**4/1/77 [2]**

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THE WHITE HOUSE
WASHINGTON

April 1, 1977

Secretary Califan o

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

**Rick Hutcheson**

cc: Stu Eizenstat
Jack Watson
Peter Bourne

Re: Designation of Missouri as a Multi-State Comprehensive Cancer Program

THE WHITE HOUSE
WASHINGTON

cc Califano

| ACTION | FYI | |
|---|---|---|
| | | MONDALE |
| | | COSTANZA |
| | ✓ | EIZENSTAT |
| | | JORDAN |
| | | LIPSHUTZ |
| | | MOORE |
| | | POWELL |
| | ✓ | WATSON |

| | |
|---|---|
| | ENROLLED BILL |
| | AGENCY REPORT |
| | CAB DECISION |
| | EXECUTIVE ORDER |

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

| | |
|---|---|
| | FOR STAFFING |
| | FOR INFORMATION |
| ✓ | FROM PRESIDENT'S OUTBOX |
| | LOG IN/TO PRESIDENT TODAY |
| | IMMEDIATE TURNAROUND |

| | | |
|---|---|---|
| | | ARAGON |
| | ✓ | BOURNE |
| | | BRZEZINSKI |
| | | BUTLER |
| | | CARP |
| | | H. CARTER |
| | | CLOUGH |
| | | FALLOWS |
| | | FIRST LADY |
| | | GAMMILL |
| | | HARDEN |
| | | HOYT |
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| | | JAGODA |
| | | KING |

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| | | KRAFT |
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| | | MITCHELL |
| | | POSTON |
| | | PRESS |
| | | B. RAINWATER |
| | | SCHLESINGER |
| | | SCHNEIDERS |
| | | SCHULTZE |
| | | SIEGEL |
| | | SMITH |
| | | STRAUSS |
| | | WELLS |
| | | VOORDE |

THE PRESIDENT HAS SEEN.

To Califano
Can this be done?
J

**EXECUTIVE OFFICE**
**STATE OF MISSOURI**
**JEFFERSON CITY**

JOSEPH P. TEASDALE
GOVERNOR

March 30, 1977

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

Dear Mr. President:

I am deeply concerned about the problem which will directly involve more than fifty million Americans now alive. This is the problem of cancer, and I am sure you share my concern. The National Cancer Program has had a significant impact in Missouri, and we expect in the future to contribute to and benefit from this vital federal initiative.

Missouri is unique in its cancer effort. It is one of only three states with a state supported cancer hospital. It is one of only a handful of states with a regularly supported Cancer Control Program. It is the only state to initiate with state funds a network of breast cancer detection units patterned after those developed by the National Cancer Institute. In addition, it is the only state in which the state government, including a Cancer Control Program and a state cancer hospital, has joined in partnership with educational and research institutions, both public and private; and with the practicing medical community, both doctors of medicine and doctors of osteopathy, to form a statewide consortium to develop a Missouri Cancer Program based on, and collaborating with the National Cancer Program. The National Cancer Institute has provided initial support for this effort.

Our efforts in Missouri would be greatly augmented if we could achieve recognition by the National Cancer Institute as a Comprehensive Cancer Center.

Your consideration in this matter would be most appreciated.

Sincerely,

Joseph P. Teasdale
Governor

Electrostatic Copy Made
for Preservation Purposes

ja

THE DIVISION OF HEALTH
OF MISSOURI

TO: Governor Joseph P. Teasdale

FROM: George E. Thoma, Jr., M.D., President
Missouri Cancer Programs, Inc.
and
Herbert R. Domke, M.D., Director
Missouri Division of Health

SUBJECT: Designation of Missouri (Missouri Cancer Programs, Inc.) as a Multi-State Comprehensive Cancer Program

DATE: March 29, 1977

## BACKGROUND

Cancer strikes one out of every four persons (25 per cent) at some time in their lives. Over 17,000 citizens of Missouri per year get cancer.

The National Cancer Act of 1971 created the National Cancer Program, which is administered by the National Cancer Advisory Board appointed by and reporting to the President. The budget of the National Cancer Institute increased from less than $200 million before the Act to over $800 million in the sixth year of the Act.

The National Cancer Act of 1971 called for 15 new "research and demonstration centers," dealing comprehensively with cancer prevention, detection, treatment and research. These will be usually be multi-state regional centers. Nineteen have so far been identified, but none in the Missouri, Iowa, Kansas, etc. area. The nearest centers are Chicago, Denver and Dallas.

## SPECIAL MISSOURI FACTORS TO SUPPORT DESIGNATION AS A CENTER

Missouri is one of only three states (Missouri, New York and Texas) with a state supported cancer hospital.

Missouri is the only state in which state government has joined in a partnership with major public and private cancer programs. The Missouri consortium (MCPI) has as committed participants:

Public and private universities
Metropolitan and rural oriented medical schools
M.D.'s and D.O.'s including State Medical and State Osteopathic Assns.
Missouri Chapter of the American Cancer Society

There are other funded consortia in Illinois, Northern California and Colorado. None has the formal representation of the board of directors for the state. None has involved osteopathic physicians.

Missouri is one of only a handful of states with a regularly supported Cancer Control Program. Missouri is the only state to initiate breast cancer detection units. Other states have education programs. Missouri is first to pattern an action program after the 27 national units developed by the National Cancer Institute and the American Cancer Society. One of these 27 units is at the Cancer Research Center in Columbia. Mo

The MCPI has applied for designation as a Comprehensive Center and has received a planning grant. We hope a visit to Missouri by the National Cancer Institute to assess our application will be scheduled soon. Although not designated a Comprehensive Center, the MCPI has received Cancer Institute funding in excess of two million dollars for various cancer projects.

A direct expression of your willingness as Governor to support the program would be an additional guarantee of a successful program in Missouri.

HRD:mk

THE WHITE HOUSE
WASHINGTON

April 1, 1977

Hamilton Jordan -

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

**Rick Hutcheson**

Re: Circuit Court Screening Committee

THE WHITE HOUSE
WASHINGTON

| ACTION | FYI | |
|---|---|---|
| | | MONDALE |
| | | COSTANZA |
| | | EIZENSTAT |
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| | | LIPSHUTZ |
| | | MOORE |
| | | POWELL |
| | | WATSON |

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| | ENROLLED BILL |
| | AGENCY REPORT |
| | CAB DECISION |
| | EXECUTIVE ORDER |

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

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| | FOR STAFFING |
| | FOR INFORMATION |
| X | FROM PRESIDENT'S OUTBOX |
| | LOG IN/TO PRESIDENT TODAY |
| | IMMEDIATE TURNAROUND |

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| | | ARAGON |
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| | | PRESS |
| | | B. RAINWATER |
| | | SCHLESINGER |
| | | SCHNEIDERS |
| | | SCHULTZE |
| | | SIEGEL |
| | | SMITH |
| | | STRAUSS |
| | | WELLS |
| | | VOORDE |

THE WHITE HOUSE

WASHINGTON

March 31, 1977

INFORMATION

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN

Please find enclosed our first Circuit Court Screening Committees. I thought that you might want to see what we are doing on this as the Circuit "model" is being advocated for use by the U. S. Senators. We try to get a group that is well balanced in all respects.

There are vacancies on these Circuits at present so these commissions will begin to work immediately. As other vacancies develop, other commissions will be appointed.

Attachment

Ham
all ok w me
J

Electrostatic Copy Made
for Preservation Purposes

# FIRST CIRCUIT

| | L | N/L | B | HIS | M/F |
|---|---|---|---|---|---|
| MAINE | | | | | |
| Marty Rogoff | L | | | | M |
| Ida Marie Wilson<br>Augusta | | N/L | B | | F |
| MASSACHUSETTS | | | | | |
| Florence Rubin | | N/L | | | F |
| Carolyn Dik<br>Boston | | N/L | | | F |
| Daniel Keyes<br>Springfield | L | | | | M |
| Richard Donahue<br>Lowell | L | | | | M |
| Paul Freund -- Chair<br>Cambridge | L | | | | M |
| NEW HAMPSHIRE | | | | | |
| Shane Devine | L | | | | M |
| Bill Shaheen<br>Somersworth | L | | | | M |
| RHODE ISLAND | | | | | |
| Rae B. Condon<br>Providence | L | | | | F |
| Fr. Joe Lennon<br>Providence | | N/L | | | M |
| TOTALS: | 7 | 4 | 1 | | M-7<br>F-4 |

# FIRST CIRCUIT

## MAINE

Marty Rogoff -- Professor of Law, University of Maine Law School

Cornell University, BA
University of California-Berkeley, MA
European History
Yale Law School, JD
Top 20 percent of the class
Research Assistant to Professor Myres MacDougal

Formerly Legal Assistant, Alameda County Legal Aid Society
" Assistant Professor of Law, University of Toledo College of Law
" Senior Attorney, New York Life Insurance Company
Formerly Senior Compliance Attorney, American Stock Exchange

Publications:

"International Law and Legal Theory:The New Positivism," University of Toledo Law Review.
"Subchapter S and Selected Problems in Close Corporation Planning," Maine Law Review.
"Legal Regulation of Over-the-Counter Market Manipulation:Critique and Proposal," Maine Law Review.

