4/4/77

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J.C.

MINUTES OF THE CABINET MEETING

Monday, April 4, 1977

The eleventh meeting of the Cabinet was called to order by the President at 8:04 a.m., Monday, April 4, 1977. All Cabinet members were in attendance. NBC News Anchorman John Chancellor and a film crew were present to film the proceedings as part of their filming of a "Day in the Life of President Carter." Other persons present were:

Joe Aragon
Zbigniew Brzezinski
Landon Butler
Hugh Carter
Doug Costle
Stu Eizenstat
Jane Frank
Rex Granum
Hamilton Jordan
Jim King
Tim Kraft
Bob Lipshutz
Dick Moe
Frank Moore
Frank Press
Charles Schultze
Robert Strauss
Stansfield Turner
Jack Watson

1. The President reiterated his concern with inflation. He plans to emphasize to Congressional leaders at the bi-weekly leadership breakfast tomorrow that the Congressional budget ceilings under consideration by the House and Senate Budget Committees would increase the deficit by $6.5 billion. The President observed that difficult as it is, we must constantly gauge the individual and collective inflationary impact of minimum wages, farm price supports, water projects, import controls, and other budget-related items. He stressed the need to keep in close touch with members of Congress on these and other issues. The President said that each morning he meets with Frank Moore to discuss the daily Congressional schedule. He suggested that Cabinet members should keep in close touch with their own departmental Congressional liaison staff to assure that they are fully apprised of Congressional activities which affect their departments.

2. The President welcomed Secretary Vance home and complimented him on a productive trip to Moscow and Western Europe.

-- Mr. Vance briefly described the objectives and results of his trip. The trip had essentially two purposes: 1) to reopen the strategic arms limitations talks; and 2) to begin discussions on other arms and related issues.

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Mr. Blumenthal stressed the importance of Ms. Kreps' efforts to aid the shoe industry and his hope that Congress will consider legislation to spur industrial productivity.

6. Mr. Adams described the status of testimony on the issue of airline deregulation. He noted that British representatives were in attendance at recent Congressional hearings on this subject.

-- He has reversed the Ford Administration's decision on the St. Louis Airport.

-- DOT is presently reviewing all major highway project proposals.

-- He believes that divergent views between DOT and the Interior Department on the Visitors Center have been reconciled.

-- Last week he visited the Northeast Corridor railroad project, which will provide job training and employment for approximately 6,000 people by June 1. The President commended the project.

-- Mr. Adams said that an updated memorandum on the Bermuda Agreement negotiations is being transmitted to the President. The President said that he would like Mr. Adams to be present when he talks with Prime Minister Callahan and Alan Boyd, the U. S. negotiator, on this issue.

The President and Mr. Adams discussed a recent incident in which a citation was issued against a Soviet trawler for violating the U. S. 200-mile fishing limit.

7. Mr. Lance reported that the Reorganization Bill will be ready for the President's signature on Wednesday.

-- Mr. Lance is continuing to collect reports from Cabinet members on ways to reduce paperwork burdens, as requested by the President for March 31.

-- Mr. Lance is heading up the National Savings Bond Drive and hopes that all Cabinet members will participate.

8. Dr. Schlesinger summarized ongoing consultation and work on the energy plan, to be outlined to the public on April 20. Congress is deferring final action on the energy reorganization bill until the energy plan is sent up.

The President said that during the next few weeks he will spend considerable personal time working on the comprehensive energy plan with Dr. Schlesinger and others.

9. Ms. Harris said that the length of Congressional hearings on housing subjects has been reduced in recent weeks.

-- She described an ongoing study of HUD's property disposition policy. Among other things, the study will recommend elimination of the five percent penalty on repurchase of owners of their own property. In addition, several dispersed functions are being centralized and efforts are being made - for example in connection with the Frederick Douglas homestead in Washington - to find uses of the property consistent with its historic significance.

-- Ms. Harris also reported on her "open door" experiment at HUD last week when she met with agency employees to discuss subjects of interest to them. She saw twelve employees out of one hundred who applied to see her and believes the project was a great success.

The President said that he visited many deteriorating neighborhoods during his campaign. Wherever he went, he said, he heard allegations that HUD's foreclosure and disposition policies were counterproductive and unfair.

10. Mr. Bergland described Agriculture's efforts to reduce paperwork.

-- He testifies on food stamps before the House Agriculture Committee tomorrow. He and others are meeting with the President today on that subject.

-- The EPG meets this afternoon on sugar.

-- Agriculture is studying energy needs in the food industry. It appears that two-thirds of the energy used for food goes into processing and transporting it. The process for manufacturing natural fibers - wood and cotton textiles - requires one-third to one-sixth the energy of that required for manufacturing polyesters. Dr. Schlesinger said that he has not yet had time to study the longer term implications of energy in the agricultural area.

11. Mr. Blumenthal commented briefly on his recent trip to California and Arizona. In addition to attending public events, he met with Treasury Department employees in both

places. Mr. Blumenthal noted the general concern with inflation and unemployment.

-- He described the status of pending legislation to fund the World Bank. The President said that he will sign a letter today supporting the Reuss Amendment on human rights in international lending institutions.

12. Attorney General Bell is working on an inventory of lawyers in the Justice Department and intends to study the uses of lawyers government-wide once he has completed his Justice study.

-- He is beginning a personal review of LEAA this week.

13. Mr. Marshall indicated that the youth title of the CETA program is complete, and a recommendation will be sent to the President. He has worked closely with Agriculture and Interior on the proposal.

-- He said that he and several other Cabinet members will meet tomorrow to discuss the illegal alien problem.

-- He described efforts to study problems of productivity and inflation.

14. The President said that the Vice President has submitted to him a proposed six-month agenda of Presidential and Administration activities. He asked the Vice President to consult with Cabinet members on the agenda.

The Vice President suggested that Cabinet members should evaluate the agenda items in terms of whether the objectives are achievable, the timing is correct, and the priorities are properly related. He said that all too frequently memoranda to the President on the most complex issues are not submitted early enough to permit sufficient deliberation and discussion.

15. Ambassador Young described recent debates at the United Nations on southern Africa and the Middle East. He stated that the non-aligned and Third World foreign ministers are presently meeting in New Delhi.

This month the Economic and Social Council meets; North/South economic issues will be taken up on April 12.

16. Dr. Brzezinski outlined the ongoing work of the NSC. Topics under review include an assessment of the international implications of our domestic energy program; monitoring the

SALT negotiations and a press briefing on that subject last Friday; review of developments in the Middle East; developing a speech on Latin American/U. S. relations which the President will deliver on April 14 on Pan America Day; a comprehensive review of China policy; and an inter-agency effort to develop a North/South strategy.

-- Dr. Brzezinski said that the NSC is now fully staffed - at a level approximately thirty percent lower than the previous Administration.

17. Special Trade Representative Robert Strauss said that he is confident of the soundness of the President's recent decision on shoes. Mr. Strauss goes to Japan tomorrow to talk to the Prime Minister on this subject, and will meet with the Koreans and Taiwanese before his return.

The President noted that the Japanese have rejected a precise offer on imports of color TV's, and asked Mr. Strauss and Mr. Vance to coordinate in advance of further discussions with the Japanese on this subject.

18. Mr. Schultze stressed the fact that inflation is one of the most difficult and important domestic issues. If we reduce unemployment but do nothing about inflation, the nation's economy will suffer greatly. A second set of difficult questions concerns government decisions affecting prices.

-- Mr. Schultze reiterated the need to develop informal lines of communication with business and labor in working out economic problems. Government cannot act alone if our efforts are to succeed.

-- Mr. Schultze reported that employment statistics are improving and that employment and production are rising faster than sales. This can be partially explained because of low inventory build-up last year.

-- The CEA is undertaking an assessment of presently projected U. S. capacity in basic industrial materials.

-- He stressed once again the importance of the stimulus package - including the tax rebate.

19. Mr. Califano explained that $1.3 or $2-billion added to the HEW budget by the House Committee is due to changed economic assumptions, especially regarding Social Security.

-- HEW will announce on Wednesday the President's immunization program for children, approximately 20 million of whom are not adequately immunized. He stressed the importance of publicity and indicated his desire to increase the number of children immunized from sixty to ninety percent. He commended the important and very valuable work of Betty Bumpers, wife of Senator Dale Bumpers, in this area.

-- Representatives of the handicapped will be in Washington this week and plan to demonstrate in favor of prompt issuance of Section 504 regulations required by the 1973 Rehabilitation Act. Most of the demonstrations will be directed at HEW. Mr. Califano plans to meet with representatives of the group today and possibly tomorrow.

-- Mr. Califano goes to Atlanta tonight to announce tomorrow the new Director of the Center for Disease Control.

-- In response to a question from the President, Mr. Califano said that six states require no immunizations whatever. The President suggested that Mr. Califano work with the governors of those states to try to change that policy.

20. Mr. Andrus commented on the importance of the immunization program. He said that the lifetime cost to the taxpayers of dealing with rubella for one child could be as high as $1-million, whereas the child could be innoculated for a couple of dollars.

-- He explained in some detail his approach to the options concerning the Redwood National Park. He is adding potential unemployment to the total cost of the various options. 181,000 Acres are involved, and proposals range from acquiring 20,000+ to 78,000 acres. The projected employment impact is approximately 1,000 jobs. On the other hand, the jobs will terminate in ten years anyway once the forest area is clear cut.

-- THE CAMERA CREW DEPARTED --

21. Mr. Andrus discussed a water "rates" issue in California which may become a problem. The President asked for a memorandum on the subject from Messrs. Andrus and Bergland. He urged Cabinet members to be extremely cautious when approached for help or comment on matters concerning another Cabinet Department, and to refer such inquiries to the relevant Cabinet Secretary.

22. Mr. Brown outlined proposed Defense cuts by a House Committee. The Senate reduction is not expected to be as great.

-- He indicated that the British had dropped out of the NATO early warning program.

23. Mr. Adams said that Administration policy on Locks and Dam 26 needs to be coordinated with the energy plan. The question is whether inland waterways should pay for their services. The President suggested that Messrs. Adams and Schlesinger discuss the issue.

24. The President said that immediately upon adjourning the meeting he would greet Egyptian President Sadat.

The meeting was adjourned by the President at 9:59 a.m.

Respectfully submitted,

Jack Watson

Jack H. Watson, Jr.

THE PRESIDENT'S SCHEDULE

Monday - April 4, 1977

7:30	Dr. Zbigniew Brzezinski - The Oval Office.
7:45	Mr. Frank Moore - The Oval Office.
8:00 (2 hrs.)	Meeting of the Cabinet. (Mr. Jack Watson). The Oval Office.
10:00	Mr. Jody Powell - The Oval Office.
10:30	Arrival Ceremony for His Excellency, the President of the Arab Republic of Egypt, and Mrs. Anwar al-Sadat. The South Grounds.
11:00 (90 mins.)	Meeting with President Anwar al-Sadat. (Dr. Zbigniew Brzezinski) - The Cabinet Room.
1:00	Lunch with Vice President Walter F. Mondale. The Oval Office.
2:00	Mr. Charles Schultze - The Oval Office.
2:30 (5 mins.)	Presentation of Cancer Courage Award for 1977 to Miss Minnie Riperton. (Ms. Midge Costanza). The Cabinet Room.
3:00 (30 mins.)	Ambassador Andrew Young - The Oval Office.
3:40 (20 mins.)	Meeting with Secretaries Robert Bergland and Joseph Califano, and Mr. Bert Lance. (Mr. Jack Watson and Mr. Stuart Eizenstat). - Cabinet Room.
5:30 (30 mins.)	Meeting with Secretary Robert Bergland and Members of Congress. (Mr. Frank Moore). The Cabinet Room.
7:30	Working Dinner (Business Suit) with President Anwar al-Sadat - The State Floor.

Mirain Kojian
Nat Symphony
QTet

Dvorak - Am
Qtet Opus 96

Copeland - Rodeo

16th Century
Stradivari
Paganini/Corcoran

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NATIONAL SYMPHONY QUARTET

Miran Kojian - 1st violin
Concertmaster
(Meerawn Kojawn)
Virginia Harpham - 2d violin
Richard Parnas - viola
John Martin - cello

Please introduce the selections separately:
1-Dvorak (De vor' jak)
(American Quartet) Opus 96
2-"Rodéo", Aaron Copeland
Hoe-down movement.

The instruments are the famous 16th Century Paganini Quartet Strads made by Stradivari and on loan from the Corcoran Gallery of Art. The 1st violin, 2d violin and cello belonged to Paganini.

Nat Cowboy Hall of Fame

SADAT

TUTANKAMUN

SEARCH for PEACE

1977- MILITARY
ECONOMIC

MEET OTHER LEADERS

PERSONAL FRIENDSHIP

UNDERSTAND COMMON
GROUND

COURAGE - FRANK

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THE WHITE HOUSE

4/4/77

Food Stamps

Reforms drop 1½ mil = hi income

Purchase requirements

≤ 30%

15000 Vendors

$38.1

4 yrs vs 2 yrs

Cash in mail

70% of food purchase

$38.1 more cost

No reform =

Hold

Spending limits

THE WHITE HOUSE

Savings 48 Mil #

425 → 40%

Joint Command Agree

Ha

No consumer cost

GSA

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THE WHITE HOUSE

WASHINGTON

April 4, 1977

MEETING WITH AFFECTED SENATORS ON DOMESTIC SUGAR INDUSTRY

Monday, April 4, 1977
5:30 p.m. (30 minutes)
Roosevelt Room

From: Frank Moore

I. PURPOSE

To discuss the situation with the domestic sugar industry with a group of concerned Senators.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Senator Daniel Inouye (D-Hawaii), on behalf of himself and other Democratic Senators who represent states producing sugar beets or sugar cane, has requested a meeting to discuss the need for relief for the domestic sugar industry. Their concern is that a decision based on the International Trade Commission's sugar investigation and the report of Secretary Bergland's Sugar and Sweetener Task Force would have a disastrous effect on the domestic industry. They want to provide you with their analysis of the situation prior to your decision on May 17.

