, Association photographer, will take pictures as you congratulate each of the winners.

III. Background

A. It has been traditional since Roosevelt for the President to take part in this ceremony.

B. Participants:

Photographer of the Year - James Stanfield, National Geographic
Teresa Zabala, New York Times
Dirck Halstead, Time Magazine
Dean Conger, National Geographic
Emory Kristoff, National Geographic
James Sugar, National Geographic
Peter Bregg, Associated Press
Nour Hzyan, N.E.W.S. Photo-News
Cameraman of the Year - Paul R. Fine, WMAL-TV
Harold Hoiland, WTOP-TV
Chuck Fekete, NBC
Pete Hakel, WMAL-TV
Clyde Roller, WMAL-TV

C. Press Coverage:

White House and WNPA photographers only.