Ida Marie Wilson -- Director of Auditing, Sears & Roebuck Company, Augusta

Fisk University, BA

Formerly Peace Corps Volunteer - Thailand
" Outreach Supervisor, Augusta Family Planning Center
" Manager, Powhatan Pines Resort, Pleasant Lake, Maine
Formerly Vice President, South Kinnebec Cooperative Extension Board

MASSACHUSETTS

Florence Rubin -- President, Massachusetts League of Women Voters

Member, Cox Commission, studying Massachusetts courts

Carolyn Dik

Recommended by American Judicature Society

Daniel Keyes -- Donlan, Keyes & Donaher
Attorneys at Law

Boston College Law School, JD

Formerly, District Court Judge (at age 24)

Richard Donahue -- Attorney

Recommended by Attorney General Bell

Paul Freund -- Law Professor, Harvard University

Recommended by Attorney General Bell

NEW HAMPSHIRE

Shane Devine -- Attorney

Recommended by Attorney General Bell

Bill Shaheen -- Partner, Keefe, Dunnington & Shaheen
City Attorney, City of Somersworth

University of Mississippi, JD
Second in his class
Member, Order of the Coif, 72-73
Research Assistant during law school working on sea craft coastal project

Member, Mississippi and New Hampshire State and Federal Bar
" American Bar Association

Formerly, School teacher
" Associate to Judge Ovila J. Gregoire, 73-76 (private practice)

RHODE ISLAND

Rae B. Condon -- Executive Director, Governor's Commission on Conflict of Interest

Father Joe Lennon, Ph.D. -- Vice President
Providence College

Formerly, Academic Dean, Providence College

# EASTERN FIFTH CIRCUIT

| | L | N/L | B | HIS | M/F |
|---|---|---|---|---|---|
| **MISSISSIPPI** | | | | | |
| Danny Cupit | L | | | | M |
| Orma Smith, Jr.<br>Cornith | L | | | | M |
| **ALABAMA** | | | | | |
| Arthur Shores<br>Birmingham | L | | B | | M |
| Charlotte Dominick<br>Birmingham | | N/L | | | F |
| **FLORIDA** | | | | | |
| Duby Ausley -- Chair<br>Tallahassee | L | | | | M |
| Teresa Saldise<br>Miami | L | | | Cuban | F |
| Phyllis Bleiweis<br>Gainesville | | N/L | | | F |
| Athalie Range<br>Miami | | N/L | B | | F |
| **GEORGIA** | | | | | |
| Spencer Lee<br>Albany | L | | | | M |
| Henry Bowden<br>Atlanta | L | | | | M |
| Mamie Reece<br>Albany | | N/L | B | | F |
| TOTALS: | 7 | 4 | 3 | 1 | M-6<br>F-5 |

EASTERN FIFTH CIRCUIT

MISSISSIPPI

Danny Cupit

President, Board of Directors, Mississippi Human Relations Council
Member, Legal Services Corporation of Mississippi
" American Trail Lawyers Association
Former member, Board of Directors, Mississippi American Civil Liberties Union

Orma Smith, Jr. -- Senior Partner
Smith, Downs, Coleman & Ross, P.A.

Recommended by Senator Eastland and Attorney General Bell

University of Mississippi Law School, LL.B.
Fullbright Scholar

ALABAMA

Arthur Shores -- Birmingham City Council Member

Recommended by National Bar Association and Attorney General Bell

Talladega College
La Salle Extension University, LL.B.,1937

Leader in civil rights area beginning in the 1950's

Member, State Democratic Executive Committee

Charlotte Dominick -- County Treasurer Jefferson County

Birmingham Southern College

Member, Board of Directors, Birmingham Southern College
" Board of Directors, Lakeshore Hospital Association
" Board of Directors, Birmingham Children's Theatre

Formerly, appointed to State Capital Preservation Committee
" WAIP TV news staff member

FLORIDA

Duby Ausley -- Senior Partner, Ausley, Ausley, McMullen, McGehee & Caruthers

Member, State Ethics Commission
President, Capital City Bank Group

Teresa Saldise -- Lopez & Saldise
Miami

University of Miami Law School, JD, Magna Cum Laude

Chair, Equal Opportunity Commission, Miami Dade Community College
Member, Florida State Advisory Commission on Civil Rights
" Commission on the Status of Women, Dade County
Member, Phi Delta Phi - Law Society

Publications:

"Family Law and Sex Discrimination," Inter-American Law Review.

Phyllis Bleiweis

University of Delaware, BA
University of Florida, MA, Communications

Chair, Gainesville City Housing Board
Active Member, League of Women Voters

Athalie Range -- Businesswoman

Former, Miami City Commissioner
" Florida State Housing and Community Services Secretary

GEORGIA

Henry Bowden

Recommended by Charles Kirbo

Mamie Reece -- Chair, Georgia Pardon and Parole Board

Appointed to the Pardon and Parole Board by President Carter when he was Governor
Well established community leader

Spencer Lee -- Partner, Spencer & Lee
Attorneys at Law

University of Georgia, JD

Member, Sertoma Club

Formerly, Chair, Cancer Society, 1975
" worked with drug addicts

# WESTERN FIFTH CIRCUIT

| | L | N/L | B | HIS | M/F |
|---|---|---|---|---|---|
| **TEXAS** | | | | | |
| Gretchen Raatz<br>Austin | L | | | | F |
| Eddie Bernice Johnson<br>Dallas | | N/L | B | | F |
| Dr. Hector Garcia<br>Corpus Christi | | N/L | | HIS | M |
| Irma Rangel<br>Kingsville | L | | | HIS | F |
| William Harvin -- Chair<br>Houston | | N/L | | | M |
| Gabrielle McDonald<br>Houston | L | | B | | F |
| Jim Bowmer<br>Temple | L | | | | M |
| Helen Hunter<br>Houston | | N/L | | | F |
| **LOUISIANA** | | | | | |
| Lane Plauche<br>Lake Charles | L | | | | M |
| Mary Ethel Susken | | N/L | | | F |
| Jay Hakes<br>New Orleans | | N/L | | | M |
| TOTALS: | 5 | 6 | 2 | 2 | M-5<br>F-6 |

TEXAS

Gretchen Raatz -- Sneed, Vine, Wilderson, Selman & Perry
Austin, Texas

University of Texas Law School, JD

Chair, Travis County Juvenile Court Advisory Committee
Member, Junior Bar Grievance Committee
" Travis County Bar Admissions Committee
Judge, Hildebrand Competition, University of Texas Law School
Chair, Austin Model Cities Commission
Member, Travis County Historical Survey Committee
" Austin Heritage Society
---wrote Austin's Historical Landmark Zoning law---
Member, Board of Directors, O'Henry Museum
" Finance Committee, Austin Women's Center (which seeks matching funds for CETA)

Formerly, Legislative Counsel, Texas Women's Political Caucus
---wrote Texas rape law---

Eddie Bernice Johnson -- Member, State House of Representatives (First woman to chair a major committee in Texas House of Representatives -Labor Committee)

Consultant, Zales Corporation, Department of Urban Affairs

Southern Methodist University, MA

Member, National Council on Crime and Delinquency
" Texas Department of Public Welfare, Board of Early Screening, Diagnosis and Treatment
" Advisory Committee to Dallas Independent School District
" Dallas Alliance
" Board of Trustees, Texas Christian University, Fort Worth
" Texas Advisory Committee on the United States Civil Rights Commission

Eddie Bernice Johnson (continued)

Member, Board of Directors, Turtle Creek Manor Nursing Home, Dallas
" National Order of Women Legislators
" League of Women Voters
" Dallas County Democratic Progressive Voters League
" Dallas Urban League
" National Council of Negro Women (Past President)
" NAACP
Member, Dallas Black Chamber of Commerce

Formerly, Chief Psychiatric Nurse, Dallas Veterans Administration Hospital
" President, Jack & Jill of America (an organization of black women who sponsor educational scholarships)

Dr. Hector Garcia

University of Texas Medical School, M.D.

Founder, American GI Forum
Represented President Kennedy as member of American delegation to signing of mutual defense agreement between the United States and the Federation of West Indies
Represented President Johnson, with rank of Special Ambassador, at Inauguration of Dr. Raul Leone, President of Venezuela
Accompanied Vice President Humphrey to signing of Treaty of Tlaltelalco

Formerly, Member National Advisory Council on Economic Opportunity, appointed by President Johnson
" Alternate Delegate to the United Nations, with rank of Ambassador, appointed by President Johnson
" Member, UNESCO, appointed in 1968
" Commissioner, U. S. Commission on Civil Rights, appointed in 1968
" Member, Texas Advisory Committee to U. S. Commission on Civil Rights, appointed in 1972
Formerly, Member, Advisory Council to Veterans Administration, appointed in 1974

Member, American and Texas Medical Associations,
Served in World War II. Awarded Bronze Star with six battle stars.