B. Participants: See Attached List.

C. Press Plan: White House Photo Only.

III. TALKING POINTS

1. When the U.S. Sugar Act expired in 1974, sugar prices were at a record high of 60¢ per pound. Since then, prices have fallen to 11-12¢ per pound. Domestic sugar producers are seeking relief from these low prices, claiming that their production costs are 12-16¢ per pound of raw sugar.

2. In 1976, the Senate Finance Committee requested an investigation on sugar by the International Trade Commission. The ITC recommended a restrictive quota of 4.275 million tons to be allocated by the President

on a county-by-county basis. This finding is currently under study by a group chaired by STR and will be completed in late April. Your decision is required by May 17.

3. The leading producers of sugar cane are Florida, Hawaii, Louisiana, and California. Leading sugar beet states are California, Michigan, Idaho, and Colorado.

PARTICIPANTS

The President

Senators

Daniel K. Inouye
Russell B. Long
Frank Church
Wendell Anderson
Lloyd Bentsen
Quentin Burdick
Gary Hart
Floyd Haskell
J. Bennett Johnston
Spark M. Matsunaga
Donald W. Riegle
John Melcher
Hubert Humphrey
Richard Stone

Secretary Bergland
Secretary Blumenthal
Director Lance
Ambassador Strauss

Frank Moore
Dan Tate
Stu Eizenstat
Lynn Daft

THE WHITE HOUSE
WASHINGTON

April 4, 1977

The Vice President
Midge Costanza Bob Lipshutz
Stu Eizenstat
Hamilton Jordan
Jody Powell
Jack Watson

The attached is forwarded to
you for your information.

Rick Hutcheson

Re: Meeting with affected Sen.
on Domestic Sugar Industry.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

April 2, 1977

Meeting 4/4
5:30 P.M.

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze CLS

SUBJECT: Sugar: Your meeting with Bob Bergland and Members of Congress on Sugar

Background

Sugar prices fell steadily from 1974 -- when they averaged 32¢/lb. for the year as a whole -- to about 10-1/2¢ in late 1976 and early 1977.

The International Trade Commission has recommended an import quota between 4.275 and 4.4 million tons, to raise domestic prices. (There is a quota now, but it is set so high as to be meaningless.) You have a letter from 23 Senators asking for a quota sufficiently tight to boost the domestic price into the range of 13-14¢. The USDA has suggested various options to provide similar protection to growers -- a quota; CCC purchases; deficiency payments to growers.

Since mid-March, when the ITC made its recommendations, spot sugar prices have risen to slightly under 12¢, and futures markets anticipate a further rise to 13-1/2¢. However, this may simply be the expectation that the U.S. will take some action to raise prices.

If quotas are to be established, there is disagreement over whether we should go back to the old country-by-country quotas, which were subject to wide abuse, or to a new global quota system (first-come first-served?). No one in government wants the old system. But growers and processors probably do.

An international conference is to begin on April 18 in Geneva to negotiate a new International Sugar Agreement.

A new process - high fructose corn syrup (HFCS) --

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

has been taking a growing share of the sweetener market. The facts are in dispute, but at sugar prices of 13-14¢, it is quite possible that these inroads would continue, requiring an ever-tighter quota to keep domestic sugar prices up. HFCS already accounts for 0.8 million tons -- vs. domestic sugar production of 7 million tons -- and new plants coming on stream may raise HFCS output to 3.0 million tons by 1980.

Impact of various forms of protection

Quotas drive up market prices. For each 1¢ increase in market price, sugar users pay an extra $220 million. Quotas also provide windfall gains to processors. AMSTAR, which processes about half of imported sugar, would get huge windfalls. Unlike the other options, however, quotas do not add to federal budget costs.

Deficiency payments or CCC purchases can be used to increase grower incomes without imposing a quota. (CCC could purchase all the U.S. output at, say, 13-1/2¢ and sell it back at market prices with the budget absorbing the difference.) No increase in market prices would occur, but the budget would rise. USDA thinks there might be some legal problems if we go the deficiency payments route, but this isn't certain yet.

Discussion

An international sugar agreement (ISA) emphasizing the acquisition of buffer stocks to eliminate extreme price fluctuations would be the best approach. That will take time to negotiate; there are major differences to be settled.

If protection must be given in the interim, the deficiency payment or CCC purchase route makes the best economic sense. Each 1¢/lb. in deficiency payments costs the budget about $135 million. But there is no increase in consumer prices. Each 1¢/lb. in higher market prices, through a quota, costs $220 million in higher consumer prices. (With a quota, consumers pay higher prices for both domestic and imported sugar; deficiency payments are made only on domestic production.)

In their letter to you, the 23 Senators claim that refiners haven't passed along the lower sugar prices to consumers, and can absorb an increase in raw sugar prices without raising prices to consumers. When raw sugar prices rose sharply in 1974 refiners' margins were squeezed. When raw sugar prices fell in 1975 refiners' margins rose to very high levels. They declined in 1976, but for the year as a whole were still well above historic levels. We are trying to find out what the latest margins are.

cc: Jack Watson

THE WHITE HOUSE

WASHINGTON

MEETING TO PRESENT THE AMERICAN CANCER SOCIETY'S 1977 COURAGE AWARD TO MINNIE RIPERTON

Monday, April 4, 1977
2:30 PM (5 minutes)
The Oval Office

FROM: MARGARET COSTANZA /mc

I. PURPOSE

To present the American Cancer Society's 1977 Courage Award to Minnie Riperton, the black entertainer who has tried to help other women by publicizing her own personal experience with breast cancer.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: Minnie Riperton was chosen for this year's Award because of her own personal courage in facing cancer.

It has become a tradition for The President to launch the American Cancer Society's April Crusade by presenting the Cancer Courage Award to an individual whose personal experience has been an inspiration to others.

This Presentation gives The President an opportunity to gain the attention of the American people on the critical nature of the problem of Cancer in our society today.

The President can begin a campaign action to carve a true leadership role in the fight against Cancer.

The Award Plaque will be signed by The President previous to this meeting.

B. Participants: See Tab A

C. Press Plan: Pool Coverage

III. TALKING POINTS

1. General courtesy and congratulations.

2. It is so rare for an Entertainer to announce to the public that she has gone through this ordeal. Eighty million women face cancer of the breast every year. Minnie Riperton's courage in dramatizing her personal experience should bring to the attention of all the desperate need for a cure for all forms of cancer.

3. April is Cancer Control Month when the Society's two million volunteers visit their neighbors with a lifesaving message and raise funds for the future strength of programs in research, education, service and rehabilitation.

4. Presentation of the Plaque.

TAB A

Participants:

The President

Minnie Riperton, Honoree

Richard Rudolf, Husband

Daniel Riperton, Father

Thelma Riperton, Mother

Irving Azoff, Personal Manager

Peter Simone, Press Representative for Miss Riperton

Irving Rimer, Vice President, Public Information,
American Cancer Society

Dr. R. Lee Clark, President, American Cancer Society

Bertha Davis Clark, Member of President's Panel on Cancer

Thomas P. Ulmer, Chairman of the Board,
American Cancer Society

Alice Ulmer

Lane Adams, Executive Vice President,
American Cancer Society

Elaine Adams

Lasalle Leffall, Chairman of Medical Scientific Executive
Committee
American Cancer Society

Ruth Leffall

Eleanor M. Montgomery, Vice President,
American Cancer Society

Ann Landers, National Crusade Chairman

Margaret Costanza, Assistant to The President
Office of Public Liaison

THE PRESIDENT HAS SEEN.

3:40

THE WHITE HOUSE

WASHINGTON

April 4, 1977

MEETING WITH SECRETARY BERGLAND
Monday, April 4, 1977
3:40 PM
The Oval Office

From: Stu Eizenstat

I. PURPOSE

Secretary Bergland has requested this meeting to discuss with you the Agriculture Department's food stamp proposal.

II. BACKGROUND AND PARTICIPANTS

A. Background: The Secretary must testify on Tuesday before the House Agriculture Committee to present the Administration's food stamp proposal. The program expires on September 30 of this year. He specifically would like to obtain your approval of the elimination of the purchase requirement.

The Secretary has provided you with a memo which indicates that the elimination of the purchase requirement would greatly simplify the administration of the program and reduce fraud. He indicates that his proposal would have a full-year cost $5.6-$5.7 billion compared to the $5.6 billion cost of the program as currently constituted. OMB has indicated that these figures are probably accurate within 1-3%.

B. Participants: Secretary Bergland, Secretary Califano, Jack Watson, and Stu Eizenstat.

III. TALKING POINTS

The issues which will be raised concerning eliminating the purchase requirement will include the following:

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-- Programmatic Value. There is general agreement among USDA, HEW, OMB and the policy staff that eliminating the purchase requirement will simplify the administration of the program and improve access by eligible persons. It is viewed as a desirable move if it fits in with other legislative objectives and is not too costly.

-- Cost. The total USDA proposal costs about the same as the current program. They pay for the elimination of the purchase requirement by eliminating benefits to about 1.75 million people above the poverty line and reducing benefits for another 5 million. This money is then concentrated, through the elimination of the purchase requriement and other changes, on the poorest by increasing benefits for 4.5 million and adding 2.5 million to the program.

The major unknown about eliminating the purchase requirement is now many otherwise eligible people it will encourage to actually participate in the program. Currently only about 50% of the eligible households participate. The USDA cost estimate is generally agreed to by the analysts. OMB thinks the budget threat is only about $50-$150 million.

-- Timing With Other Legislative Objectives. The Congress is determined to do something about food stamps in its consideration of the Farm Bill. They will likely decide on a two year or four year extension before our welfare reform proposals are finalized. In that event, Secretary Califano believes that the elimination of the purchase requirement will fit nicely with welfare reform.

I have attached a separate paper outlining a number of food stamp options.

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

April 2, 1977

MEMORANDUM TO: THE PRESIDENT

FROM: BOB BERGLAND

I have requested a meeting on Monday to discuss the Department's food stamp proposal. I feel strongly that our proposal, with the provision to eliminate the purchase requirement, should be adopted.

Our cost figures -- which show that our total package would have little added cost -- have been checked carefully with both the Congressional Budget Office and OMB. Both agencies agree with these figures and OMB has stated that the possible margin of error is no more than $75-$150 million.

We know of no basis for estimates running as high as $1 billion for the purchase requirement elimination. The Congressional Budget Office and OMB also believe that such a figure is well beyond the range of possibility.

Moreover, I am concerned by your reference to added costs "if we fail to implement the cost control proposals (a strong likelihood)." Our cost control proposals stem entirely from lower income limts and lower benefits. They would automatically be implemented if enacted. No administrative discretion would be involved; these proposals involve hard and fast rules.

In addition, I strongly believe Congress would pass these income eligibility and benefit reductions -- if they were coupled with measures to help more of our poorest citizens and streamline the program through elimination of the purchase requirement. I can assure you from my experience on the House Agriculture Committee that there are no more than a small fraction of votes in either the Senate or the House for adding $400 or $500 million to the cost of this program. Any proposal to add substantial cost on top of our proposal would be soundly defeated by a wide margin.

Option 5: Reduced Participation Option.

This plan concentrates on cost reduction. It incorporates program tightening, a 30% uniform purchase requirement, an $80 standard deduction and the 20% of earned income deduction. The plan would eliminate 1.75 million people from the program, reduce benefits for 5-5.5 million, increase them for 4-4.5 million, and would have no new people added to the program. This plan would cost $5.2 billion per year.

From a policy standpoint, we believe option 2,3 and 4, in that order, are preferable to either the present program or option 5.

FOOD STAMP OPTIONS

Option 1: Current Law

The current program serves about 17.4 million people at a cost of $5.6 billion per year. It uses numerous itemized deductions, varying purchase rates, sells coupons through vendors and does not concentrate benefits on the poorest.

Option 2: The Bergland Proposal - Eliminate Purchase Requirement.

The Agriculture Department's preferred option would tighten-up eligibility, eliminate the purchase requirement, replace the itemized deductions with an $80 per month standard deduction and a 20% of earned income deduction, and concentrate benefits on the poorest. This plan eliminates from the program 1.75 million people with higher incomes (slightly above the poverty line) and reduces benefits for 5 million more. It would increase benefits for about 4 million and add about 2.5 million with poverty incomes to the program. The plan costs $5.6-$5.7 billion per year.

Option 3: Reduce Purchase Requirement.

An alternative plan by USDA is similar to option 2 but would only reduce the purchase requirement to 15% of net income and would have a standard deduction of $95 per month. This plan would eliminate about 1.5 million people from the program, increase and decrease benefits for about the same number of people and add to the program about 500,000 to 1 million people with low incomes. This plan would cost $5.6 billion per year.

Option 4: Retain Purchase Requirement.

If the purchase requirement is to be retained USDA would suggest that a uniform rate of 27.5% of net income be established and that a $85 per month standard deduction be included. The program tightening and the 20% of earned income deduction would be retained. This plan would eliminate 1.75 million recipients, slightly more people would have increased benefits than have them reduced, and very few new persons would be added. The plan would cost $5.5-$5.6 billion.

(I can also assure you that the Agriculture Department will do everything in its power and that I will use my influence on Capitol Hill to ensure that additional cost provisions are not added.)

We need to eliminate the purchase requirement in order to get at a variety of administrative problems and to curb abuses. Without this proposal, our ability to resolve these problems is greatly limited.

We currently have 17.5 million people paying over $3 billion a year in cash to thousands of check-cashing firms, banks, fire stations, town clerks, and similar agents all across the country. The problems involved in controlling the use and flow of this cash are serious. No other federal program involves the collection of so much cash from so many persons through so many private agents. Eliminating the purchase requirement would completely resolve this issue by ending all cash transactions whatsoever.