Irma Rangel -- Member State House of Representatives (first Hispanic woman elected to State House)
Garcia & Rangel, Kingsville, Texas

Texas Agriculture & Industry College
St. Mary's Law School, San Antonio

Formerly, Law Clerk to U. S. District Judge Adrian A. Spears (Chief Justice of Western District of Texas)
" Assistant District Attorney, Corpus Christi
" Associate, Canales & Garza, Corpus Christi
Formerly, City Attorney, Robstown, Texas

Member, Board of Directors, Texas Rural Legal Aid Society
" Planning and Zoning Board, Kingsville
" Board of Directors, Civil Rights Litigation Committee, San Antonio
" Board of Directors, Family Counseling Services, Corpus Christi
" Board of Directors, Family Guidance Services, Kingsville
" Board of Directors, YWCA, Corpus Christi
" Kingsville Guidance Committee, United Way
Member, American Association of University Women, Kingsville

1966 - named Outstanding Young Woman of America

William Harvin -- Managing partner of Baker and Botts

Recommended by Griffin Bell

Gabrielle McDonald

Recommended by National Bar Association Juducial Selection Project

Jim Bowmer

Recommended by State Bar Association

Helen Hunter

Recommended by American Judicature Society

LOUISIANA

Lane Plauche

Tulane University, BA, Phi Beta Kappa
Tulane University Law School, JD, Order of the Coit

Chairman, Advisory Board of Tulane Law School
Member, President's Council of Tulane University
Fellow, American College of Trial Lawyers

Formerly, President, Southwest Lawyer Bar Association
" Member, Board of Governors, Louisiana State Bar Association
" Chairman, Bi-Racial Committee of U. S. District Court for the Western District of Louisiana

Served in the Navy in World War II

Mary Ethel Susken -- Homemaker, six children

President, Independent Women's Organization
Founder, Women Against Crime

Member, Board of Directors, Institute of Politics, Loyola University
" City Board of Directors, New Community Development Corporation, appointed by the Mayor
Member, League of Women Voters

Jay Hakes -- Professor of Political Science
University of New Orleans

Member, American Political Science Association
" Southern Political Science Association
" African Studies Association
" League of Women Voters
Member, Common Cause

# SIXTH CIRCUIT

| | L | N/L | B | HIS | M/F |
|---|---|---|---|---|---|
| **KENTUCKY** | | | | | |
| Wilson Wyatt -- Chair<br>Louisville | L | | | | M |
| Katherine Bowden | L | | | | F |
| **MICHIGAN** | | | | | |
| Coleman Young<br>Detroit | | N/L | B | | M |
| Doug Fraser<br>Detroit | | N/L | | | M |
| Martha Griffiths<br>Farmington Hills | L | | | | F |
| **OHIO** | | | | | |
| Stella Zannoni<br>Cleveland | | N/L | | | F |
| John Bustamonte<br>Cleveland | L | | B | | M |
| Mary Jane McDonald<br>Granville | | N/L | | | F |
| Walter Porter<br>Dayton | L | | | | M |
| **TENNESSEE** | | | | | |
| John Seigenthaler<br>Nashville | L | | | | M |
| Ruth Holmberg<br>Chattanooga | | N/L | | | F |
| TOTALS: | 6 | 5 | 2 | | M-6<br>F-5 |

# SIXTH CIRCUIT

## KENTUCKY

Wilson Wyatt -- Partner, Wyatt, Grafton & Sloss
Louisville

Formerly, Mayor, Louisville
" President, Americans for Democratic Action

Katherine Bowden -- Attorney, Kentucky State
Court Administrative Office
University of Kentucky Law School, LL.B.

Formerly, Law clerk to Chief Justice of Kentucky
" Law clerk to Judge Lively, U. S. Court
of Appeals, Sixth Circuit

## MICHIGAN

Coleman Young -- Mayor of Detroit

Doug Fraser -- Vice President, UAW

Recommended by Senator Riegle

Martha Griffiths -- Attorney

University of Michigan Law School, JD

Former, Member U S House of Representatives

## OHIO

Stella Zannoni -- Owner and Manager of largest
Italian Market in Cleveland

Member, Board of Directors, American National
Bank, Cleveland
" Italian Sons and Daughters of America --
very active in the Italian-American
Community

John Bustamonte -- Attorney

Mary Jane McDonald -- Assistant to the President
Dennison University

Recommended by Senators Metzenbaum and Glenn

OHIO

Walter Porter -- Attorney

Past President, Ohio State Bar

TENNESSEE

John Seigenthaler -- Publisher, NASHVILLE TENNESSEAN

Attorney
Recommended by Attorney General Bell

Ruth Holmberg -- Publisher, CHATTANOOGA TIMES

Recommended by Senator Sasser

# NINTH CIRCUIT

| | L | N/L | B | HIS | M/F |
|---|---|---|---|---|---|
| **ARIZONA** | | | | | |
| John Frank -- Chair<br>Phoenix | L | | | | M |
| Jean Mathews<br>Phoenix | | N/L | | | F |
| **NEVADA** | | | | | |
| Jerry Mack<br>Las Vegas | | N/L | | | M |
| John Collins<br>Las Vegas | L | | | | M |
| **CALIFORNIA** | | | | | |
| Phil Schaefer<br>San Francisco | | N/L | B | | M |
| Ed Sanders<br>Los Angeles | L | | | | M |
| Joe Montoya<br>Los Angeles | | N/L | | HIS | M |
| Margot Bouchet<br>Los Angeles | L | | B | | F |
| Sylvia Cano | L | | | HIS | F |
| Roz Wyman<br>Los Angeles | | N/L | | | F |
| Elizabeth Snyder<br>Los Angeles | | N/L | | | F |
| TOTALS | 5 | 6 | 2 | 2 | M-6<br>F-5 |

# NINTH CIRCUIT

## ARIZONA

John Frank -- Attorney, Phoenix

Recommended by Attorney General Bell

Jean Matthews

Member, Arizona State Appellate Nominating Commission
Republican

## NEVADA

Jerry Mack -- Vice Chairman of the Board,
Valley Bank of Nevada

Recommended by Senator Cannon
Trustee, UCLA
Member, Nevada State Tax Commission

John Collins

Former Justice on Nevada Supreme Court

## CALIFORNIA

Phil Schaefer -- Stock Broker, Bear, Stearns & Company

Antioch College, BA
London School of Economics

Formerly, Stock broker, Lehman Brothers
" Stock broker, H. Hentz
" Instructor, Peace Corps Volunteer
Training Program
Formerly, Volunteer, Peace Corps - Kenya

Ed Sanders -- Senior Partner, Irell & Minella

Joe Montoya -- Member, California State Assembly

Recommended by Senator Cranston

Margot Bouchet -- Legislative Analyst
City of Los Angeles

Howard University, BA
Howard University Law School, JD

Recently won sex discrimination suit against
City of Los Angeles

Sylvia Cano -- Deputy Attorney General
State of California

Vice President, National La Raza Lawyers Association

Roz Wyman -- Businesswoman

Major fundraiser for political and nonpolitical causes

Member, Board of Directors for several large corporations
" Los Angeles County Performing Arts Society
" Jewish Community Relations Council which oversees fundraising agencies

One of several non-lawyers who serve on the Public Council of Los Angeles Bar Association (public interest group)

Formerly, Member Los Angeles City Council
" Chair, Congressional Dinner

Elizabeth Snyder

Philanthropist
Active in women's movement and ERA

THE WHITE HOUSE
WASHINGTON

April 1, 1977

PERSONAL & ~~CONFIDENTIAL~~

Bob Lipshutz
Richard Harden
Hugh Carter

The attached was returned in the President's outbox and is forwarded to you for your informatio n and appropriate action.

Rick Hutcheson

Re: White House Staff

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12356, SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 16, 1983"

To Bob, Richard, Hugh

THE WHITE HOUSE

WASHINGTON

My instructions have not been followed. We have added additional people, doubtful projects, excessive staffs in direct contravention to our agreements in Plains. Give me a specific memo to correct this, with time schedule & staffing levels. I will adopt options when necessary.

March 31, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT LIPSHUTZ RJ

With reference to your memorandum of earlier today regarding the newspaper articles concerning the White House staff, I am attaching an up-to-date analysis of both the permanent staff and temporary employees, along with two memorandums which I requested Richard Harden and Hugh Carter to prepare independently.

After you have had an opportunity to review these documents, I would like to meet with you personally at your convenience to discuss the matter.

Attachments

The mail is understandable, but problem here should be diminishing. Rosalynn's staff change was authorized. As much work as possible must be moved out of the White House - I'm serious, & very disappointed -

J. C.

Electrostatic Copy Made
for Preservation Purposes

WHITE HOUSE STAFF
PERMANENT EMPLOYEES

| Category | Ford (Actual) | Carter (Desired) | If approved would be Increase from 1/20/77 Allocation |
|---|---|---|---|
| Legal | 13 | 11 | 1 |
| Press | 66 | 48 | 0 |
| First Lady | 26 | 29 | 11 |
| Public Liaison | 22 | 19 | 6 |
| Personnel | 19 | 18 | 0 |
| Congressional Liaison | 25 | 26 | 9 |
| N.S.C. | 1 | 3 | 2 |
| Appointments and Scheduling and Advance | 34 | 22 | 0 |
| Domestic Affairs, Policy, Cabinet & Intergovernmental | 30 | 22 | 3 |
| Political & Staff Secretary | 16 | 13 | 3 |
| Budget & Administration | 1 | 4 | 0 |
| Energy | 0 | 2 | 0 |
| Drug Program | 0 | 1 | 0 |
| Special Projects | 0 | 2 | 0 |
| Miscellaneous | 6 | 1 | 1 |
| Totals | 259 | 221 | 36 |

This proposed allocation would result in a reduction of 38 persons, which is 10 percent.

Based upon January 20, 1977, allocation, the total employees would be 185. This would be a reduction of 74 persons, which is 29 percent+.

## OPERATING STAFF

### (A) Permanent Employees

| | FORD | CARTER |
|---|---|---|
| Total full time employees for correspondence, messengers, administrative, telephone, usher, etc. . . . . | 231 | 230 |

**PLUS**

### (B) Detailed, short-term, Temporary employees and W.A.E. (work actually employed)

| | | |
|---|---|---|
| Correspondence, etc., (in addition to 119 persons which are included in the permanent employee total) . . . . . | 0 | 122 |
| Personnel (in addition to above) . . . . . | 0 | 42 |
| Energy (in addition to 2 persons on White House staff) . . . . . | 0 | 46 |
| PFIAB . . . . . | 5 | 5 |
| Drug program . . . . . | 0 | 3 |
| W.A.E. . . . . | 51 | 35 |
| All others . . . . . | 27 | 25 |
| Totals . . . . . | 83 | 278 |

Notes: The mail volume now is about 300% of Ford's correspondence, and there has been a very large back-log. If a large discrepancy continues, we would need to retain some of the temporary personnel now working in "correspondence." Regardless, 90 of these 122 people will be released by May 1, 1977.

After the transition phase is completed, it is contemplated that the temporary "Personnel" staff would no longer be needed.

When the Energy Reorganization is approved, the personnel in the "Energy" category would be removed from the White House staff.

THE WHITE HOUSE

WASHINGTON

March 31, 1977

MEMORANDUM FOR: BOB LIPSHUTZ

FROM: HUGH CARTER

Listed below are considerations I feel are a must in determining the size of the White House Staff:

(1) The mission of the staff needs to be better defined. The general size of the workload needs to be known in order to adjust the staff capacity to handle it properly. Priorities need to be set. For example, Midge Costanza's office could be large or small depending on what we want it to accomplish and what we want the agencies to handle. At present, I feel the staff is attempting to handle too much. If this continues, it will have to grow or the work will get sloppy due to the overload. A good deal of work being done here now could be done elsewhere. Better mission definition should be a priority for us.

(2) Given point #1 above the staff needs to be better balanced professional vs. clerical. At present the correspondence unit is supplying about 500 man hours per week of clerical support to the professional staff. The professional staff either has too many professionals or not enough clerical help as we should not have to take the equivalent of 12-13 people from the correspondence unit to help the staff.

(3) The number of study projects being done needs to be contrasted against implementation effectiveness. The best study project complete with recommendations fails if it is not properly implemented. I feel in some areas we are doing too much studying and not enough good basic implementation.

(4) In some cases, we are operating with people in jobs because of political considerations and not basic qualification consideration. This causes inefficiency. Political friends who are well qualified to do the job is the optimum, but we cannot always achieve this. Do we then go with politics, or the best qualifications. I feel qualifications should be the first consideration.

(5) Coordination throughout the staff is not bad, but efficiency could be gained if it were better. I know of many hours that have been wasted because of lack of coordination.

(6) Overlapping of jobs is not serious, but I have seen it cause duplication here. This occurs especially on special assignments where one person is responsible for an area, but another person is assigned to do a project in that area by someone who does not realize that the first person is responsible for the area. Job description familiarization would help.

(7) We are asking a lot of questions that probably have never been asked here. We are attempting to seriously manage areas that have been left to run on their own in the past. The end result of our efforts will be a better running operation. In the meantime, it will take extra effort and manhours to accomplish this.

Note: Should you desire, I can give you examples of the above points.

We need to make some sober and reasonable decisions concerning the above points. Once these decisions are made, they must be carried out with authority. Too often decisions are made and then not abided by. If we do these things, we will have a better framework within which to run the White House.

THE WHITE HOUSE

WASHINGTON

March 31, 1977

MEMORANDUM FOR: BOB LIPSHUTZ

FROM: RICHARD HARDEN

SUBJECT: Personnel Levels

Our current situation is attributable to several factors, some of which are controllable and some of which are not. These factors may be summarized as follows:

-- Initial Start-Up Efforts

A number of additional people have and continue to be required to handle start-up efforts. The areas involved are:

- o Presidential Appointments
- o Mail Backlog
- o Energy Proposal

-- Increased Workload

Because of the aggressive approach taken by the President, there has been an increased workload in almost all phases of the White House operation. The most significant has been in the mail area where the increase has been almost 300%.

-- Improperly Balanced Staff

Many people used the slots initially allocated to them to hire professionals and administrative assistants instead of secretarial support staff. As a result, we are receiving numerous requests for secretarial staff and Hugh is providing approximately 500 manhours a week in secretarial services for the various professional offices.

-- New and Expanded Efforts

There are several areas where you have initiated new efforts and/or have asked that the resources devoted to an effort be expanded. These include:

- o Intergovernmental Relations - Watson
- o First Lady's Staff
- o Special Projects - Schneiders
- o Management Analysis - H. Carter and R. Harden
- o Congressional Liaison - Moore
- o Health Services - Bourne

-- Special Purpose Appointments

Several appointments have been made for reasons other than performing a well defined function. The reasons include:

- o Political
- o Personal Commitment
- o Minority Balance

-- "Getting Around the System" Appointments

Increasingly, attempts are being made to use the White House office to get around the normal personnel system. Some recent examples include:

-- Dick Pettigrew being placed on the White House staff so he can be paid at an Executive Level II.

-- Brzezinski's deputy being placed on the White House staff so he can be paid at Executive Level III.

-- Peter Bourne asking that 4 individuals be placed on the White House staff as consultants until he is confirmed.

In deciding where to go from here, we have the detailed budget data necessary to make cuts in a logical and systematic fashion. In order for me to perform the work that needs to be done, I need answers to the following questions:

1. Do we want to make significant cuts in the White House staff?

2. If yes, do we want to define what we are going to do and then identify the required staff, or do we want to define a staff level and then determine what can reasonably be expected of that staff?

3. Are we going to continue to be a "catch-all" or are we going to limit the White House Office to strictly personal support for the President?

4. Are we going to be hardnosed about getting non-essential people off the White House payroll and are we willing to call on the agencies to help get these people placed?

One final point, I checked with A. D. Frazier about the possible reductions in the other agencies in the Executive Office of the President. He said the current projections show a net increase instead of a significant cut. He is having a detailed analysis prepared for your review.

THE WHITE HOUSE
WASHINGTON

April 1, 1977

Z. Brzezinski -

The attached is forwarded to you for handling delivery to Secretary Vance.

Frank Moore is handling the copies to Senator Baker and Congressman Rhodes.

Rick Hutcheson

cc Frank Moore

Re: Briefing of Leadership on Foreign Matters

THE WHITE HOUSE

WASHINGTON

4-1-77

To Cy Vance

Zbig Brzezinski

Along with the Democratic leaders in Congress, please brief the Republican leadership as well, on a routine basis, on important foreign matters.

They were of great help with the SALT question, and we agree that a bi-partisan approach is vital to our nation's security and well being.

Jimmy Carter

cc: Sen Baker

Cong Rhodes

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

April 1, 1977

Jim Schlesinger

For your information, the attached was signed by the President and given to Bob Linder for coordinating it's prompt release with the Press Office.

Rick Hutcheson

cc: Bob Linder

Re: Natural Gas Emergency

X

TERMINATION OF NATURAL GAS EMERGENCY

- - - - - - -

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

On February 2, 1977, Proclamation No. 4485 was issued which proclaimed and declared the existence of a natural gas emergency within the meaning of Section 3 of the Emergency Natural Gas Act of 1977. Such action was necessary because of the imminent shortage of natural gas for high-priority uses and the inadequacy of remedial measures other than the extraordinary measures authorized by Section 4 of that Act. Section 3 of the Emergency Natural Gas Act of 1977, however, requires termination of such emergency when the President finds that such shortages no longer exist and are no longer imminent.

I now find that the severe natural gas shortages which necessitated the declaration of a natural gas emergency within the meaning of Section 3 of said Act no longer exist and are no longer imminent.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, by virtue of the authority vested in me by the Constitution and statutes of the United States, including the Emergency Natural Gas Act of 1977, do hereby proclaim and declare that the natural gas emergency declared to exist by Proclamation No. 4485 of February 2, 1977 is terminated.

The fact that this winter's natural gas emergency is over in no way signals an end to our energy crisis. On the contrary, it is a reminder that our natural gas supply is far short of potential demand. Unless we take remedial action to develop a natural gas policy as part of a

comprehensive energy policy, our economy, and even our homes, will be in increasing danger with each passing year. On April 20, 1977, I shall propose a policy to provide a long-term solution to our energy problems.

IN WITNESS WHEREOF, I have hereunto set my hand this day of in the year of our Lord nineteen hundred seventy-seven, and of the Independence of the United States of America the two hundred and first.

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

April 1, 1977

Frank Moore -

The attached letter to Senator Hollings is sent to you for delivery.

Rick Hutcheson

cc: Ham Jordan

Re: Judicial Selection Committee

THE WHITE HOUSE

WASHINGTON

3-31-77

To Fritz Hollings

Thanks for your comments. The "personal" letter was to remove the suggestion & inquiry from the realm of a p.r. stunt & encourage frank response like yours.

My experience using a Select. Con Committee was as good in Georgia as I'm sure yours was in S. Carolina.

You couldn't find a better person than Mathews Perry.

Jimmy

THE WHITE HOUSE
WASHINGTON

3/31/77

Mr. President -

Attached is the Fritz Hollings letter re judge selection committees, per your request.

Also attached is a short reply, if you approve.

K. Baker
Cong. Corresp.

THE WHITE HOUSE

WASHINGTON

March 31, 1977

To Senator Fritz Hollings

I appreciate your taking the time to let me know your thoughts on selection committees for federal circuit judges. I regret that we disagree, but I hope we can continue to work together.

Sincerely,

Jimmy

The Honorable Ernest F. Hollings
United States Senate
Washington, D. C. 20510

ps You couldn't find a better man than Matthews
Jerry - F

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THE WHITE HOUSE
WASHINGTON

| ACTION | FYI | |
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| | | MONDALE |
| | | COSTANZA |
| | | EIZENSTAT |
| | X | JORDAN |
| | | LIPSHUTZ |
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| | | WATSON |

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

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| | FOR INFORMATION |
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| | IMMEDIATE TURNAROUND |

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| | | FALLOWS |
| | | FIRST LADY |
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| | | SCHULTZE |
| | | SIEGEL |
| | | SMITH |
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| | | WELLS |
| | | VOORDE |

THE WHITE HOUSE

WASHINGTON

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Sincerely,

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The Honorable Ernest F. Hollings
United States Senate
Washington, D. C. 20510

ps You couldn't find a better man than Matthews
Jerry - J

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ERNEST F. HOLLINGS
SOUTH CAROLINA

OFFICES:
SENATE OFFICE BUILDING
202-224-6121

FEDERAL BUILDING
COLUMBIA, SOUTH CAROLINA
803-765-5731

FEDERAL BUILDING
SPARTANBURG, SOUTH CAROLINA
803-585-3702

141 EAST BAY
CHARLESTON, SOUTH CAROLINA
803-723-5211

THE PRESIDENT HAS SEEN.