In addition, over $3 billion less in stamps would be printed, shipped, stored, issued, redeemed and reconciled each year, cutting administrative costs and possibilities for abuse at each stage along this process. The black-marking of stamps would also be sharply curtailed due to the reduction of stamps in circulation.

In short, Mr. President, we feel that many of the problems and abuses of the food stamp program are built right into its unique cash requirement structure.

Alternate Proposal

If, however, you determine that the purchase requirement should not be eliminated, the Department does have an alternative proposal which can be implemented without extra cost. The alternative represents a distant second choice.

The alternative is to maintain but reduce the purchase requirement. The purchase requirement would be set at 15% of a household's income. To control costs, the household's regular allotment of food stamps would be reduced by an amount equal to 15% of the household's income. This would maintain the basic "tightening" principle of reducing benefits by 30 cents for each additional $1 in income. It would also reduce the amount of cash paid for stamps, and the number of stamps in circulation, by $1.5 billion per year.

The basic standard deduction under this proposal would be set at $95, with an additional deduction for working families in the amount of 20% of earned income. The proposal would result in no significant change in overall program costs, although there might be a very small decrease.

About 1.5 million persons with the highest incomes would be eliminated from the program, and about 3/4 million new persons with lower incomes would enter the program because of the reduction in the price of their stamps.

The Department's problem with the proposal is that it deals with food stamp administrative problems to only a very marginal degree. The entire structure of cash transactions, private sales agents, and such would remain as much in place as ever.

Other Options

The Department stands opposed to proposals that would fail to make any reduction in the purchase requirement, but would nevertheless replace the current itemized food stamp deductions with standard deductions. The itemized deductions reflect costs poor families actually incur for heating bills, medical bills, etc. They were designed so that poor families with high expenses would not have to choose between paying a utility bill or getting medical care and buying food stamps. Now we (and virtually all key members on Capital Hill) are proposing to replace the itemized deductions with standard deductions in order to simplify the program and cut errors. A standard deduction will disadvantage those families who currently do have high medical, shelter, or other expenses, and consequently high itemized deductions. Under our proposal to eliminate the purchase requirement, these people would simply get fewer food stamps. However, under a proposal that neither eliminates nor reduces the purchase requirement, these people would get the same amount of stamps as at present, but would have to pay out more cash for them. Thus, hundreds of thousands of indigent Americans -- especially in the Northeast where shelter costs are high -- could face serious hardships in trying to come up with enough additional money to buy food stamps for themselves and their children, while still paying their other bills.

For these reasons, Mr. President, I hope you will yet decide to accept our proposal to eliminate the purchase requirement. I thank you for your invitation to meet with you on this issue, and look forward to our discussion.

THE WHITE HOUSE
WASHINGTON

April 4, 1977

Frank Moore -

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

Rick Hutcheson

Re: Weekly Legislative Report

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
X		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
X	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
		HUTCHESON
		JAGODA
		KING

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

THE PRESIDENT HAS SEEN.

C

THE WHITE HOUSE

WASHINGTON

ADMINISTRATIVELY CONFIDENTIAL

April 2, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Weekly Legislative Report

MAJOR LEGISLATION

1. GENERAL REORGANIZATION

-- The Senate voted last week to approve the House version of the reorganization authority bill, and thereby did away with the need for a conference committee. OMB expects the bill-signing on Wednesday and plans a press conference by Bert Lance shortly thereafter to announce the first study project on the Executive Office of the President.

-- OMB has scheduled, on Monday evening, a briefing with House and Senate Government Operations staff on the Executive Office study. This is the first part of a continuing consultation with Congress on reorganization.

2. ECONOMIC STIMULUS PACKAGE

Public Works Jobs - The public works employment bill still has not gone to conference because of the quarrel between the House Public Works and Transportation Committee and the Senate Environment and Public Works Committee over the Water Pollution Control Act. The House has scheduled floor action next Tuesday for its version of amendments to the Act under special rules which will allow it to negotiate the matter in the conference committee. If the House succeeds in this effort, Sen. Muskie's water pollution provisions could be stripped from the bill and considered separately, thus allowing the public works jobs part of the stimulus package to move. If the House fails in this effort, the conferees could possibly resolve enough of their differences on the Muskie provisions to allow the bill to proceed.

Public Service Jobs - The House has passed a simple one-year extension of authorizatio for the Comprehensive Employment and Training Act (CETA). After the Easter recess the Senate Human Resources Committee will take up the bill and is expected to adopt Administration-supported amendments.

Countercyclical - While the House continues to "study" the Administration's recommendations, Treasury staff will pursue Sen. Long's commitment to move the countercyclical authorization as an amendment to the tax rebate bill or another appropriate vehicle.

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MAJOR LEGISLATION (Cont'd)

Tax Rebate - The $50 rebate provision, which will be debated and possibly voted upon on April 18, is faced with two major challenges: (1) a Republcian initiative to substitute a permanent tax reduction, and (2) Sen. Bumpers' amendment to drop the rebate altogether. The effort by Sen. Bumpers, since it lacks obvious partisan motives, presents the greater threat even though both votes will be very close. The Treasury Department's vote count on the Bumpers amendment is attached at the end of this report.

-- The rebate is in trouble for a variety of reasons: the somewhat optimistic economic indicators, dissatisfaction with the shoe import decision, continued bitterness over the water projects decision (and the fact that a final announcement is scheduled for April 15), and a general absence of enthusiasm for the rebate as an effective stimulant (the prevailing sentiment).

-- Presidential calls to a substantial number of Senators are absolutely necessary to turn some Democratic Senators around and to win the support of a handful of Republicans.

Economic Stimulus Appropriaitons - Present plans still call for no Senate action on this bill until after the recess, pending action on the tax bill.

3. ENERGY REORGANIZATION

-- The House Government Operations Subcommittee will continue hearings on the energy department bill on April 5 and 6. Committee staff indicate that final mark-up of the bill might occur the week of April 25, with floor action following in early May. The Senate Governmental Affairs Committee has completed its fourth week of hearings on the bill and mark-up will probably begin the week of April 18.

-- Dr. Schlesinger is planning to touch base with several key Members and groups of Members to discuss aspects of the April 20 plan. A plan is now ready for a presidential briefing on energy policy before April 20.

4. INTERNATIONAL FINANCIAL INSTITUTIONS

-- House floor action on the FY 1978 International Financial Institutions Authorization is scheduled for next Wednesday. The House Banking Committee last week approved the Administration's request of $5.075 BILLION for IFI funding and authorized an additional $150 million for the African Development Fund. In addition, the Banking Committee added Chairman Reuss's compromise language on human rights and deleted Rep. Harkin's more rigid human rights language affecting two banks. Rep. Herman Badillo (D-NY), a member of the Committee, probably will join with Rep. Harkin (not a member of the Committee) in an attempt to place Harkin's human rights language on all the banks in the authorization.

MAJOR LEGISLATION (Cont'd)

-- Treasury congressional liaison staff will meet with Chairman Reuss, Reps. Badillo and Harkin next Tuesday to try to work out the confrontation before scheduled floor action. State, Treasury, and AID fear that Harkin supporters joined by conservatives who usually vote against foreign aid may form a coalition and succeed in defeating the bill. A vote count should be available early next week.

-- Sen. Humphrey's Subcommittee on Foreign Assistance is now marking up a comparable IFI authorization which will also include a Harkin repeal. In addition, the subcommittee recommended a repeal of the present provision in the International Development Association (IDA) authorizing legislation which requires the U.S. to vote against loans to India (the Long amendment). The full Senate Foreign Relations Committee will consider the bill April 19, after House floor action.

OTHER ACTIVITIES

1. FY 1978 BUDGET

-- OMB is outlining a strategy to hold the line on congressional spending add-ons. Bert Lance is scheduled to attend the leadership meeting on Tuesday and will meet separately with Senator Muskie, Chairman of the Senate Budget Committee. OMB plans to use the Easter recess to establish a working relationship with the key Members and key staff of the appropriation subcommittees to permit close coordination when mark-ups begin late in April.

-- The House Budget Committee recommended increasing budget outlays by $3.0 BILLION and increasing the budget deficit by about $6.5 BILLION over that recommended by the Administration in February. Sen. Muskie plans to begin full committee mark-up of the First Budget Resolution on Tuesday afternoon. The Defense Department anticipates some reduction in the defense function, but not of the magnitude of that recommended by the House Budget Committee. House and Senate floor votes on their own versions of the resolution could come in late April. The deadline for final enactment is May 15.

2. ARAB BOYCOTT

-- The Senate Banking Committee is to meet next Tuesday to continue mark-up on the Arab boycott legislation. Commerce and State will be working for adoption of an amendment by Sen. Schmitt (R-NM) which would allow Americans residing in Arab nations to import white-listed products for their own use. The bill now excludes Americans in Arab nations from importing from either white-listed or black-listed exporters.

-- By a 10 to 5 vote, the Senate Committee last week rejected an amendment which would outlaw American exporters from responding to purchase orders from Arab nations if the American exporter has "specific knowledge" that the "primary purpose" of the order is to implement the boycott. However, another vote on this issue is expected and it could be very close.

OTHER ACTIVITIES (Cont'd)

-- In the House International Relations Committee, State and Commerce Departments have accepted the compromise worked out between the Hamilton groups and the Rosenthal group. Theoretically, acceptance of the compromise does not prejudice the Administration's right to seek better provisions in the Senate or later in the conference committee.

-- Meanwhile, the previous tenuous agreement between the Business Roundtable and the Anti-Defamation League has now publicly come apart. State and Commerce congressional liaison staff believe that any amendments offered on the floor of either the House or Senate will move the bill closer to the Anti-Defamation League position.

3. MINE SAFETY (MESA) TRANSFER

-- Both the House and Senate labor subcommittees responsible for this legislation were delighted with the position taken by the Administration on this issue. The decision to support the bill has been helpful in overcoming a feeling on the part of these Members that the Administration does not support any aspects of their labor legislative agenda. This legislation has been an important objective of Reps. Dent, Gaydos (Chairman, Compensation, Health & Safety Subcommittee), Chairman Perkins, and to Senators Williams, Javits and Randolph. The Labor Department expects a bill reasonably close to the Administration proposal.

FLOOR ACTIVITIES FOR WEEK OF APRIL 4

Monday -- 10 Bills Considered Under Suspension of Rules (two-thirds vote and no amendments) as follows:

1) H.R. 5306, Land and Water Conservation Fund. To be managed by Rep. Phil Burton, Chairman, National Parks and Insular Affairs Subcommittee (Interior).

Bill Summary: The bill authorizes an additional $450 million ($300 million in FY 1978 and $150 million in FY 1979) for the Land and Water Conservation Fund, to be credited to a special account that will be used solely to acquire the backlog of lands previously authorized for inclusion in the national park system and other federal areas. The Interior Committee argues that the delay in purchasing these lands leads to higher costs because of the rapidly rising prices of rural land. The Interior Department opposes the bill because of the budgetary impact of the $450 million increase. Environmental groups support the bill.

2) H.R. 5027, Veterans Administration Medical Services. To be managed by Chairman Roberts, Veterans' Affairs Committee.

Bill Summary: The bill restores to the Veterans Administration the authorization to provide medical services on a fee basis to certain eligible veterans outside VA facilities, when VA facilities are deemed inaccessible or incapable of performing the services required. The Veterans Administration supports the bill.

3) H.R. 3695, State Veteran Facilities. To be managed by Chairman Roberts.

Bill Summary: The bill combines two separate VA state grant programs into one program, increases the authorization for the programs by $5 million and extends the authorization for construction to include veterans' homes as well as nursing homes. The Veterans' Administration requested this legislation.

4) H.R. 5029, Philippine Veterans' Hospital. To be managed by Chairman Roberts.

Bill Summary: The bill allows for a one-year extension of current law which provides medical care and treatment, and nursing home care for certain Philippine veterans. It also authorizes the Administrator of Veterans' Affairs to maintain an office in the Philippines. The State Department and the Veterans Administration recommended that the current law be extended an additional five years. In its report, the Committee notes its responsibility to disabled Philippine veterans, but feels that an on-site inspection of the VA office, hospital, and clinic is necessary before a long-term commitment is made.

5) H.R. 5025, Veterans' Administration Medical Facilities. To be managed by Chairman Roberts.

Bill Summary: The bill provides that no funds shall be appropriated to construct, alter, or otherwise acquire any medical facility which involves an expenditure of more that $1 million, unless it is first approved by the

Veterans' Affairs Committees in both the House and Senate. The bill also establishes other procedures to strengthen congressional oversight of veterans' medical facilities. The Veterans Administration opposes the bill on grounds that the proposed procedures would hinder the construction of facilities and would be unconstitutional because it would entrust executive functions to the legislative branch in violation of the separation of powers doctrine. Various veterans' groups support the bill.

6) H.R. 1680, Waiver of Certain Tax Penalties. To be managed by Chairman Ullman (Ways and Means).

Bill Summary: The bill bars the imposition of additions to tax, interest, and penalties because of underpayments of estimated tax to the extent the underpayments are attributable to changes made by the Tax Reform Act of 1976. The Treasury Department supports the bill.

7) H.R. 1828, Effective Date of Changes in Sick Pay Exclusion. To be managed by Chairman Ullman.

Bill Summary: The bill generally changes the effective date of the sick pay exclusion in the Tax Reform Act of 1976 from January 1, 1976, to January 1, 1977, for those taxpayers who wish to change their "irrevocable" decisions or to undo their recovery of contributions for 1976 and claim the old sick pay exclusion. The Treasury Department supports the bill.

8) S. 1025, Increase in FY 1977 SEC Authorization. To be managed by Rep. Eckhardt, Chairman, Consumer Protection & Finance Subcommittee (Interstate & Foreign Commerce).

Bill Summary: The bill increases the FY 1977 authorization for the Securities and Exchange Commission by $1.5 million (from $55 million to $56.5 million). The SEC requested the increase.

9) H.R. 5117, Drought Relief. To be managed by Rep. Meeds, Chairman, Water and Power Resources Subcommittee (Interior).

Bill Summary: The bill, to authorize $100 million for five-year, interest-free loans, and to make other changes in Interior's loan program, was requested by the Administration.

10) H.R. 5502, Supplemental Military Construction Authorization for FY 1977. To be managed by Rep. Nedzi, Chairman of the Military Installations and Facilities Subcommittee (Armed Services).

Bill Summary: The bill authorizes $122 million for FY 1977 for military construction including $57 million for energy conservation and pollution abatement projects. The Defense Department supports the bill.

— H.R. 5294, Debt Collection Practices Act. The bill is open to amendment. It will be managed by Rep. Annunzio, Chairman, Consumer Affairs Subcommittee (Banking, Finance, & Urban Affairs).

Bill Summary: The bill amends the Consumer Credit Protection Act to regulate debt collectors' activities in an attempt to protect consumers against unscrupulous and unfair collection practices. The bill provides that the Federal Trade Commission will enforce the new law. A similar bill passed the House last year, but the Senate did not complete action on it. Supporters of the bill argue that it is a carefully drawn compromise which institutes badly needed consumer protection reforms but does not unduly hamper debt collectors' activities. Those supporting the bill include: the American Collectors Association, the Associated Credit Bureaus, Inc., the Conusmers Federation of America, and various labor organizations. Opponents of the bill argue that it is an example of unwarranted federal intervention in the regulation of business and that it infringes on the rights of states to regulate debt collection agencies. The Committee notes that no significant cost to the government would result from this bill.

Tuesday -- 2 Bills Considered Under Suspension of Rules as follows:

1) H.R. 7, Career Education. The measure will be managed by Chairman Perkins (Education & Labor).

Bill Summary: This bill authorizes that grants be made to states over a period of five years to be used to help local and state educational agencies provide career education programs in elementary and secondary schools. The authorization level for the program reaches a peak in the second fiscal year and then tapers off in the fifth and last year (the authorizations are: $25 million for the first year, $100 million for the second, $75 million for the third, $50 million for the fourth, and $25 million for the fifth). After the fifth year, states and local districts are expected to take over the full costs of their career education programs. According to OMB, there is no administration position on this bill.

2) H.R. 130, Petroleum Marketing Practices Act. To be managed by Rep. Dingell, Chairman, Energy & Power Subcommittee (Interstate & Foreign Commerce).

Bill Summary: The first title of this bill would provide franchise protection to branded marketers of motor fuels. The second title contains an octane disclosure program. A similar bill was defeated under suspension of the rules during the 94th Congress. According to OMB, there is no administration position on this bill.

-- H.R. 3199, Water Pollution Control Act Amendments. The bill will be open to amendment. Rep. Roberts, Chairman, Water Resources Subcommittee (Public Works & Transportation) will manage the bill.

Bill Summary: This bill was granted a special rule for consideration in order to provide the House with its version of the Water Pollution Control Amendments to negotiate the issue in conference committee with the Senate (the Senate attached its version to the public works jobs bill -- part of the economic stimulus package). Of the $18 BILLION authorized by the bill, $17 BILLION is for 75% federal matching grants for construction of municipal waste treatment works spread through FY 1977, FY 1978, and FY 1979. The bill

also makes significant alterations in the administration of the Federal Water Pollution Control Act. The Environmental Protection Agency would prefer to have a straight reauthorization of funding for construction grants, leaving major changes to the Act for later consideration. The bill is opposed by virtually all major environmental groups because of changes in the wetlands section of the Act, and because of a provision which allows states to certify their own compliance with the Act. The bill is supported by the League of Cities, Conference of Mayors, National Governors' Conference, National Association of Counties, and the Water Pollution Control Federation. Numerous floor amendments are expected.

Wednesday -- H.R. 5262, International Financial Institutions Authorization

Senate

On Monday, the Senate will debate and dispose of S. 1070, the FY 1977 HUD supplemental authorization bill. HUD reports that no serious problems are anticipated.

On Tuesday, the Senate does not meet until 4:30 P.M. with no set legislative agenda.

At the close of business on Wednesday, the Senate leaves for the Easter recess.

Various items on the Senate calendar may be taken up, but the situation is unclear.

BUMPERS AMENDMENT

VOTE COUNT

+	?+	?	?-	-
Abourezk	Case	Biden	Bellmon	Allen
Anderson	Glenn	Ford	Bentsen	Baker
Bayh	Hatfield	McGovern	Eastland	Bartlett
Brooke	Mathias	Proxmire	Hart	Bumpers
Burdick	Metcalf	Schweiker	Haskell	Byrd, H.F.
Byrd, R.C.	Nunn	Stafford	Hayakawa	Cannon
Chiles	Pearson		McClellan	Chafee
Church			Stennis	Curtis
Clark			Weicker	Danforth
Cranston				DeConcini
Culver				Dole
Durkin				Domenici
Eagleton				Garn
Garvel				Goldwater
Hathaway				Griffin
Huddleston				Hansen
Humphrey				Hatch
Inouye				Heinz
Jackson				Helms
Kennedy				Hollings
Long				Javits
McIntyre				Johnston
Magnuson				Laxalt
Matsunaga				Leahy
Melcher				Lugar
Metzenbaum				McClure
Moynihan				Morgan
Muskie				Packwood
Nelsen				Percy
Pell				Roth
Randolph				Schmitt
Ribicoff				Scott
Riegle				Stevens
Sarbanes				Stevenson
Sasser				Stone
Sparkman				Thurmond
Talmadge				Tower
Williams				Wallop
				Young
				Zorinsky
38	7	6	9	40

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

INFORMATION 4 April 1977

TO: CHARLES SCHULTZE
PETER GOULD

FROM: RICK HUTCHESON

SUBJECT: Your Memo to the President on the Sugar Meeting

I would request that in the future, when you wish to give the President a memorandum for a meeting where you are not the "sponsor," that you coordinate your briefing memo with the person who is charged with preparing the brief by the Appointments Office. (Tim Kraft sends a "set-up" memo to that person requesting a briefing sheet for the meeting; if you are uncertain as to who has responsibility for this, Kraft's office will know.)

In the case of today's sugar meeting, the President received three different briefing memoranda, at three different times, from three different persons -- Frank Moore (who had responsibility for preparing the brief), Eizenstat, and yourself. There was a great deal of overlap between your memo and Stu's, and they were received too late for me to merge them myself.

As Stu's office normally does the substantive background papers for the President, it would be a good idea to check with his office to see if you can coordinate with him on those occasions when you plan to write a briefing memo of your own -- perhaps a joint memo can be written.

I mention this not to interfere with your right to advise the President, but merely to suggest a way in which we can avoid some redundancy in the briefing material he has to read. Thanks.

cc: Stu

w/th copies of
Schultze + Eizenstat
papers w/th Presidential
notes

THE PRESIDENT HAS SEEN.

5:30

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

C

April 2, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze CLS

SUBJECT: Sugar: Your meeting with Bob Bergland and Members of Congress on Sugar

Background

Sugar prices fell steadily from 1974 -- when they averaged 32¢/lb. for the year as a whole -- to about 10-1/2¢ in late 1976 and early 1977.

The International Trade Commission has recommended an import quota between 4.275 and 4.4 million tons, to raise domestic prices. (There is a quota now, but it is set so high as to be meaningless.) You have a letter from 23 Senators asking for a quota sufficiently tight to boost the domestic price into the range of 13-14¢. The USDA has suggested various options to provide similar protection to growers -- a quota; CCC purchases; deficiency payments to growers.

Since mid-March, when the ITC made its recommendations, spot sugar prices have risen to slightly under 12¢, and futures markets anticipate a further rise to 13-1/2¢. However, this may simply be the expectation that the U.S. will take some action to raise prices.

If quotas are to be established, there is disagreement over whether we should go back to the old country-by-country quotas, which were subject to wide abuse, or to a new global quota system (first-come first-served?). No one in government wants the old system. But growers and processors probably do.

An international conference is to begin on April 18 in Geneva to negotiate a new International Sugar Agreement.

A new process - high fructose corn syrup (HFCS) --

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

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has been taking a growing share of the sweetener market. The facts are in dispute, but at sugar prices of 13-14¢, it is quite possible that these inroads would continue, requiring an ever-tighter quota to keep domestic sugar prices up. HFCS already accounts for 0.8 million tons -- vs. domestic sugar production of 7 million tons -- and new plants coming on stream may raise HFCS output to 3.0 million tons by 1980.

Impact of various forms of protection

Quotas drive up market prices. For each 1¢ increase in market price, sugar users pay an extra $220 million. Quotas also provide windfall gains to processors. AMSTAR, which processes about half of imported sugar, would get huge windfalls. Unlike the other options, however, quotas do not add to federal budget costs.

Deficiency payments or CCC purchases can be used to increase grower incomes without imposing a quota. (CCC could purchase all the U.S. output at, say, 13-1/2¢ and sell it back at market prices with the budget absorbing the difference.) No increase in market prices would occur, but the budget would rise. USDA thinks there might be some legal problems if we go the deficiency payments route, but this isn't certain yet.

Discussion

An international sugar agreement (ISA) emphasizing the acquisition of buffer stocks to eliminate extreme price fluctuations would be the best approach. That will take time to negotiate; there are major differences to be settled.

If protection must be given in the interim, the deficiency payment or CCC purchase route makes the best economic sense. Each 1¢/lb. in deficiency payments costs the budget about $135 million. But there is no increase in consumer prices. Each 1¢/lb. in higher market prices, through a quota, costs $220 million in higher consumer prices. (With a quota, consumers pay higher prices for both domestic and imported sugar; deficiency payments are made only on domestic production.)

1¢ payments = $135 mil

1¢ quota = $220 mil

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In their letter to you, the 23 Senators claim that refiners haven't passed along the lower sugar prices to consumers, and can absorb an increase in raw sugar prices without raising prices to consumers. When raw sugar prices rose sharply in 1974 refiners' margins were squeezed. When raw sugar prices fell in 1975 refiners' margins rose to very high levels. They declined in 1976, but for the year as a whole were still well above historic levels. We are trying to find out what the latest margins are.

cc: Jack Watson

THE WHITE HOUSE
WASHINGTON

April 4, 1977

Hamilton Jordan

You should read this as background on the sugar decision -- of major political importance vis-a-vis Louisiana and Senator Long.

Rick Hutcheson

Re: Meeting with Congressional Delegation to Discuss Sugar Policy

THE WHITE HOUSE
WASHINGTON

Note to Hamilton - You should read This as background on the surgen decision — major pol importance vis-a-vis Louisiana + Sen Long

ACTION	FYI	
		MONDALE
		COSTANZA
X		EIZENSTAT
X		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
X	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
		HUTCHESON
		JAGODA
		KING

		KRAFT
		LANCE
		LINDER
		MITCHELL
		POSTON
		PRESS
		B. RAINWATER
		SCHLESINGER
		SCHNEIDERS
	X	SCHULTZE
		SIEGEL
		SMITH
		STRAUSS
		WELLS
		VOORDE

5:30 p.m

THE WHITE HOUSE

WASHINGTON

April 4, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT
LYNN DAFT

SUBJECT: Meeting with Congressional Delegation to Discuss Sugar Policy

The attached provides background information on sugar policy that might be of value for your 5:30 p.m. meeting today.

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BRIEFING PAPER

GENERAL BACKGROUND

After 40 years of market regulation to support domestic sugar prices, the U.S. Sugar Act expired in December 1974. This occurred as U.S. and world sugar prices were at record high levels (Tab A). Since then, sugar prices have fallen sharply to current domestic levels of 11-12¢ per pound. Domestic sugar producers are now seeking relief from these low prices. As a temporary measure, pending outcome of the ITC inquiry, President Ford raised the duty on imported raw sugar from 0.625¢ to 1.875¢ per pound in September 1976. Though an import quota of 7 million tons is now in effect, it is non-restrictive.

IMPORTS

Current year imports will be about 4.5 million tons, the equivalent of 42 percent of total use. Imports have accounted for 40 to 50 percent of use for several years. Leading suppliers are: Dominican Republic, Philippines, Guatemala, Australia, Peru and the West Indies. Sugar is eligible for duty-free treatment under the Generalized System of Preferences (GSP), with 15 to 20% of U.S. sugar imports coming under GSP. The Farm Bureau has petitioned to have it removed.

PRODUCTION

In 1974 there were about 12,000 sugar beet farms and 1,400 cane farm producers in the U.S. Leading producers of sugar cane are Florida, Louisiana, and California - each providng 1/3 of total. Leading sugar beet states are California (30%), Michigan (10%), Idaho (10%) and Colorado (8%).

Fixed investments in sugar production and processing are high; a 4-year cane crop cycle precludes rapid adjustment. Sugar beet production is more adaptable; alternative cropping opportunities are often available. Cost of production is 10¢ to 15¢ per pound with Red River Valley and Pacific N.W. lowest cost and Louisiana highest.

CORN SWEETNERS

The situation is further complicated by the recent development of high-fructose corn syrup (HFCS) which is cheaper than sugar to produce and easily substitutes for liquid sucrose. By under-selling sugar, HFCS has captured 20 to 25 percent of the domestic sweetner market. Recent low sugar prices have slowed but not stopped this expansion. Any policy action that raises the price of sugar will only accelerate the substitution of HFCS for sugar.

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INTERNATIONAL TRADE COMMISSION INVESTIGATION

On September 17, 1976, the Senate Finance Committee requested a Section 201 escape clause investigation of sugar by the International Trade Commission (ITC). The ITC recently found that sugar imports were "a substantial cause of serious injury" (1 vote) "or threat thereof" (4 votes) and recommended a restrictive quota of 4.275 million tons to be allocated by the President on a country-by-country basis. This finding is under review by a group chaired by STR and is to be completed in late April. A Presidential decision is required by May 17.