# United States Senate

WASHINGTON, D.C. 20510

March 28, 1977

ack
30 MAR 1977

COMMITTEES:
APPROPRIATIONS
LEGISLATIVE: CHAIRMAN
INTERIOR
LABOR, HEALTH, EDUCATION, AND WELFARE
PUBLIC WORKS
STATE, JUSTICE, COMMERCE, AND THE JUDICIARY
BUDGET
COMMERCE
OCEANS AND ATMOSPHERE: CHAIRMAN
AVIATION
MERCHANT MARINE
SURFACE TRANSPORTATION
COMMUNICATIONS
POST OFFICE AND CIVIL SERVICE
POSTAL OPERATIONS: CHAIRMAN
COMPENSATION AND UNEMPLOYMENT BENEFITS
DEMOCRATIC POLICY COMMITTEE
OFFICE OF TECHNOLOGY ASSESSMENT

Honorable Jimmy Carter
The White House
Washington, DC 20500

FM

Dear Mr. President:

I find myself confused by your "Personal and Confidential" note on a matter of public policy. I distributed a copy of your Executive Order dated February 17 to several friends a week after its issuance and I have already made public comment. I wish to respect the "Personal and Confidential" nature of your communication but obviously cannot extinguish certain statements by me already made.

I don't think much of this idea. It smacks of politics and evading the responsibility. If the factors that persuade such an approach are valid for the selection of a judge, then logically they could be just as valid and therefore necessary for the selection of a committee. If what is to be obtained is credibility in the appointment, then there must be credibility in the appointment of a committee to recommend the appointment. For example, in South Carolina, to be representative, I would have to have at least a plaintiff's attorney and a defendant's attorney, a corporation attorney and an individual attorney, a civil attorney and a criminal attorney, one white, one black, one woman, one man, one person from upstate, one from the Pee Dee, one from Mid-State, and one from the Low Country, one from the judiciary, one from the penal system, one from the Bar Association, one from the Law School and on and on. I find this very divisive and self-defeating and smacking of the communist idea that somehow our government isn't representative of the people. I think I represent consumers, environmentalists and all the other public interest groups as well as the general interest and have resisted any other idea.

As Governor, I made it crystal clear that I was responsible for all of my appointments and that I would either sign or veto a bill and never duck an issue. Accordingly, I never pocket-vetoed, I made my own appointments and a good 50% of those that I made I had to persuade to take the job, thereby securing those whom I thought best. One only has to look at the result and judge.

Finally, looking to where we are, I think we have an unusually good Federal judiciary in South Carolina, all individually appointed and so I have no problem for which I seek a solution. I have just appointed the first black marshal in the South and I am confident a committee never would have chosen him. I also indicated my recommendation for Matthew Perry to be the first black judge in the South if you as President should appoint him. Again, Matthew wouldn't clear the committee hurdle. So, by test and experience, I must respectfully disagree.

Sincerely,

Ernest F. Hollings

P. S. Incidentally, I just appointed a white U. S. Attorney, 45 years of age, who was a state prosecutor, a trial lawyer of experience, a lawyer who had participated in public interest litigation and one who had served in various civic endeavors such as mental health, etc. Griffin Bell's man at Justice told me at the time of the appointment that a committee could never have improved upon this appointment and remarked, "He never would have been chosen by a committee."

ERNEST F. HOLLINGS
SOUTH CAROLINA

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WASHINGTON, D.C. 20510

March 28, 1977

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THE WHITE HOUSE
WASHINGTON

April 1, 1977

Z. Brzezinski -

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

**Rick Hutcheson**

cc: Frank Moore
Hugh Carter

Re: Congressional Delegations to PRC

THE WHITE HOUSE
WASHINGTON

| ACTION | FYI | |
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| | | MONDALE |
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Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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MEMORANDUM

ok - I hadn't known of it - I.

THE WHITE HOUSE

WASHINGTON

1842

THE PRESIDENT HAS SEEN.

ACTION

March 31, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI

SUBJECT: Congressional Delegations to the PRC

Ten Congressional Delegations have visited the PRC since the first such group went in April 1972. Forty-five members of Congress have participated in these delegations.

Seven of these delegations went as part of the overall exchange program which the U.S. Government arranges with the Chinese Government. For 1977, there will be a total of 23 such exchanges, including scientific delegations, foreign policy groups, trade missions, and so on. Among the 23 will be two Congressional Delegations.

The first Congressional Delegation is scheduled to leave on April 7 for a ten-day visit. A White House function, it is currently being put together by Frank Moore in consultation with the leadership of both Houses and both parties.

The exchange relationship fulfills that part of the Shanghai Communique in which both sides pledged to foster broader understanding of their respective societies and to engage in cultural and scientific exchanges. The Congressional visit is useful, since the legislative branch will have to play a major part in the normalization process. (It also is a good mechanism for dispensing patronage.)

The Congressional Delegation travels in a U.S. Government plane -- it is the cheapest way -- but is hosted by the People's Institute of Foreign Affairs. Reciprocally, we host Chinese delegations in this country. The Congressional Delegation will hold several discussions about foreign policy with Chinese leaders and will report back to us on their conversations. These conversations are significant for gauging the current mood in Peking.

We will be briefing the delegation before it leaves, and you may wish to use this delegation as a vehicle for communicating some of your own policies to the Chinese.

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

April 1, 1977

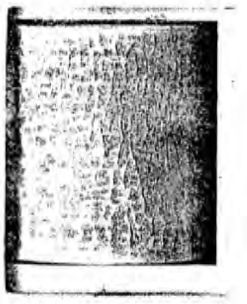
Z. Brzezinski
Bert Lance

For your information, the attached PL-480 for Zaire was signed by the President and given to Bob Linder for appropriate handling.

Rick Hutcheson

Re; PL-480 for Zaire





THE WHITE HOUSE
WASHINGTON

April 1, 1977

Z. Brzezinski
Bert Lance

For your information, the attached PL-480 for Zaire was signed by the President and given to Bob Linder for appropriate handling.

Rick Hutcheson

Re; PL-480 for Zaire

THE WHITE HOUSE
WASHINGTON

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| | IMMEDIATE TURNAROUND |

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| | | ARAGON |
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MEMORANDUM

4/1/77

THE WHITE HOUSE

WASHINGTON

1770

ACTION

March 31, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI

SUBJECT: PL-480 for Zaire

Attached (Tab B) is a memorandum from Secretary Vance recommending that you determine that it is in the national interest to sell agricultural commodities to Zaire under Title I of PL-480. This determination is required because Zaire has traded with Cuba, albeit at insignificant levels, in recent years.

This proposal was made before the recent invasion of Zaire by Kantangan Gendarmes from Angola with possible Cuban support, but the State Bureaus concerned (EB, AF, ARA) agree that there is no inconsistency and that the program should move ahead for symbolic as much as financial ($15.3 million) reasons.

Secretary Vance points out that the Department of Agriculture concurs in his recommendation. Also attached (Tab C) is a memorandum from Bert Lance noting that the proposed sale is consistent with the 1977 budget for PL-480.

RECOMMENDATION:

That you determine that it is in the national interestto sell agricultural commodities to Zaire under PL-480 by signing the attached documents (Tab A).

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE SECRETARY OF STATE
THE SECRETARY OF AGRICULTURE

Subject: Determination under 103(d)(3) of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480) - Zaire

Pursuant to the authority vested in me under the Agricultural Trade Development and Assistance Act of 1954, as amended (hereinafter "the Act"), I hereby determine that a waiver of the exclusion provided for by Section 103(d)(3) of the Act, for the purpose of selling $15.3 million worth of agricultural products, is in the national interest of the United States and I do waive that exclusion.

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

April 1, 1977

Bert Lance -

For your information, the attached message was signed by the President and has been given to Bob Linder for appropriate delivery.

Rick Hutcheson

cc: Bob Linder

Re: Tenth 1977 Special Message Under the Impoundment Control Act of 1974

THE WHITE HOUSE
WASHINGTON

| ACTION | FYI | |
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| | | MONDALE |
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| X | FROM PRESIDENT'S OUTBOX |
| | LOG IN/TO PRESIDENT TODAY |
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4/1/77

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

MEMORANDUM FOR: THE PRESIDENT

FROM: Bert Lance

SUBJECT: Tenth 1977 Special Message under the Impoundment Control Act of 1974

The tenth 1977 special message to the Congress under the Impoundment Control Act of 1974 is attached for your signature.

This special message includes two new routine deferral reports for the Energy Research and Development Administration (ERDA) and a revised deferral report for the Department of Commerce's Maritime Administration ship construction subsidy program. Budgetary outlays are not affected by any of these actions.

The reports involve the following.

- A $80.5 million deferral for ERDA's operating expenses account reports the withholding of budget authority that is not now estimated to be needed to conduct the FY 1977 program as appropriated. The funds are reserved for contingencies for the remainder of the fiscal year and will be used in future years. This is a routine financial management action.

- ERDA's Clean Boiler Fuel from Coal project (Coalcon) is the subject of a $46.7 million deferral. Technical difficulties prevent continuing work on the project. The deferral is expected to be maintained pending a decision on future Coalcon activities and establishment of project termination costs.

- A revised report for the ship construction program of the Maritime Administration is based on current projections of demand for U.S. shipbuilding as reflected in your revised Budget. The new report shows $102.9 million as deferred for part of FY 1977 and the remaining $98 million deferred for the entire year. The original report anticipated deferral of the entire $200.9 million for all of FY 1977.