INTERNATIONAL SUGAR AGREEMENT

Negotiations for a new International Sugar Agreement (ISA) -- which has existed in one form or another since 1937 -- are to begin April 18 in Geneva. The U.S. has stated it will participate and a position paper has been drafted by State. It is expected to be mid-1978 before ratification of an ISA can be completed and the beginning of the 1979/80 crop year before domestic price effects would occur.

MAJOR POLICY ISSUES

- How dependent should the U.S. be on sugar imports from abroad?
- To what extent are higher cost domestic sugar producers to be protected from lower cost foreign producers?
- If U.S. producers are to be protected, at what level are prices/incomes to be supported? And through what devices?
- How can world sugar prices be stabilized?

POLICY OPTIONS

(1) International Sugar Agreement (ISA).

(2) Direct payments to producers.

(3) Import quotas (global or country-by-country)

(4) Tariffs

(5) Combination of the above.

An option that combines an effective ISA and direct payments to producers (held at a modest level) appears to have greatest acceptance within the EPG Subcommittee. This would protect the income of the more efficient producers without resulting in large consumer expenditures (Tab B).

INTEREST GROUP POSITIONS

Sugar beet and sugar cane producers' associations, the Farmers Union, the Hawaiian Congressional delegation, the Governor of Hawaii, and Senator Long favor restrictive import quotas. Industrial sugar users, the Cane Sugar Refiners Association, and consumer groups favor less restrictive approaches, generally participation in an ISA combined with direct payments. Note letter from Senator Talmadge to Charlie Schultze at Tab C.

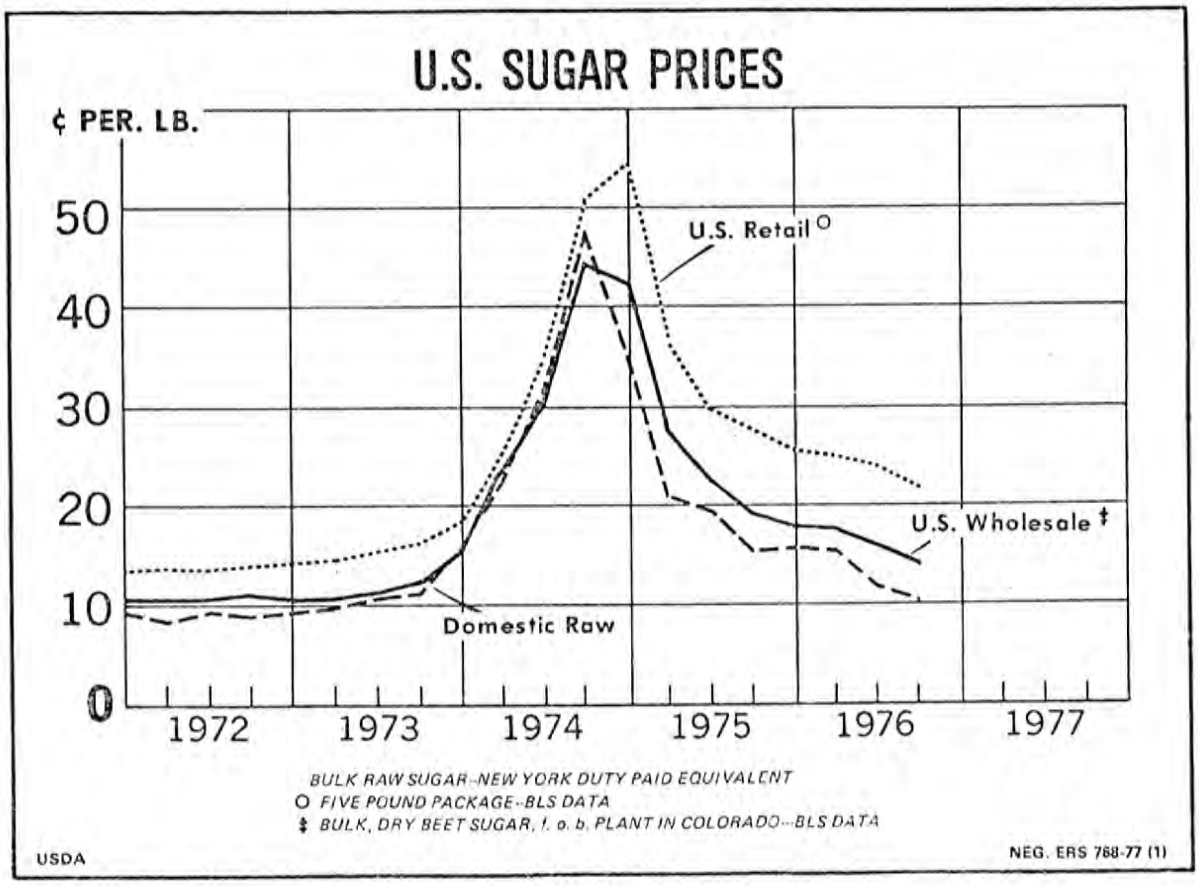

U.S. SUGAR PRICES
¢ PER. LB.
50
40
30
20
10
0
U.S. Retail O
U.S. Wholesale ‡
Domestic Raw
1972
1973
1974
1975
1976
1977
BULK RAW SUGAR--NEW YORK DUTY PAID EQUIVALENT
O FIVE POUND PACKAGE--BLS DATA
‡ BULK, DRY BEET SUGAR, f. o. b. PLANT IN COLORADO--BLS DATA
USDA
NEG. ERS 788-77 (1)

Figure S-5

TAB B

EFFECT OF ALTERNATIVE SUGAR POLICY OPTIONS ON MAJOR SECTORS

OPTIONS	PRODUCER Income	CONSUMER Expenditures	TREASURY Receipts
No program, no ISA	-663	(base)	+1,084
Direct payments & ISA (no import restrictions)	+360	- 108	+ 17
Import quotas & ISA	+360	+1,620	+ 889
Tariff (40%) & ISA	- 75	+ 864	+1,412
Direct payment & quota & ISA	+360	+1,188	+ 641

SOURCE: USDA

RUSSELL LONG, LA., CHAIRMAN
HERMAN E. TALMADGE, GA.
ABRAHAM RIBICOFF, CONN.
HARRY F. BYRD, JR., VA.
GAYLORD NELSON, WIS.
MIKE GRAVEL, ALASKA
LLOYD BENTSEN, TEX.
WILLIAM D. HATHAWAY, MAINE
FLOYD K. HASKELL, COLO.
SPARK M. MATSUNAGA, HAWAII
DANIEL PATRICK MOYNIHAN, N.Y.
CARL T. CURTIS, NEBR.
PAUL J. FANNIN, ARIZ.
J. GLENN BEALL, JR., MD.
H. R. BOB PACKWOOD, OREG.
WILLIAM V. ROTH, JR., DEL.
PAUL LAXALT, NEV.
JOHN C. DANFORTH, MO.
MICHAEL STERN, STAFF DIRECTOR
GORDON S. GILMAN, CHIEF MINORITY COUNSEL

. . . for your information

Gregg R. Potvin
President

TAB C

United
COMM
WASHI
Mar

UNITED STATES
ASSOCIATION
1001 CONNECTICUT AVE. • WASHINGTON, D.C. 20036 • 202-3

Honorable Charles L. Schultze
Chairman
Council of Economic Advisors, and
Chairman, Economic Policy Group
The White House
Washington, D.C. 20500

Dear Mr. Chairman:

It is my understanding that the Economic Policy Group will be considering recommendations which have been made to it regarding sugar at its meeting next Monday. I am informed that the U.S. International Trade Commission has recommended a raw sugar import quota of at least 4.275 million short tons on a country-by-country basis. It is my understanding that this recommendation will be one of the alternatives which will be considered at this meeting.

As you may be aware, my state has a number of large industrial users of sugar and also has a major sugar refinery. I am informed that these parties are of the opinion that the United States will need raw sugar from foreign suppliers in the amount of approximately five million tons for the calendar year 1977.

As you can see, a recommendation for a restrictive quota in the amount of 4.275 million tons will apparently fall short of such requirements and probably result in higher prices to the sugar consumer. My request is that you consider this problem and bear these facts in mind during any deliberations on this matter.

Also, I understand that a United Nations Conference to negotiate a new International Sugar Agreement is scheduled to begin April 18, 1977. My constituents believe the United States should take an active and positive role in these negotiations, and that imposition of a restrictive quota on imports would seriously damage United States ability to do so.

Obviously, there are other issues involving the sugar import problem which concern me and interested Georgians, such as the country-by-country quota or quarterly quota system. But, at this point, the problems of the quota level appear to be of paramount importance.

With kindest personal regards and best wishes, I am

Sincerely,

Herman E. Talmadge

THE WHITE HOUSE
WASHINGTON

April 4, 1977

The Vice President
Midge Costanza
Stu Eizenstat
Hamilton Jordan
Bob Lipshutz
Frank Moore
Jody Powell
Jack Watson

The attached is forwarded to you for your information.

Rick Hutcheson

Re: Sugar: Meeting with Bergland

filed 4/14/77

THE PRESIDENT HAS SEEN.

C

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.

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for Preservation Purposes

-1a-

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.

2. Measures to prevent extreme swings in commodity prices.

AGRIC. & STATE DRAFTING LANGUAGE

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.

Ag Welfare H2O Projects Import controls Over regulation Min wage

CONTROVERSIAL CEA WILL CLEAR WITH DEFENSE AND OTHER AGENCIES

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.

SHOULD THIS BE ANNOUNCED BEFORE AIRLINE BILL PASSES?

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.

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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.

Hospital

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.

ARTHUR BURNS DOES NOT THINK THAT ANY SPECIFIC WAGE TARGET SHOULD BE MENTIONED.

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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.

LABOR & BUSINESS MAY BALK AT THIS

   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.

THE WHITE HOUSE
WASHINGTON

April 4, 1977

Ham Jordan -

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

Rick Hutcheson

Re: Deputy Director of ACDA
Spurgeon M. Keeny, Jr.

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
	X	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
X	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
		HUTCHESON
		JAGODA
	X	KING

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

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

April 1, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN HJ.

SUBJECT: Deputy Director of ACDA

Paul Warnke in the attached memorandum has proposed the nomination of Spurgeon M. Keeny, Jr., as Deputy Director of ACDA. Secretary Vance concurs.

Keeny has extensive experience in arms control and disarmament affairs, served in the Kennedy and Johnson Administrations and comes highly recommended by Harold Brown and Frank Press. Zbig considers him an able man although he notes that he would not balance Warnke politically, if balance is needed.

Since Warnke and Vance want Keeny and Zbig has no strong objection, I recommend you approve Warnke's proposal of Mr. Keeny for Deputy Director of ACDA.

APPROVE ✓

DISAPPROVE _____

Other _____

Attachments

UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY
WASHINGTON

OFFICE OF
THE DIRECTOR

March 25, 1977

MEMORANDUM FOR THE PRESIDENT
THE WHITE HOUSE

Subject: Nomination of Spurgeon M. Keeny, Jr. as Deputy Director of the United States Arms Control and Disarmament Agency

There is proposed for your approval the nomination of Spurgeon M. Keeny, Jr., of the District of Columbia, to be the Deputy Director of the United States Arms Control and Disarmament Agency. He would succeed John F. Lehman, Jr., whose resignation former President Ford accepted effective January 20, 1977.

This nomination is in accordance with the provisions of Section 23 of the Arms Control and Disarmament Act, as amended (Public Law 297, 87th Congress; Title 22, United States Code, Section 2563).

As Deputy Director of this Agency, Mr. Keeny would perform the duties described in the attachment. He is well qualified for this position by virtue of extensive experience in national security affairs, particularly as an Assistant Director of this Agency from 1969-73 and as a Senior Staff member of the National Security Council prior to that time. I have discussed this nomination with Secretary Vance, and he concurs in my recommendation.

Mr. Keeny had a full field investigation by the Federal Bureau of Investigation in 1969, and he currently holds both top secret and "Q" clearances.

A copy of Mr. Keeny's resume is attached.

Paul C. Warnke

Attachments:
1. Resume
2. Position Description

SPURGEON M. KEENY, JR.

PRESENT POSITION:

The MITRE Corporation, Director of Policy and Program Development. Responsible for planning, in coordination with corporate management, in the areas of corporate policy and future work development.

OTHER CURRENT ACTIVITIES:

Chairman, Nuclear Energy Policy Study Group, sponsored by Ford Foundation, 1975 -
Vice Chairman, Committee on Environmental Decision Making, National Academy of Sciences, 1975 -
Member, Director's Nuclear Intelligence Advisory Panel, CIA, 1974 -
Member, Aspen Institute Workshop on Nuclear Proliferation and Strategic Policy, 1976
Member, Advisory Committee, Program for Science and International Affairs, Harvard, 1974 -
Member, Nuclear Effects Panel, Office of Technology Assessment, 1975-76
Member, American Physical Society Study Group on Light-Water Reactor Safety, 1974-75

PREVIOUS EXPERIENCE:

U.S. Arms Control and Disarmament Agency, Assistant Director (Science and Technology), 1969-1973. Responsible for ACDA activities in support of SALT and for technical aspects of other arms control activities.

National Security Council, Senior Staff Member, 1963-1969 (under Messrs. McGeorge Bundy, Walt Rostow, and Dr. Henry Kissinger; and concurrently

Office of Science and Technology, Technical Assistant to the President's Science Advisor, 1958-1969 (under Drs. James Killian, George Kistiakowsky, Jerome Wiesner, Donald Hornig and Lee DuBridge). In this dual capacity, responsible for work dealing with military programs, technical intelligence, arms control and disarmament, and atomic energy.

Executive Office of the President, Member, Security Resources Panel (Gaither Committee), 1957.

Office of the Assistant Secretary of Defense (Research and Engineering), Chief Atomic Energy Division, 1956-1957.

Joint Congressional Committee on Atomic Energy, Staff Member, Panel on Peaceful Uses of Atomic Energy, 1955-1956.

Headquarters, USAF, Chief, Special Weapons Section, Directorate of Intelligence, 1950-1955. Responsible for study of foreign atomic energy programs.

EDUCATION:

Columbia University, B. A., 1944; M. A., Physics, 1946
School of International Affairs and Russian Institute, Columbia University, 1946-47

PERSONAL:

Born - October 24, 1924, New York, New York; married, 3 children

HONORS AND PROFESSIONAL SOCIETIES:

Phi Beta Kappa — Rockefeller Public Service Award, 1970
American Physical Society — Member - Council on Foreign Relations
Fellow - American Academy of Arts and Sciences

REFERENCES:

Dr. Harold Brown, Secretary of Defense
Mr. McGeorge Bundy, President of Ford Foundation
Dr. Wolfgang Panofsky, Director, Stanford Linear Accelerator Center
Dr. Frank Press, Massachusetts Institute of Technology

DEPUTY DIRECTOR
UNITED STATES ARMS CONTROL AND DISARMAMENT AGENCY
Level IV, PAS

BRIEF DESCRIPTION OF DUTIES: The Deputy Director performs such duties and exercises such powers as the Director may prescribe. He acts for, and exercises the powers of, the Director during his absence or disability or during a vacancy in that office. He serves as full Deputy to the Director, assisting him in the planning and execution of all Agency responsibility. He assists the Director in insuring that the Agency will have the capacity to provide the essential scientific, economic, political, military, psychological and technological information upon which realistic disarmament policy must be based. Specifically, the Deputy Director is charged with assisting the Director in carrying out the following primary functions: (1) the conduct, support, and coordination of research for arms control and disarmament policy formulation; (2) the preparation for and management of U.S. participation in international negotiations in the arms control and disarmament field; (3) the dissemination and coordination of public information concerning arms control and disarmament; and (4) the preparation for, operation of, or as appropriate, direction of U.S. participation in such controls systems as may become part of U.S. disarmament activities.

MEMORANDUM

4/4/77

1428
~~960~~
ACTION

THE WHITE HOUSE

WASHINGTON

36.5 - check always
c 7 Moore on
Congress list
J

MEMORANDUM FOR THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI ZB.

SUBJECT: Suggested Guest List for President Sadat Dinner

At Tab A is our suggested guest list for the working dinner to be held for President Sadat on the night of April 4th.

RECOMMENDATION:

That you approve the guest list proposed.

✓ Approve

_____ Other

J.C.

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President Sadat Dinner

Suggested Guest List

Official Egyptian Party

President Mohamed Anwar al-Sadat

Deputy Prime Minister and Minister of Foreign Affairs
Ismail Fahmy

Ambassador Ashraf A. Ghorbal
Ambassador to the United States

Hamed el-Sayeh, Minister of Economy and Economic Cooperation

Hassan Kamel, Chief of the Presidential Cabinet (with rank of Deputy Prime Minister)

(We anticipate up to seven additional members to be named later.)

U.S. Cabinet Members

Vice President Walter F. Mondale
Secretary of State Cyrus Vance
Secretary of Commerce Juanita Kreps
US Representative at the United Nations Andrew Young
(Alternate: Secretary of Agriculture Bob S. Bergland)

National Security Council

Dr. Zbigniew Brzezinski
Dr. William B. Quandt

Other White House Staff

Mr. Robert Lipshutz
Mr. Stuart Eizenstat

Department of State

Mr. Warren D. Christopher
Deputy Secretary

Mr. Philip C. Habib
Under Secretary for Political Affairs

Ambassador Hermann Fr. Eilts
American Ambassador to Egypt

Mr. Alfred L. Atherton, Jr.
Assistant Secretary, Near East and South Asian Affairs

Agency for International Development

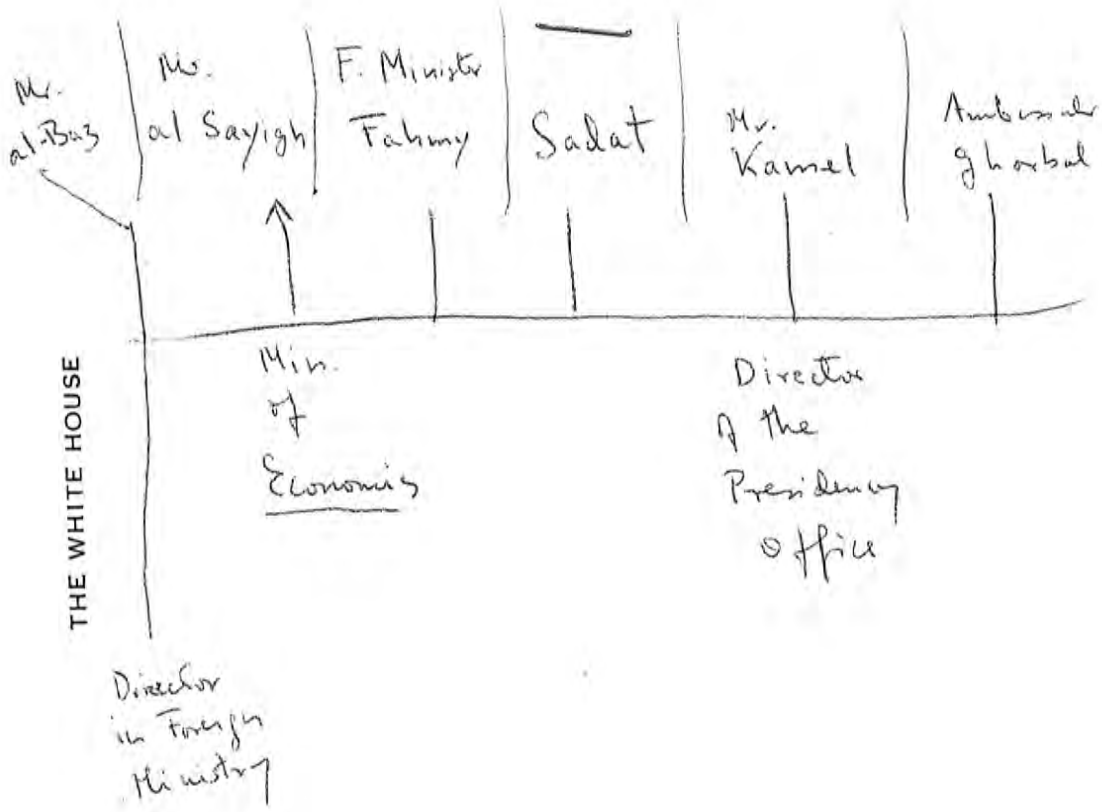
Mr. John Gilligan, Administrator-designate

Senate

Hon. Robert C. Byrd, Majority Leader
Hon. John Sparkman
Hon. Richard Stone
Hon. George McGovern
Hon. Howard H. Baker
(Alternates: Hon. John Glenn, Hon. Charles Mathias)

House of Representatives

Hon. Thomas P. O'Neill, Speaker of the House
Hon. Clement J. Zablocki
Hon. Lee H. Hamilton
Hon. George Danielson
Hon. Albert H. Quie
Hon. Margaret Heckler
Hon. John D. Dingell
(Alternates: Hon. Jim Wright, Hon. Walter Flowers)


Mr. al-Baz
Mr. al Sayigh
F. Minister Fahmy
Sadat
Mr. Kamel
Ambassador Ghorbal
THE WHITE HOUSE
Min. of Economics
Director of the Presidency Office
Director in Foreign Ministry

THE WHITE HOUSE

Cabinet
4/4/77

Shoe / TV / Sugar
Korea / Taiwan / Japan

— British airlines
Russian Jewish

— Bergland - paperwork 15%
DoE =

— Housing = HUD part of public
— Federal licenses
Open door

— Out of Washington
Tuesday Federal Bank, reg Bank
Press

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THE WHITE HOUSE

Any inventory
LEAA = 3200
Youth title CETA
Schedule of events
undocumented workers
V Nam - Mongolia
Energy - Down / International
Latin America
Strategic hyp = Japan/
Inflation - Schultze
a) Energy - budget - inflation
b) Reg - trade - anti-trust
c) Business/labor relations

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THE WHITE HOUSE

Need for statewide purpose

Examples - Immunization

Handicapped. California

Westlands H2O project

600,000 = $7.50 acft

Should be $21.50 acft

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THE WHITE HOUSE

Tehran

Principles of the village
Borders - religion
Defense peace - family
Relationships -

Mtg w Sadat 4/4/77

Begin after Oct War → Peace
American proposal - no weapons
confidence - US Crucial - USSR
friendship vs Egypt -

Need US-Egypt understanding
& friendship

Africa - Horn - Sudan - USSR
Sadat → PLO

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THE WHITE HOUSE

Minor adj Villages - W Bank
Can be resolved
US - apply pressure - peace w
justice

Open borders - difficult -
Geneva - peace agreement -
End hostility - normalize
Israel - 242 roads + to

Palestine and entity
guarantees crucial - Even
Paid - US/Israel no offense

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THE WHITE HOUSE

Before Geneva Jordan / Pal
State line
Israel accepts by everyone -
Palestinians have nothing
Need dialogue & PLO
to same face
PLO attendance at Geneva
accepts Israel

Phrase in?
No - all at once - Arabs
separate meetings - Jordan delegation
Security arrangements
- Secretary of State - No Israelis

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THE WHITE HOUSE

Need time to normalize

— Gaza → West Bank corridor

— Status of open borders

— Arabs accept one delegation

= "Israel from place"

— Assad will agree

— Demilitarized zone

2 X Egypt territory vs Israel

— 10/6 war

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THE WHITE HOUSE

Africa - USSR moved in -
Seized Angola

Angola → Zaire (Katanga)
Ethiopia & Ethiopia

King Hassan / Sisoulé /
Egypt - ready to help

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

April 4, 1977

Vice President -

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

Rick Hutcheson

Re: Presidential Agenda

Copy given to Vice President by Susan Clough - likes as for the record

cc Rick Hutcheson

MEMORANDUM

THE PRESIDENT HAS SEEN.

To V.P.
Susan -
Give VP a copy
of weekly report
on uncompleted
projects &
directives -
J

OFFICE OF THE VICE PRESIDENT
WASHINGTON

April 1, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT

SUBJECT: PRESIDENTIAL AGENDA

Attached you will find the report we discussed on the agenda for the next six months. It was prepared in consultation with Ham, Stu, Jody, Frank, Jack and others and reflects items identified by the Cabinet as well as Senior Staff.

I believe the project would be most useful if it were carried out on an ongoing basis. Monthly or quarterly reassessment might help to ensure that projected allocation of time and resources is consistent with your priorities.

If you would like to discuss this further, I would suggest that senior staff be included as they have contributed heavily to this report.

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THE WHITE HOUSE
WASHINGTON

eyes only

ACTION	FYI	
		MONDALE
		COSTANZA
	X	EIZENSTAT
	X	JORDAN
	X	LIPSHUTZ
	X	MOORE
	X	POWELL
	X	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
		HUTCHESON
		JAGODA
		KING

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

THE WHITE HOUSE
WASHINGTON

April 4, 1977

EYES ONLY

Stu Eizenstat
Ham Jordan
Bob Lipshutz
Jody Powell
Frank Moore
Jack Watson

Re: Presidential Agenda

The attached was returned in the President's outbox and a copy is forwarded to you for your personal information and appropriate action.

Rick Hutcheson

C. Announcement of Basic Non Proliferation Policy (April 4-8) 7th or 8th

D. Pan American Day Address (April 14)

E. European Trip

1. Planning and Preparation (April 25-May 6)
2. European Trip (May 6-10)

-- Of high priority in linking critical foreign and domestic policy goals.

F. Complete Review of Arms Transfers Policies (June) need decision earlier

G. Announce Administration Proposals on Secrecy and Restructuring of Intelligence Community (July)

-- Critical initiative in demonstrating Administration's commitment to safeguard against future intelligence agency abuses.

III. Budget

A. Critical Priorities Meeting (May 9-14) date ?

-- In advance of Spring Budget Review, suggest possible meeting on relationship between budget objectives and other critical Administration goals.

B. Spring Budget Review (May 24-26, June 1-3)

-- Meetings represent first cut at zero based budgeting and fiscal 1979 budget.

IV. Economy

A. Anti-Inflation Program

1. Review and Consultation (April 1-9)
2. Announcement of Anti-Inflation Program ← May hold to 4/11 April 11-16)

-- Recommended postponement of announcement from April 7 discussed in memorandum above.

B. White House Meeting on HIRE Program (April 11-16)

C. Signing of Components of Stimulus Package (April 18-30)

-- Suggest highly visible signing ceremony involving key Congressional leaders, perhaps in President's Room of United States Senate. On day of signing or shortly thereafter, Vice President and/or Cabinet Members might be dispatched to key areas hit by the recession to talk with State and local leaders about what package might mean to them.

V. Energy

A. Review and Consultation on Energy Policy (April 1-19)

B. Address Joint Session of Congress on Energy Policy (April 20)

-- The energy policy statement deserves the highest level of attention over the coming weeks. Early spotlighting of potential problems with key Congressional leaders and constituencies is essential, including highlighting of any potential conflict with other major elements of the President's program. Recommend prompt and carefully coordinated review.

C. Follow-up Activities in Explaining and Building Support for Program (Spring)

VI. Welfare Reform

A. Planning and Preparation (April)

-- Weekly White House Meetings

B. Submission of HEW Recommendations to President (May 1)

-- Explanation of recommendations to public should be considered in prior planning sessions.

C. Announcement of Inter-Agency Follow-up in Planning of Final Proposal (May 9-14)

D. Final Welfare Reform Planning (August)

E. Final Welfare Reform Proposal (September)

too late

VII. Long-Term Planning on Health Care and Tax Reform

later

A. Health Message (April 19)

-- Includes hospital cost containment, child screening and treatment proposals as first steps toward bringing quality health care within the reach of all Americans. Might be coupled with announcement of Health Insurance Advisory Committee.

B. Tax Reform

1. Citizens Meeting at White House on Tax Reform (July)

-- Opportunity to receive input from ordinary citizens on tax reform objectives before final proposal is developed.