Recommendation

That the special message be transmitted to the Congress not later than Monday, April 4, 1977.

Attachment

TO THE CONGRESS OF THE UNITED STATES:

In accordance with the Impoundment Control Act of 1974, I herewith report two new deferrals of Energy Research and Development Administration funds totaling $127.2 million. The deferrals have no effect on budgetary outlays for fiscal year 1977 or subsequent years. In addition, I am reporting a revision to a previously transmitted Department of Commerce deferral.

The details of each deferral are contained in the attached reports.

Jimmy Carter

THE WHITE HOUSE,

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

4/1/77

Hamilton Jordan -

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

**Rick Hutcheson**

Re: National Council on the Arts
- Maureene Dees -

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12356, SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 16, 1983"

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 31, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN HJ

SUBJECT: NATIONAL COUNCIL ON THE ARTS

The National Council on the Arts is composed of 26 members appointed by the President who are private citizens with knowledge of or expertise in the arts. The Council advises the Chairman of the National Endowment (currently Nancy Hanks whose term expires in October) on policies and programs.

There is currently one vacancy caused by the death of Rosalind Russell. This vacancy is for a term expiring September 3, 1978. However, the person appointed for this vacancy will not be eligible for reappointment following expiration in 1978.

Maureene Dees is interested in serving on the Council, and appears to be the best candidate. Her complete resume is attached. She has a BFA in Theatre from Wesleyan College and has been active in community theatre in Alabama. Her appointment would bring the number of females on this 26 member Council from six to seven.

I recommend you approve the appointment of Maureene Dees to the Council to fill the vacancy.

APPROVE ✓

DISAPPROVE _____

GIVE ME OTHER NAMES _____

JC

Attachment

This is an opportunity to do a little thing for Mona that would mean much to them both.

HJ

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for Preservation Purposes

MEMBER
NATIONAL COUNCIL ON THE ARTS

MAUREENE DEES

Montgomery, Alabama
Female
39

Maureene Dees, Southern Poverty Law Center, Montgomery, Alabama - experience in community theatres and local development of the arts in medium-sized and small communities.

Experience:

1966-67 Drama and speech instructor, Huntington College, Montgomery, Alabama

1965-77 Director, Montgomery Community Theatre

1972 President, Montgomery Community Theatre

1976 One of three founders of the Montgomery Theatre Guild, a program to train actors and directors for regional community theatres.

Participant in Southeastern Community Theatre workshops and conferences.

Education:

1959 BFA, Wesleyan College
Degree in Theatre

Personal:

Born July 21, 1937 in Birmingham; grew up in Albany. Married, five children.

Recommended by: Barbara Blum, Joel McCleary, Rick Hutcheson.

ADDITIONAL
LIST OF CANDIDATES FOR NATIONAL COUNCIL ON
THE ARTS

William E. Butler - Harlan, Iowa - "reknowned organist"
recommended by Mayor Holmes of Harlan, Iowa

Josephine Hill, Washington, D.C. - Education specialist - Staff
Development Trainer; teacher, principal; professional artist.

Legare Comer Jennings, Jr., Atlanta - Atlanta College of Art
vice president plus other arts & theatre activity in Atlanta.
art teacher 1966 to present - served at University of North
Carolina, Princeton & Emory plus four art schools, including
one in Paris; professional artist since 1969.

Jeffrey H. Kaufman, Brooklyn, NY - actor, director, producer
with diverse knowledge of theatre, especially regional and
national theatres.

Sy Salkowitz, President 20th Century-Fox TV - democrat.
recommended by Ruth Marsh, Public Relations, of L.A.

Lee B. Winkler, Beverly Hills, Calif. - business management
consulting firm, member National Academy of TV Arts and Sciences;
recommended by Democratic National Committeeman, recommended
by Irving Kaler.

THE WHITE HOUSE
WASHINGTON

April 1, 1977

Jim Fallows -

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

**Rick Hutcheson**

Re: International Business Article

THE WHITE HOUSE
WASHINGTON

Mr. President:

The attached is ok with Jody, and ok with Lipshutz, provided there is no compensation.

Rick

THE WHITE HOUSE
WASHINGTON

include a copy of my note

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| | | WELLS |
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THE WHITE HOUSE

WASHINGTON

March 29, 1977

ok -
Don't use my
name
J. C.

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS JMF

SUBJECT: International Business Article

In the first week after the Inauguration, I inadvertently made a commitment to International Business (a small but reputable magazine published in Seattle) to provide an article about your goals in foreign trade. Partly this was my mistake, which I apologize for; partly it was on the advice of the trade policy staffers, who said that there were, indeed, some policy points worth publicizing.

The appropriate people at the NSC and the office of the Special Trade Representative provided the information for this draft, which Griffin Smith has edited. If it is all right with you, we will send it on.

Electrostatic Copy Made
for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

April 1, 1977

MEMO FOR THE PRESIDENT--ACTION

FROM: JIM FALLOWS JMF

SUBJECT: International Business Article

I apologize for not explaining myself clearly; what the magazine was interested in was an article to run under your name, not by me. I am embarrassed not to have spelled that out, for I thought it was understood.

As you might guess, many hundreds of these requests have come in. We have turned virtually all of them down. This one fell in between the cracks in the first week. If you feel very strongly that you don't want to do it, we can pacify the magazine. If you do not feel strongly, it would save a lot of ruffled feathers to let it go ahead.

I am sorry to present you with this situation. It won't happen again.

THE WHITE HOUSE

WASHINGTON

**Date:** March 29, 1977

MEMORANDUM

**FOR ACTION:**

Bob Lipshutz
Jody Powell

**FOR INFORMATION:**

**FROM: Rick Hutcheson, Staff Secretary**

**SUBJECT:** Jim FAllows memo 3/29 re International Business Article.

**YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:**

**TIME:** 6:00 P.M.

**DAY:** Thursday

**DATE:** March 31, 1977

**ACTION REQUESTED:**

__X__ **Your comments**

**Other:**

**STAFF RESPONSE:**

____ **I concur.** ____ **No comment.**

***Please note other comments below:***

Do you see any problem with a staff member writing such articles?

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

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

L.H.

THE WHITE HOUSE

WASHINGTON

March 29, 1977

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FROM: JIM FALLOWS JMF

SUBJECT: International Business Article

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The appropriate people at the NSC and the office of the Special Trade Representative provided the information for this draft, which Griffin Smith has edited. If it is all right with you, we will send it on.

I.

Foreign trade is a vital part of the American economy. Sixteen percent of everything that Americans grow or make is traded in the world market. The continuing health and wellbeing of this system is important not merely to those whose livelihood depends directly on international commercial transactions, but also to those who are indirectly affected by it -- which means most Americans.

Over the past five years, United States exports have doubled. They now exceed $100 billion per year. The full impact of this increase is perhaps most strikingly expressed by the proportion of our Gross National Product which exports represent. From 4% five years ago, they have now risen to nearly 7%. This is a remarkable and unprecedented increase.

Clearly, our extensive participation in world trade has helped generate American jobs. Three and one-half

million industrial jobs are attributed to the export market and half a million farm workers depend on the exports made available from our agricultural bounty.

Trade also benefits the consumer and helps to fight inflation by offering the public a wider range of goods, priced competitively.

As Americans have been forcefully reminded at the gasoline pump, the coffee bar, and a variety of other moments in our daily lives, our country is increasingly dependent on foreign imports. Aside from oil, which makes up one-quarter of our total imports, we must purchase an important part of our strategic minerals abroad. We import 98% of our cobalt and manganese, 89% of our chromium, 87% of our aluminum, 85% of our tin, 71% of our nickel, and more than half of our titanium, tungsten and zinc.

But for the need to import oil, we would have registered a record trade surplus last year for the

second time in a row. The fact that we had a deficit in 1976 should not, however, be a cause for alarm. OPEC's large and chronic surplus will necessarily be matched by a combined deficit of developed and developing oil-importing countries. A country as large as ours, with a strong and growing economy, can afford better than most others to run a deficit. We should be prepared to do so. Efforts by the U.S. to balance its trade account, when at the same time oil-producing countries are running substantial surpluses, would force weaker economies in Western Europe and in the developing world to suffer deficits which they could not afford to finance. This in turn could put pressure on them to restrict imports or suffer massive slowdowns in general. Since these countries are important buyers of U.S. goods, the U.S. economy would in the long run also lose in this process.

II.

The high stakes in international trade make it all the more important for us to modernize and improve the system under which it is conducted. Our basic purpose must be to keep open the international channels in which the exchange of goods, capital, and ideas among nations can continue to expand. To do this, we must continue our efforts to reduce trade barriers.

The present international trading system, whose cornerstone is the General Agreement on Tariffs and Trade (the GATT), has served us well since World War II. But it is now, frankly, struggling under enormous strains produced by the unprecedented expansion in world trade, the oil embargo and the ensuing energy crisis, monetary realignments, a host of new types of trade restrictions, unemployment and inflation. Virtually every nation is under severe domestic pressure to protect its domestic markets from injurious import competition. The GATT was created to deal with such situations and prevent member states from taking arbitrary unilateral actions to restrict trade.

Unfortunately, the rules have not always been observed; some are outdated. Furthermore, existing systems for settling disputes are weak.

As I said in my March 17 speech before the UN, the U.S. is committed to an open international trading system, but one which does not ignore domestic concerns. In our view, trade must be both free and fair. The Trade Act of 1974, which increases the President's authority to counteract unfair trade practices of other nations, accurately reflects these attitudes.