2. Tax Reform Planning Meetings (August)

3. Treasury Department ~~of~~ Submission of Tax Reform Proposals (September)

& public revelation

VIII. Reorganization

4/6

A. Possible Signing of Reorganization Act (April 11-16

-- Highly visible signing ceremony, perhaps coupled with appointment of Chairman of the President's Reorganization Advisory Group could be means of demonstrating progress on major Administration goal. President might invite leadership and chief Congressional sponsors to take part in signing.

B. Reorganization of Executive Office of the President (June)

C. Civil Rights Enforcement Reorganization (July)

D. Recommendations on Federal Field Operations, Consolidation of Statistical Agencies (August)

IX. Other Initiatives

A. Consumer Message (April 1-9)

-- Review of principle components already complete. Drafting now underway.

B. National Labor Relations Board Reform (April 25-30)

-- High priority labor issue, which will involve controversy on several important provisions.

C. Message of Integrity in Government (May 1-7)

-- Could reinforce theme of honesty and trust. Contents might include several items on which Administration must take positions: conflict of interest and disclosure for high level civil servants, lobby registration and disclosure and special prosecutor.

D. Social Security Message (May 1-7)

-- Recommendations regarding financing and decoupling will be controversial. Administration must address issues and message would emphasize leadership on solving social security problems.

E. Announce White House Conference on the Family (May 9-14)

F. Announce Advisory Committee Reductions (May 16-21)

-- Opportunity to show progress on key themes of reorganization and cutting government waste.

G. Possible Criminal Justice Message (May 23-31)

-- Might include DEA Reorganization, Grand Jury Reform and other steps toward improved administration of justice. Could show Administration in leadership position on important issue of crime and the Nation's justice system.

H. White House Conference on Building Better Neighborhoods (June)

-- Opportunity to highlight Administration's efforts in the field of urban policy.

I. Results of Reduction in Paperwork

-- Opportunity to demonstrate Administration's follow up on highly publicized goal. Sept

X. Controversial Decisions Which Must Be Made

A. Shoe Imports (April 9) done

B. Water Projects (Final decision April 15)

-- The present schedule calls for recommendations by the Secretary of the Army to the President on April 4 and recommendations by the Secretary of the Interior on April 8. These two dates might be conformed, and added flexibility provided by designating an additional step of a joint review team involving the Secretaries of the Army and Interior, the Director of OMB, and other appropriate officials.

The announcement of the final decision might be preceded by phone calls from the President to Congressional leaders whose projects are dropped from the list. Prior notice must also be given to those whose projects are still on the list.

The announcement itself might be made in a specially convened news conference where the President could explain the basis of his decision. That explanation might highlight the fact that the Administration is conscious of the water-related needs of the West and that unsound projects in some Western states might be directly harmful to water interests of other Western States. (CALIFORNIA)

C. Cargo Preference (May 1-7)

-- Decision of major importance to labor. Announcement of position to be made with reference to alternatives supported by the Administration, including agreement on grain transportation with the Soviets.

Can we hold off this long.

D. Import Relief Sugar (May 18)

E. Import Relief Color-TV's (May 22)

F. Import Relief Specialty Steel (June)

G. Alaska Natural Gas Transportation System

1. Agency Recommendations by Statute Must be Filed and Made Public (July)

2. Presidential Decision (September 1)

-- Important Regional and International interests, and mandatory decision process (1976 Alaska Natural Gas Transportation Act), require early White House coordination on this decision.

H. Extension of New York City Seasonal Loan Program (July)

XI. Press

A. Filming of "A Day in the Life of President Carter" (April 4)

B. News Conferences

1. April 6
2. April 22
3. May 12
4. May 26
5. Continued bi-monthly June-September

C. Editors Meetings

1. April 15
2. April 23 (Farm Editors)
3. April 29
4. May 20
5. Continued activities June-September

CALENDAR OF EVENTS

CALENDAR OF EVENTS WHICH MAY REQUIRE
ACTION BY THE PRESIDENT*

Modify as indicated earlier J

APRIL

April	Administration Position on Aircraft Noise
April	Administration Position on Lobbying Registration and Disclosure
April	Administration Position on Economic Impact Analysis Requirement for Regulatory Actions
April	Weekly Meetings on Welfare Reform
April	Signing of Arab Boycott Legislation
April	Clean Air Amendments: Administration Position on Auto Emissions and Other Amendments by Mid-April
April	Postal Service: Position on Presidential Appointment of Postmaster General
April 1	Administration Bill on Juvenile Justice
April 1	Veterans Legislative Programs to White House for Review
April 1	Program Announcement on Undesirable Discharge Upgrading
April 1-9	Review Energy Policy
April 1-9	Announcement of Basic Non-Proliferation Policy
April 1-9	Administration Position on Conflict of Interest Legislation
April 1-15	Appointment of Health Insurance Advisory Committee
April 3-9	Secretary of Air Force Decision on Air Force Base Closings: Richards-Gebaur, K.C. Mo.; (Kinchlowe AFB, Kinross, Mi.; Craig AFB, Selma, Ala.; Webb AFB, Big Springs, Tx.
April 3-9	Draft EIS on Air Force Proposal to Close Loring AFB, Maine
April 4	Filming of "A Day in the Life of President Carter"
April 4	Secretary of the Army Recommendations to the President on Water Projects

* NOTE: In submitting items for possible White House attention, Executive Departments were asked to be inclusive.

April 4-5	Visit of Sadat
April 4-8	Consumer Message
April 4-18	Signing of Reorganization Authority Legislation
April 5	Justice Department Memo to President on Wiretap Legislation
April 6	News Conference
April 7	President's Childhood Immunization Initiative to be announced on World Health Day
April 7	Anti-Inflation Program (Review & Consultation)
April 7-11	Administration Position on Clean Air
April 8	Attorney General Memo to the President on Illegal Aliens Policy
April 8	Environmental Message — ?
April 8	Final Interior Department Recommendations to President on Water Projects
April 9	Deadline for Decision on Shoe Imports done
April 11-15	Possible Message to Congress on Integrity in Government, covering Civil Service conflict of interest and disclosure, lobbying registration and disclosure and special prosecutor
April 11-16	Review and Consultation on Energy Policy
April 11-16	Pan American Day Address
April 11-~~16~~	Announce Anti-Inflation Program
April 11-18	Appointment of Chairman of the President's Reorganization Advisory Group earlier
April 12	Justice Department Introduction of Possible Legislation on Wiretapping
April 15	White House Conference to Promote Hire Porgram for Vietnam Veterans
April 15	NBC Telecast "A Day in the Life of President Carter"

April 15	Editor's Seminar
April 15	Environmental Impact Statement on SST
April 15	Final Decision on Water Projects
Late April	Possible Social Security Message
April 15-30	Sec. of Air Force Decision on Locations for Facing of Next Tactical Fighter Wings Equipped with F-15, F-16, and A-10 Aircraft.
April 18	President Jenkins of European Communities
April 19	Signing of Economic Stimulus Package
April 19	Administration Position on Legislation to Assist Victims of Crime
April 19	President's Health Message to Congress, Including Hospital Cost Containment, Child Health Screening and Treatment
April 20	Energy Policy Statement -- Address to Joint Session of Congress
April 20	Administration Testimony on Lock and Dam 26
April 21	Prime Minister Soares Back consult with me - make announcement
April 22	News Conference
April 23	Farm Editors
April 25	Announce Armed Forces Day for May 21, 1977
April 25-26	Visit of King Hussein
April 25-30	Administration Position on National Labor Relations Act Reform
April 25-30	Preparation for Economic Summit
April 25-May 6	Announce White House Conference on Families
April 27	Administration Position on DEA Reorganization
April 29	Spanish Prime Minister Suarez

April 29	Editor's Seminar
Late April	Workers Compensation: Legislation Expected Before May
April-May	Initial Review of Surface Transportation Deregulation

May

May	Administration Position on Clean Water Act Amendments
May	Administration Position on 1872 Mining Act Reforms
May	Administration Position on Special Prosecutor & Atty General
May	Administration Position on National Labor Relations Board Reform
May	Advisory Committee Reductions
May 1	HEW Welfare Reform Recommendation to be Submitted to President
May 1-7	Announce Decision on Cargo Preference
May 1-7	Social Security Message
May 3	Navy Decision to Reduce Corpus Christi Naval Air Station
May 4	Justice Department Testimony on Special Prosecutor
May 6-10	Presidential Trip to Europe
May 9-14	Announce Follow Up Inter-Agency Planning on Welfare Reform
May 9-14	Meeting on Critical Priorities my preparation May interfere & European trip
May 12	News Conference
May 15	Sec. of Army Decision on Location of Navy's East Coast Submarine Base
May 16	Administration Position on D.C. Bail Reform
May 16-17	Presidential Trip to West - Rep

May 16-21	Announce Advisory Commission Reductions sooner
May 17	Announce Regulations on Oil Pollution and Tanker Safety
May 17-18	NATO Defense Planning Committee Meeting in Brussels. Major Speech by Sec. of Defense.
May 18	Import Relief Decision on Sugar
May 20	Editors' Seminar
May 20	President Kaunda
May 21	Armed Forces Day
May 22	Import Relief Decision on Color TVs sooner if possible
May 22	Notre Dame Commencement
May 23	Announce Flag Day, June 14, 1977
May 23	R.F.K. Journalism Awards
May 23	White House Conference on Handicapped
May 23-31	Possible Criminal Justice Message
May 24-25	State Visit from Saudi Arabia (Prince Fahd)
May 24-25	Budget Meetings
May 25	Democratic Congressional Dinner
May 26	News Conference
May 30	Wreath-Laying, Arlington Cemetery
May 30	Meeting of Council on Internal Economic Cooperation Secretary of Treasury to Attend
Late May	Signing of Corporate Bribery Legislation
Late May-June	Administration Position on Grand Jury Reform
May-June	Department of Labor Hearings on Proposed Regulation Governing the Use of Temporary Aliens as Farmworkers
Late May June	Administration Position on Consolidated Transportation Fund

Spring*	Signing of Strip Mine Bill and OCS Legislation

JUNE

June	Announce Air Bag Decision (DOT) by July 1 Brock
June	Announce Full Economy Standards for Autos (DOT) by July 1
June	Announce Findings of Study on HEW Regional Offices
June	Administration Position on Reauthorization of Public Broadcasting
June	Possible Proposals on Sex Discrimination
(Spring) June	Possible White House Conference on Building Better Neighborhoods V.P.
June	Complete Review of Arms Transfer Policies need earlier decision
June	Decision on Specialty Steel Imports
June	Bi-Monthly News Conferences
June 1	Right of Way Decision on SOHIO Pipeline
June 1-3	Budget Meetings: Spring Planning Review
June 8-9	NATO Nuclear Planning Group Meeting in Ottawa: Secretary of Defense Major Policy Speech
June 9	Democratic National Committee, NYC
June 13-15	U.S. Conference of Mayors
June 15	Reorganization of Executive Office of the President
June 19-25	Secretary of Defense US Delegation to Korea
June 22-23	Australia State Visit, Prime Minister Fraser
June 30	State Visit: Perez ← Make working visit Hold down all ceremony demands
June 30	Announce Interagency Day Care Regulations

JULY-SEPTEMBER

Bi-Monthly Press Conference

July	Agency Recommendations: Alaska Natural Gas Transportation System
July	Possible Legislation on No Fault Insurance
July	Civil Rights Enforcement Reorganization
July	Deepwater Ports Decision
July	Final EIS Loring Base Closing
July	Possible Citizens' Meeting at White House on Tax Reform
July 1	Next Quarterly Review for Dairy Price Support
July 1	Decision on Renewal of NYC Seasonal Loan Program
July 4	Presidential Trip to Williamsburg
July 20	Federal Employees Meeting at White House on Reorganization
Sept 1	President's Recommendation on Alaska Natural Gas Transportation System
Summer	Preparation of Tax Reform Package
Post July-Pre Nov.	Decision on US Withdrawal from ILO
August	Final Welfare Reform Planning Earlier
August	Results of Reduction of Paperwork
August	Recommendations on Federal Field Operations, Consolidation of Statistical Agencies
August	Secretary of Army Decision on Closure of Ft. McArthur, Ca. Decision on reduction of activities at Ft. Devens, and Ft. Indiantown Gap, Pa.

Sept.	Sec. of Army Decision on Closure of Ft. Hamilton and Totten, NY; Ft. Story, Va.; Decision on Reductions at Ft. Dietrick, Md.; Consolidation of ORD Center and School from Aberdeen Proving Ground, Md. to Missile School at Redstone Arsenal, Ala.
Sept.	Receipt of Tax Reform Proposals
Sept.	Final Welfare Reform Proposal
Sept.	Decision on Future Concorde Landings at Dulles
Sept.	Presidential Decision on Alaska Natural Gas Transportation System
Sept.	Possible Trip to Midwest

CHARTS

PRESIDENTIAL
AGENDA

CALENDAR OF PRIORITY PRESIDENTIAL ACTIVITIES

I. Special Events

A. Possible Presidential Trip to West (May 16-17)

-- Can help to demonstrate Administration's concern for problems of Western States, and might be used to highlight energy policy.

B. Notre Dame Commencement (May 22)

-- Possible Q and A with college audience could show how far President Carter has come in helping to unify and heal the country.

C. White House Conference on Handicapped (May 23)

-- Critical decisions on handicapped issues, including Transbus, 504 Regulations and rules on education of handicapped children should be weighed well in advance of this conference.

D. Possible Presidential Trip to Williamsburg (July 4)

E. Possible Presidential Trip to Midwest (September)

-- Possible Town Meeting and Question and Answer Session with citizens.

II. Diplomatic and Defense

A. State Visit

1. President Perez (June 30-July 1)

B. Official Visits

1. President Sadat (April 4-5)
2. NATO -- Secretary General Luns (April 13)
3. E.C. President Jenkins (April 18)
4. Prime Minister Soares (April 21)
5. King Hussein (April 25)
6. Prime Minister Suarez (April 29)
7. President Kûanda (May 20)
8. Prince Fahd (May 24-25)
9. Prime Minister Fraser (June 30-July 1)

Schmidt - July

4. Surface Transportation Deregulation. Potentially highly controversial. Review currently underway. Suggest postponement of any policy announcement until after airline deregulation is approved.

D. Possible new initiatives

1. Message on Integrity in Government. The Administration has been asked to testify on a number of proposals, lobby registration and disclosure, a special prosecutor and will be taking a position on financial disclosure for high level civil servants. Suggest possible integration of positions in a message to Congress for the first week in May.

2. Possible Criminal Justice Message. Message to combine DEA Reorganization, Grand Jury Reform and other steps toward improved administration of justice. Proposed for last week in May. Caddell notes that crime is showing up in his polls and that people are more and more receptive to the idea of court reform as the best way to deal with the crime problem.

3. Possible Meeting on Critical Priorities. In advance of Spring Budget Review Meetings, a meeting is suggested to review relationship of budget objectives and critical Administration goals.

4. Possible White House Conference on Building Better Neighborhoods. Focus would be on building partnerships between the federal establishment and neighborhood and non-governmental groups to provide sound housing, maintain viable commercial districts and encourage activity in the industrial sector.

2. Administration not attuned to problems of Western States

--emphasis on how unsound water projects jeopardize the interests of Western States (i.e. CAP and California)
--spotlight West in signing of drought legislation
--Trip to West in May.

VI. Major Proposed Changes in Existing and Projected Timetables

A. Abundance of activities suggested reflection of universal desire to contribute to active, effective Administration.

B. It is suggested, nonetheless, that consideration be given to postponing a number of announcements and decisions, to provide additional time for review.

C. Major items suggested for postponement:

1. Anti-Inflation Program. Suggest postponement until second full week in April. Program is as potentially controversial as it is critical to credibility of the Administration. Suggest easing of announcement date to permit added time for Presidential review, and consultation with key Congressional, labor and business leaders following round one decision. Announcement currently scheduled for April 7.

2. Illegal Aliens. Issue is highly sensitive in terms of relations with labor and Spanish speaking constituencies. Administration may want to retain flexibility for additional study of this issue. (Memo to President now scheduled for April 8, no new target date proposed.)

3. Wiretap Legislation. Administration commitment to reform past abuses of citizen privacy will be judged on basis of wiretapping position. Sure to be important issue in national press. (Memo to President now scheduled for April 5, testimony for April 12, suggest postponement until early summer if negotiable with Congress.)

MEMORANDUM

THE PRESIDENT HAS SEEN.

To V.P.
Susan -
Give VP a copy of weekly report on uncompleted projects & directives -
J

OFFICE OF THE VICE PRESIDENT
WASHINGTON

April 1, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT

SUBJECT: PRESIDENTIAL AGENDA

Attached you will find the report we discussed on the agenda for the next six months. It was prepared in consultation with Ham, Stu, Jody, Frank, Jack and others and reflects items identified by the Cabinet as well as Senior Staff.

I believe the project would be most useful if it were carried out on an ongoing basis. Monthly or quarterly reassessment might help to ensure that projected allocation of time and resources is consistent with your priorities.

If you would like to discuss this further, I would suggest that senior staff be included as they have contributed heavily to this report.

EXPLANATION

PRESIDENTIAL AGENDA

I. Summary of Conclusions

A. Presidential Agenda for next six months presented in two parts:

1. High priority matters for your personal consideration
2. All matters identified to date that may require actions by you.

B. Length of comprehensive list, coupled with first three months' experience, i.e. addition of last-minute items, suggests following planning needs:

1. Delineation of highest priority issues to permit greatest concentration of attention on matters that are most important to overall success of your administration.
2. Greater attention to internal deadlines by Cabinet and EPG (full week for White House staffing and inter-agency comment and full week for Presidential review).
3. Ongoing reporting to the White House by Cabinet departments, as soon as dates are available, of timetables for Congressional testimony, regulatory decisions, Presidential decision papers and final announcement of policy initiatives.
4. Monthly or quarterly re-assessment of foregoing information to ensure that projected activities and expenditure of time are consistent with your priorities.
5. Easing of timetables for Presidential decision on several controversial items now targeted for decision in April.

C. Political Strategy

1. Continued emphasis on themes articulated in first three months.
2. Maximum priority to demonstrating progress on "make or break" issues

a. Identifying quickly achievable elements of broader reform initiatives

--Emphasis in Health Message on Cost Containment as first step toward national health insurance with major effort for early Congressional passage

--Spotlighting one or more features in energy policy on which early Congressional action can be obtained.

b. Highly visible signing ceremonies for major legislative achievements, including possible simultaneous dispatching of Vice President and/or Cabinet Members to recession-hit cities when public works component of economy package is signed.

3. Response to Criticisms

a. Linking "people programs" to substantive initiatives and minimizing of new techniques that may be seen as gimmicks

b. Demonstrating concern about problems of Western States

--Emphasis on fact that unsound water projects hurt Western States (CAP and California)
--Trip to West in May

II. Introduction

A. Draft Agenda compiled with help and cooperation of Cabinet Departments and Senior White House Staff

B. Three part process followed in preparing Agenda

1. Collecting basic information on actual and proposed activities for next six months
2. Flagging priority items
3. Identifying possible modifications to reduce necessity for quick decisions on highly controversial items and to enhance ability to achieve desired objectives

III. Setting Priorities

A. Assumes Administration will continue to stress basic themes articulated in first three months

1. Unifying country
2. Shaking things up in Washington
3. Caring about problems of ordinary citizens
4. Taking charge of and managing bureaucracy
5. Restoring candor and trust
6. Solving critical national problems

B. Assumes toughest challenge for next six months will be to demonstrate progress on "make or break" issues

1. Possible Domestic "Make or Break" Issues

~~--inflation control~~
--economy (jobs and inflation)
--energy policy
--welfare reform
--tax reform
--government reorganization
--health cost containment as first step toward national health insurance

2. Possible Foreign Policy "Make or Break" Issues

--European, North American, Japanese cooperation
--SALT and Related East-West Issues
--Hot Spot Negotiations: Middle East, Panama, Southern Africa
--Military Force Posture
--Non-proliferation
--Human Rights

IV. Planning Process

A. Maximum time should be allowed for consideration, review of inter-agency views, consultation with staff, Cabinet, Congressional and other leaders and final decision on "make or break" issues

1. Will require earlier presentation of Presidential options by Cabinet and EPG (to permit full week for senior staffing and full week for Presidential review)
2. May require easing of some deadlines for final announcement of major policy decisions

B. Presidential time analysis should be compiled on basis of time spent on major issues to permit periodic evaluation of time budgeting in view of priorities

C. Steps to Improve Coordination

1. Immediate reporting by Cabinet Departments to White House as soon as dates are available, of timetables for Congressional testimony, regulatory decisions, Presidential decision papers and final announcement of policy initiatives

2. Monthly or quarterly reassessment of foregoing information to ensure that projected activities and expenditure of time are consistent with your priorities.

V. Political Strategy

A. Caddell confirms importance of demonstrating progress toward critical long term goals

1. Health Care

--emphasis in health message on cost containment as first step toward national health insurance
--simultaneous announcement of National Health Insurance Advisory Committee
--major push for early passage of cost containment

2. Energy Policy

--early review identification and consultation with Congressional leadership on one or more elements of energy policy that can be readily adopted

B. Meeting Criticisms

1. Administration more concerned with symbols than substance

--progress on key issues under (A) above
--highly visible ceremonies for signing of major legislation, including dispatching of VP and Cabinet Members to depressed areas on date of signing of public works component of stimulus package to pump up what package means to them
--combining of "people programs" with discussion of substantive issues, i.e. citizen meeting on tax reform in advance of policy announcement
--relying on already developed formats for "people programs" (Town Meetings, occasional Call-in, Televised chats) and minimizing the use of new techniques that may be viewed as "gimmicks". Caddell wished to reinforce this point.

DRAFT PRESIDENTIAL AGENDA FOR APRIL

	APRIL 1-9	APRIL 11-16	APRIL 18-23	APRIL 25-30
SPECIAL EVENTS				
DIPLOMATIC AND DEFENSE	SADAT ANNOUNCEMENT OF BASIC NON-PROLIFERATION POLICY	PAN AMERICAN DAY ADDRESS	JENKINS SOARES	PREPARATION FOR ECONOMIC SUMMIT HUSSEIN SUAREZ
BUDGET				
ECONOMY	REVIEW AND CONSULTATION ANTI-INFLATION PROGRAM	ANNOUNCE ANTI-INFLATION PROGRAM WHITE HOUSE MEETING ON HIRE PROGRAM	POSSIBLE SIGNING OF COMPONENTS OF STIMULUS PACKAGE	POSSIBLE SIGNING OF COMPONENTS OF STIMULUS PACKAGE
ENERGY	REVIEW OF ENERGY POLICY	REVIEW AND CONSULTATION ON ENERGY POLICY	ADDRESS TO JOINT SESSION OF CONGRESS ON ENERGY POLICY	
WELFARE REFORM	PLANNING WELFARE REFORM	PLANNING WELFARE REFORM	PLANNING WELFARE REFORM	PLANNING WELFARE REFORM
LONG TERM PLANNING: TAX REFORM HEALTH INSURANCE			HEALTH MESSAGE	
REORGANIZATION		POSSIBLE SIGNING OF REORGANIZATION ACT	POSSIBLE APPOINTMENT CHAIRMAN PRESIDENT'S ADVISORY GROUP ON REORGANIZATION	
OTHER INITIATIVES	CONSUMER MESSAGE			NATIONAL LABOR RELATIONS ACT REFORM
CONTROVERSIAL DECISIONS	SHOE IMPORTS	WATER PROJECTS DECISION		
PRESS	NEWS CONFERENCE FILMING A DAY IN THE LIFE OF PRESIDENT CARTER	EDITORS MEETING	NEWS CONFERENCE FARM EDITORS	EDITORS SEMINAR

DRAFT PRESIDENTIAL AGENDA FOR MAY

	MAY 1-7	MAY 9-14	MAY 16-21	MAY 23-31
SPECIAL EVENTS			POSSIBLE PRESIDENTIAL TRIP TO WEST	WHITE HOUSE CONFERENCE ON HANDICAPPED
			NOTRE DAME COMMENCEMENT	
DIPLOMATIC AND DEFENSE	EUROPEAN TRIP		PRINCE KUNDA	PRINCE FAHD
BUDGET		MEETING ON CRITICAL PRIORITIES		SPRING BUDGET REVIEW
ECONOMY				
ENERGY			POSSIBLE USE OF PRESIDENTIAL TRIP/SPEECH TO HIGHLIGHT ENERGY POLICY	
WELFARE REFORM	HEW RECOMMENDATIONS TO PRESIDENT ON WELFARE REFORM	ANNOUNCE FOLLOW UP INTER AGENCY PLANNING ON WELFARE REFORM		
LONGTERM PLANNING: TAX REFORM HEALTH INSURANCE				
REORGANIZATION				
OTHER INITIATIVES	MESSAGE ON INTEGRITY IN GOVERNMENT SOCIAL SECURITY MESSAGE	ANNOUNCE WHITE HOUSE CONFERENCE ON THE FAMILY	ANNOUNCE ADVISORY COMMITTEE REDUCTIONS	POSSIBLE CRIMINAL JUSTICE MESSAGE
CONTROVERSIAL DECISIONS	ANNOUNCE POSITION ON CARGO PREFERENCE		IMPORT RELIEF SUGAR	IMPORT RELIEF COLOR T.V.
PRESS		NEWS CONFERENCE	EDITORS SEMINAR	NEWS CONFERENCE

DRAFT PRESIDENTIAL AGENDA FOR JUNE - SEPTEMBER

	JUNE	JULY	AUGUST	SEPTEMBER
SPECIAL EVENTS		POSSIBLE PRESIDENTIAL TRIP TO WILLIAMSBURG		POSSIBLE PRESIDENTIAL TRIP TO MID WEST
DIPLOMATIC AND DEFENSE	FRASER PEREZ COMPLETE REVIEW OF ARMS TRANSFER POLICIES	ANNOUNCE ADMINISTRATION PROPOSALS ON SECRECY AND RESTRUCTURING OF INTELLIGENCE COMMUNITY		
BUDGET	SPRING PLANNING REVIEW			
ECONOMY				
ENERGY				
WELFARE REFORM			FINAL WELFARE PLANNING REFORM	FINAL WELFARE REFORM PROPOSAL
LONGTERM PLANNING: TAX REFORM HEALTH INSURANCE		CITIZENS MEETING AT WHITE HOUSE ON TAX REFORM	TAX REFORM PLANNING	TREASURY DEPT. TAX REFORM PROPOSALS
REORGANIZATION	REORGANIZATION EXECUTIVE OFFICE OF THE PRESIDENT	CIVIL RIGHTS ENFORCEMENT REORGANIZATION	RECOMMENDATIONS ON FEDERAL FIELD OPERATIONS CONSOLIDATION OF STATISTICAL AGENCIES	
OTHER INITIATIVES	POSSIBLE WHITE HOUSE CONFERENCE ON BUILDING BETTER NEIGHBORHOODS		RESULTS OF REDUCTION IN PAPER WORK	
CONTROVERSIAL DECISIONS	SPECIALTY STEEL IMPORT DECISION	AGENCY RECOMMENDATIONS ALASKAN NATURAL GAS TRANSPORTATION SYSTEM NYC SEASONAL LOAN PROGRAM EXTENSION		PRESIDENTIAL DECISION ALASKAN NATURAL GAS TRANSPORTATION SYSTEM
PRESS	NEWS CONFERENCES	NEWS CONFERENCES	NEWS CONFERENCES	NEWS CONFERENCES