Under this law, detailed procedures are available for Americans to get an open and judicious hearing of their trade grievances. The new attitude can also be seen in the law's expansion of Congressional and public participation in trade policymaking. Elaborate advisory structures were created to assure that business, agriculture, labor, and the public can have more say about what our trade objectives should be and how we should negotiate them.

III.

The current Multilateral Trade Negotiations (MTN) in Geneva offer the best hope for improving the trading system. These negotiations, which involve 96 other nations, have broader participation and broader objectives than any prior negotiation. They are aimed at tariff and non-tariff barriers to trade. While progress in the talks has been slow, due in great part to the worldwide economic slowdown in 1974-75, the issues are of fundamental importance to our economy and other developed and developing countries alike.

Stated broadly there are three objectives in these negotiations: (1) to reduce current barriers to trade; (2) to limit the creation of new barriers; and (3) to provide improved rules and procedures to reduce the areas of dispute between countries. Success in these negotiations should result in increased trade opportunities for both U.S. industry and agriculture.

Agriculture is a critical issue in the negotiations. During the Kennedy Round, little was done to liberalize world agricultural trade, a sector where the U.S. is highly efficient and has a competitive advantage. The results were very disappointing for U.S. farmers. The Trade Act explicitly states that our negotiators should in the current round of talks strive to reduce or eliminate agricultural trade barriers as well as those affecting trade in industrial products. We place agriculture high on our list of negotiating priorities.

Regarding non-tariff barriers, we are working on a code which will establish strict rules governing the use of governmental subsidies to promote trade. We are concerned by the growing use of such devices to stimulate exports or displace imports and believe there must be greater discipline and control over them. We are also seeking to reach agreement on international rules for setting product standards. Our objective here is to

establish more open procedures under which all interested parties likely to be affected by the standards may be heard. In the area of government procurement, we are striving to develop a code that would open up markets now closed to us.

We also see the need for substantial improvement in rules regarding import relief, to provide effective procedural guidelines to govern the use of import restrictions to ease adjustment to expanding trade. Many countries presently circumvent the GATT rules in this area.

The current trade negotiations are also unique in that efforts are being made to secure additional benefits for the trade of developing countries. In that regard, we have in Geneva offered substantial trade concessions on tropical products which are of primary interest to developing countries. Also, in cooperation with our industrial trading partners, we are examining ways to provide special treatment for developing countries in other aspects of the negotiations.

This is an ambitious program, but such changes are obviously necessary if the trading system which has

provided one basis for our prosperity since the end of World War II is to survive and flourish. If the system cannot deal effectively with unfair trade practices, which distort trade flows and cause unnecessary injury to import-competing industries, trading countries will increasingly resort to beggar-thy-neighbor trade policies of the sort which led to the disastrous downturn in economic activity during the interwar period.

Trade disputes among nations frequently interfere with international cooperation in other areas. They can hamper efforts to coordinate foreign and domestic policy. Thus, a successful package of international agreements on trade can do much to advance the prospects for international cooperation in such other vital areas as energy and security. I am looking forward to positive results at Geneva in the coming year.

# # #

WASHINGTON

Date: March 29, 1977

MEMORANDUM

FOR ACTION:

Bob Lipshutz
Jody Powell

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Jim FAllows memo 3/29 re International Business Article.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 6:00 P.M.

DAY: Thursday

DATE: March 31, 1977

ACTION REQUESTED:

__x__ Your comments

Other:

STAFF RESPONSE:

____ I concur. ____ No comment.

*Please note other comments below:*

Do you see any problem with a staff member writing such articles?

There is no reason to prohibit Fallows from writing the article. The President can designate staff members to represent him in person or in writing. However, Fallows should not be compensated for writing the article since it was written pursuant to his responsibilities as the President's Chief Speech Writer.

Margaret McKenna 3/31/77

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

THE WHITE HOUSE

WASHINGTON

March 29, 1977

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WASHINGTON

Date: March 29, 1977

MEMORANDUM

FOR ACTION:

Bob Lipshutz
Jody Powell ✓

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ACTION REQUESTED:

__X__ Your comments

Other:

STAFF RESPONSE:

____ I concur. ____ No comment.

*Please note other comments below:*

Do you see any problem with a staff member writing such articles?

I have no objections.

JLP
3/31/77

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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THE WHITE HOUSE

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THE WHITE HOUSE
WASHINGTON

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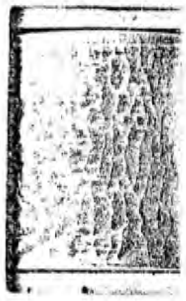
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Submitted separately

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THE WHITE HOUSE
WASHINGTON

April 1, 1977

Jody Powell -

The attached was returned in the President's outbox. It is forwarded to you for your information. Please note President's changes on page 2.

Rick Hutcheson

Re: Press Release on Footwear

cc: Stu Eizenstat
Z. Brzezinski
Bob Linder



THE WHITE HOUSE
WASHINGTON

Has been read to
Secretary Blumenthal.

He was leaving for a
plane, and wants to call
you later this morning
with comments.

Copy has been given to
Jody, with copy of this
note.

STATEMENT BY PRESIDENT CARTER ON THE

FOOTWEAR IMPORT RELIEF CASE

I am very reluctant to restrict international trade in any way. For 40 years the United States has worked for the reduction of trade barriers around the world, and we are continuing to pursue this goal because this is the surest long-range way to create jobs here and abroad. Only problems as extreme as those faced by the American shoe industry could force me to seek even modest mandatory limits on imports. I have seen those special problems first-hand, during visits to many shoe plants throughout the country.

The number of firms in the shoe industry dropped from 600 in 1968 to 380 today -- a 40% decline. Employment in that same period fell by 30%, which represents a loss of 70,000 jobs. Imports from our two major overseas suppliers have increased by more than 100% in the last two years, and seem to be increasing even more rapidly in recent months.

I have decided to reject the restrictive tarrif rate quota recommended by the International Trade Commission because that recommendation did not fairly balance our concerns for domestic jobs and production, inflationary pressures, and expanded world trade.

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**for Preservation Purposes**

But I have also decided to grant import relief to our domestic shoe industry, and have therefore instructed Special Trade Representative Robert Strauss to negotiate orderly market agreements with Taiwan and Korea ~~some major foreign suppliers of~~ shoes.

Over the long haul, the solution to difficulties in the shoe industry lies not in the restriction of imports but elsewhere -- in innovation and modernization of our own production facilities and the financing to make these possible.

The American shoe industry needs an expanded and more effective program of assistance to help it meet foreign competition. I have directed the Secretary of Commerce to work directly with the Secretary of Labor and Ambassador Strauss in developing such a program. Toward this end, these officials will see that existing assistance programs work better.

In addition, I will recommend to Congress within 90 days any legislation which may be needed to provide:

- Technological aid to increase production efficiency and develop new production methods.
- Data and market research to pinpoint new marketing opportunities.
- Assistance for affected communities and workers.

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for Preservation Purposes

- Help with promotion and marketing services.
- Financial assistance to support these initiatives.

THE WHITE HOUSE
WASHINGTON

April 1, 1977

Jim Fallows -

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

**Rick Hutcheson**

Re: Simon and Schuster Speech Book

THE WHITE HOUSE
WASHINGTON

Mr. President:

Lipshutz advises against
the special edition of 500.

Rick

THE WHITE HOUSE
WASHINGTON

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

March 23, 1977

no
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MEMORANDUM FOR THE PRESIDENT - ACTION

FROM: JIM FALLOWS JMF

SUBJECT: Simon and Schuster Speech Book

Here is a copy of the bound galleys of the book.

Michael Korda of Simon and Schuster wants to know whether you would agree to having a special limited edition of nicely-bound volumes printed, in addition to the normal press run. There would be 500 of them, numbered one through 500, and all would be signed by you. They would sell for $25 or $30 as opposed to about $9 for the standard edition. Your foundation would earn royalties at the same rate as for the standard edition--I believe it is 15 per cent of the purchase price of the book.

Korda is eager to have you do this and lists these advantages: first, that it is an easy way to raise extra money for your foundation; second, that it will sell out the moment it is announced; and third, that it is within the bounds of propriety.

The disadvantages I can think of are, first, that you would have to take the time to sign all 500 (the publishers would send you a set of sheets to sign, and would later bind them into the books); second, that this might lend an air of privilege and hierarchical distinctions to a book whose message is the opposite; and third, that you might seem to be going out of your way to boost sales of the book. Even considering those disadvantages, it seems marginally worthwhile to me, but I do not feel that very strongly.

Enclosure

**Electrostatic Copy Made for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

Date: March 30, 1977

MEMORANDUM

| FOR ACTION: | FOR INFORMATION: |
|---|---|
| Bob Lipshutz | |

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Jim Fallows memo 3/23 re Simon and Schuster Speech Book.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: IMMEDIATE TURNAROUND

DAY:

DATE:

ACTION REQUESTED:

_X_ Your comments

Other:

STAFF RESPONSE:

____ I concur. ____ No comment.

*Please note other comments below:*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

Date: March 30, 1977

MEMORANDUM

FOR ACTION:
Bob Lipshutz

TRR

FOR INFORMATION:

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YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: IMMEDIATE TURNAROUND

DAY:

DATE:

ACTION REQUESTED:

X Your comments

Other: I recommend against this proposal. RSL

STAFF RESPONSE:

____ I concur. ____ No comment.

*Please note other comments below:*

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

THE WHITE HOUSE

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Enclosure

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO: THE PRESIDENT

FROM: Jack Watson
Jane Frank

April 1, 1977

RE: Proposed Agenda for the Cabinet Meeting
Monday, April 4, 1977

1. Discussion of the anti-inflation program (per Schultze memorandum attached).*

2. Comments by Cy Vance on his trip to Moscow and Western Europe.

3. Close vote expected on the $50 rebate (see Frank Moore's count and comments attached).

4. Reminder to submit testimony a week in advance (per your March 13 memorandum).

5. Description of Minority Bank Deposit Program (see Mike Blumenthal's memorandum attached).

6. Reports from Cabinet members.

(Adjourn by 10:30 to greet
Egyptian President Sadat)

*Note we have tentatively arranged for the following schedule of presentations of concepts by Cabinet members at upcoming Cabinet meetings:

| | |
|---|---|
| Monday, April 11: | Bert Lance on reorganization; |
| Monday, April 18: | Juanita Kreps on long-range priorities at the Commerce Department; |
| Monday, April 25: | Pat Harris on the Community Development Block Grant Program. |

Electrostatic Copy Made
for Preservation Purposes

TALKING POINTS FOR THE CABINET
ON ANTI-INFLATION PROGRAM

I. Background:

- o Inflation is no longer slowing down; basic inflation rate running at 5-1/2 to 6%; actual inflation rate likely to get above that in months ahead because of cold weather and energy price rises.

- o If we can't reduce inflation any further now -- with high unemployment and idle capacity -- it will surely accelerate later on as the economy improves.

- o Unless we control inflation, we cannot reach and maintain high employment:

  -- erode business and consumer confidence

  -- Federal Reserve simply won't provide the money to finance recovery if it becomes inflationary

  -- public will not support employment creating policies and domestic programs if inflation not controlled.

II. Set interim targets for economy for next three years:

- o GNP growth averaging 5-1/2 to 6 percent a year;

- o a reduction of unemployment to 5-1/2 percent or less by the end of 1979;

- o a reduction of 2 percentage points in the basic rate of inflation, from 6 percent now to 4 percent, by the end of 1979.

III. Three sets of things we have to do:

A. Economic and budgetary policies that produce a stable economic growth, provide for stringent budget expenditure control, and result in a balanced budget no later than 1981

B. Specific measures by government to increase efficiency, expand capacity, and deal with particular problems that generate inflationary pressure

C. Set up procedures to get voluntary cooperation of business and labor to moderate inflationary wage and price increases.

A. Budgetary Control and Deficit Reduction

1. Control overall growth in federal spending;

- o federal spending is now 23 percent of GNP (FY 1977);
- o as recovery occurs, federal spending must rise somewhat less rapidly than GNP; by 1981 it should not exceed 21 percent of GNP.
- o with a healthy growth in the economy the legitimate needs of the federal budget can be met within this rule; we will not adopt a Republican approach to social programs;
- o but an important share of the budgetary resources for new initiatives must come from budgetary savings on existing programs.
- o importance of zero-based budgeting; we must shift priorities not simply add new ones on top of old ones.

2. Progressively reduce budget deficit; balance budget, in prosperous economy, no later than fiscal 1981.

- o all future proposals for budgetary changes or tax measures must show expenditure or revenue consequences over the five-year period, 1978 - 1982;
- o better expenditure estimating; we must develop improved system of tracking expenditures.

B. Covernment Measures to Deal with Specific Inflationary Pressures

1. Establish an Early Warning System coordinated by The Council on Wage-Price Stability (COWPS)

- o continuing forecast of inflation trends and problems
- o spotting potential bottlenecks and shortages, and recommending actions to alleviate
- o tracking international commodity price trends

2. Measures to prevent extreme swings in commodity prices.

   a. Establish U. S. agricultural grain reserve.

   b. Negotiate international program for wheat and sugar and develop policy proposals for a similar program with respect to feedgrains.

   c. Respond positively to international proposals for commodity agreements which concentrate upon stabilization objectives.

   d. Seek authority to use strategic stockpile to meet supply disruptions during peacetime.

   e. Establish task force to study feasibility of developing stockpiles for price stabilization purposes.

3. Capacity Expansion and Productivity Improvement

   a. Investment incentives to be included as part of overall tax reform.

   b. Establish an expeditor program to accelerate and coordinate the process of licensing approval for new plant construction and operation. Particularly important for EPA licenses for new plants.

   c. Evaluate alternative measures to encourage the expansion of capacity in critical materials industries.

4. Government Rate Setting Regulation

   a. Reduced regulation of airlines.

   b. Urgent development of specific legislation for similar actions with respect to industries covered by Interstate Commerce Commission.

   c. Task force to evaluate the potential for increased competition in other regulated sectors such as communications and insurance.

   d. Development of an intergovernmental coordinating committee for the purpose of standardizing professional licensing requirements among the States and encouraging more open competition on fees and charges.

5. Other regulatory activities

a. Economic Policy Group to review systematically the economic and inflationary impact of major regulatory proposals.

b. Support changes in basic regulatory legislation to permit greater emphasis on economic incentives in lieu of detailed regulation.

c. Simplify regulations and promulgate them with less delay.

6. International Trade Policy

a. Emphasize a freer trade system in international negotiations. U. S. to push for successful conclusion of Multinational Trade Negotiations in Tokyo.

b. President will order full review of trade adjustment assistance program. Pay particular attention to ways in which industries adversely affected by trade can become more efficient and competitive.

7. Special effort to hold down hospital costs. HEW program to be ready after Easter recess.

All of above proposals represent what government will do. These actions are necessary to prevent inflation from reigniting and will help reduce current inflation. But any substantial progress in lowering today's inflation rate must enlist cooperation of private sector.

C. Voluntary cooperation by business and labor in moderating Inflation.

1. At present time wages plus fringes growing at 7-1/2 to 8 percent a year and prices at 5-1/2 to 6 percent.

2. To reach inflation target by 1979, the average rate of wage increase and the average rate of price increase must fall by 2 percentage points.

3. But conditions are different in different industries; we cannot and should not expect uniform behavior.

4. What we propose is a set of procedures whereby major price actions and wage negotiations are preceded by discussions between the firms and unions involved and government representatives. Three steps in the process.

   a. Council on Wage and Price Stability (COWPS) develops detailed information on wages, costs, margins, and prices for critical areas,

   b. Where individual price or wage actions are likely to have a significant impact on inflation, COWPS asks management or labor, as the case may be, to discuss issues in advance of raising prices or entering into wage negotiations. (COWPS has already indentified a limited number of industries and products where this procedure should be followed.) Participation would be voluntary.

   c. After price or wage action is taken, COWPS issues report which reviews its implications for meeting the inflation target.

5. Establish a Labor-Management Advisory Board to review inflation progress, make recommendations for coordinating efforts of public and private groups, and otherwise advise the President on economic policies.

Note: There is one sticking point--energy prices. It's going to be difficult enough to meet the 4 percent inflation goal in any event. An energy program that raises prices significantly will make it virtually impossible. Yet without some energy price increases we can't meet energy goals. I think we have to face this head on and explicitly exclude from our inflation target, the effect of high energy prices. I know this weakens the message--but I simply do not see how we can do otherwise.

# 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 into 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 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 in 1981.

. . . continued

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.

BUMPERS AMENDMENT

VOTE COUNT

| + | ?+ | ? | ?- | - |
|---|---|---|---|---|
| Abourezk | Burdick | Biden | Bellmon | Allen |
| Anderson | Cannon | Culver | Bensten | Baker |
| Bayh | Case | Ford | Eastland | Bartlett |
| Brooke | Glenn | Heinz | Hayakawa | Bumpers |
| Byrd, R.C. | Hatfield | Magnuson | McLellan | Byrd, H.F. |
| Chiles | Huddleston | Pell | Stennis | Chafee |
| Church | Johnston | Schweiker | Weicker | Curtis |
| Clark | Mathias | Stafford | | Danforth |
| Cranston | McGovern | Williams | | DeConcini |
| Durkin | McIntyre | Proxmire | | Dole |
| Eagleton | Melcher | | | Domenici |
| Gravel | Metcalf | | | Garn |
| Hathaway | Muskie | | | Goldwater |
| Humphrey | Nunn | | | Griffin |
| Inouye | Pearson | | | Hansen |
| Kennedy | Percy | | | Hart |
| Leahy | Sasser | | | Haskell |
| Long | Sparkman | | | Hatch |
| Matsunaga | | | | Helms |
| Metzenbaum | | | | Hollings |
| Moynihan | | | | Jackson |
| Nelson | | | | Javits |
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THE SECRETARY OF THE TREASURY
WASHINGTON 20220

MAR 23 1977

ACTION

1977 MAR 24 PM 1 48

MEMORANDUM TO THE PRESIDENT

SUBJECT: Minority Bank Deposit Program

The minority bank deposit program, which is in its seventh year, is a combined Government-private effort to increase the level of deposits in minority banks. It was developed as a result of Executive Orders 11458 and 11625 and is part of an over-all Federal Government effort to expand opportunities for minority-owned businesses. The Treasury Department determines which banks qualify for minority status and encourages Federal agencies to use minority banks to the maximum feasible extent. The Department of Commerce encourages business firms to use minority banks.

The Government sector program has grown from a total of $3.7 million of Government-controlled funds on deposit in 31 minority banks in 1970 to $86.6 million of these funds on deposit in 81 minority banks. The deposits hit a peak of $89.2 million in mid-1976. Ironically, this recent decline may be attributable to Treasury's increased emphasis on tighter cash management in the Federal Government and is part of a general decrease in agency-controlled bank deposits.

The Treasury has established an objective to increase Government deposits in minority banks to $100 million by the end of 1977.

While we are taking a number of initiatives within Treasury to reach this goal, it would provide a strong lift to the program and encourage more active agency participation if you would add your personal endorsement of this effort. This could be done at a regular Cabinet meeting, followed up by the attached memorandum addressed to departments and agencies.

Mike

W. Michael Blumenthal

Attachments