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memo	From Jack Watson to ~~The President~~ Re: Weekly Report From ~~US Mission~~ to UN (1 pp.) /attached to ~~memo~~ from Rick Hutcheson to Cabinet members	~~4/7/77~~	A

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~~CONFIDENTIAL~~

TO: President Carter April 7, 1977

THRU: Jack Watson

FROM: USUN - Ambassador Young

SUBJECT: Weekly Summary of U.S. Mission to U.N. Activities for March 31 - April 6

1977 APR 8 PM 12 55

1. SECURITY COUNCIL - SOUTH AFRICA
Following negotiations over weekend between the African and Western Groups. Africans on 4/4/77 accepted idea of a Declaration on Southern Africa, but rejected changes in Draft Text. Agreed to postpone consideration until week of 4/11-15 when several African Ambs. will return from Nonaligned meeting in New Delhi.

2. MTG./GOV. CARLOS ROMERO BARCELLO, PUERTO RICO, 4/1
Discussed issue of Puerto Rico in the Committee of 24 (Dependent Territories) and possibility of Gov. inviting selected UN Perm Reps to Puerto Rico (previous initiative).

3. INVITATION TO COMMITTEE OF 24 TO SEND VISITING MISSION TO U.S. VIRGIN ISLANDS, 4/1

4. RECEPTION - EAST ASIAN AND PACIFIC UN REPS, IN HONOR OF ASST. SECRETARY HOLBROOKE, 4/1
Reps of all East Asian and Pacific countries (except North Korea) with NY UN offices attended (including Vietnam and Mongolia). Holbrooke's remarks emphasizing serious U.S. desire to develop relations with all countries represented well received.

5. YOUNG/INTERAGENCY DISCUSSION GROUP ON JOINT COOPERATIVE COMMISSIONS WITH NIGERIA, 4/4
Amb. Young discussed with reps. from Treasury, Commerce, AID, and USEC, for Economic Affairs/State Dept. approaches for structuring a Joint U.S./Nigerian Cooperative Commission.

6. YOUNG/QUARM (GHANIAN AMB. TO U.S.) MEETING, 4/4

7. YOUNG/KHALID (FORMIN OF SUDAN) MEETING, 4/4
Discussed conditions in the Horn of Africa.

8. YOUNG/INTERBUREAU MEETING, 4/4
Dep. Sec. Christopher, Under Sec. Habib, Amb. Todman, Dept. Asst. Sec. Luers, Lt. Gov. Dymally (Calif.) and Mr. Robert West (CEO Tesoro) met to discuss Caribbean matters with idea of establishing citizen group on Caribbean issues.

9. SENATE FOREIGN RELATIONS COMMITTEE CONFIRMATION HEARINGS, 4/5
Leonard and McHenry testified. Senate has confirmed their nominations.

10. YOUNG/ZHUWARARA (ANC REP) MEETING, 4/5
Discussed visit of Bishop Muzorewa to U.S. next week.

11. YOUNG/HARRIMAN MEETING, 4/5
Amb. Young attended dinner meeting to discuss U.S./Soviet Relations.

12. SECURITY COUNCIL: COMPLAINT BY BENIN
Benin complaint/mercenary attack on Cotonou should last 4/6 through 4/7.

13. U.S. NOMINATION FOR EXECUTIVE DIRECTOR OF UNICEF
SYG Waldheim informed of our nomination of James P. Grant to succeed Labouisse as the Exec. Dir. of UNICEF.

~~CONFIDENTIAL~~

DECLASSIFIED
per 8/14/07 State letter
NLC-06-241
BY BRZ NARA, DATE 4/14/08

THE WHITE HOUSE
WASHINGTON

April 11, 1977

EYES ONLY

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

Cabinet Summaries for the Week
Ending April 8, 1977

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

Rick Hutcheson

Summaries attached:
UN Activities, Treasury, Energy, Transportation, Interior, Commerce, Agriculture, HEW, HUD, CEA, Labor, Justice.

FYI

THE SECRETARY OF THE TREASURY

WASHINGTON 20220

April 8, 1977

MEMORANDUM TO THE PRESIDENT

SUBJECT: Highlights of Treasury Activities

I completed a four day trip to the West Coast, during which I visited Los Angeles, San Francisco, and Phoenix, making the case for the Administration's anti-inflation efforts and the economic stimulus package through public speeches, television interviews, and private meetings with influential members of the banking and business community. The result was saturation coverage in both print and electronic media.

I also spoke to IRS and Customs employees in both San Francisco and Los Angeles, and met with the Mayor of San Francisco and the Governor of Arizona for long discussions.

Recruitment is continuing for senior Treasury positions not yet filled. I expect to have a recommendation to you this week for a Comptroller of the Currency. Recommendations for General Counsel and Treasurer of the United States will follow soon.

No Congressional action regarding the rebate occurred this week and our focus turned toward working with outside interest groups. We have met with about 25 such groups to target their efforts and most have indicated their cooperation in communicating the Administration policies to the grass roots.

The House also voted to extend the Harkin-Badillo amendment to all international financial institutions. This amendment, which had been instituted for the Inter-American and African Banks in 1976, requires the United States to vote against all loans to countries consistently violating human rights unless the aid goes directly to meeting the "basic human needs" of people in that country. The House also added a Reuss amendment on the United States to "advance the cause of human rights...with its voice and vote" and "to direct assistance towards countries" which do not violate human rights, with semi-annual reports to the Congress on progress toward these ends.

By a record vote of 218 to 145 the House also adopted an amendment directing U.S. officials to oppose financial assistance for agricultural projects promoting palm oil, sugar or citrus fruit production if the U.S. is a producer of the same or competing agricultural product. The Administration should strongly oppose this amendment in the Senate. We will keep you advised of our efforts.

Markup on the FY 78 IFI authorization bill by the Senate Foreign Relations Committee has been rescheduled for the week of April 18.

By unanimous vote, the Senate on Wednesday approved H.R. 1828 extending for one year the sick pay exclusion repealed by the 1976 Tax Reform Act.

The Senate Banking Committee has completed markup on 5303, rejecting an Administration proposal to lodge with Justice all enforcement obligations related to the bribery provisions. The Committee accepted, however, an Administration approved compromise to the corporate disclosure provision establishing the reporting level at five percent.

The Senate Budget Committee has approved the Administration's request for $9.7 billion for general revenue sharing.

The Senate and House this week agreed to the conference report on H.R. 3365 extending until December 15, 1977 authority for the flexible regulation of interest rates on deposits and accounts in depository institutions (Regulation Q). The bill has been sent to the White House for your signature.

In testimony this week, Assistant Secretary Bergsten presented the Administration's policy toward private bank lending to developing countries. He indicated that such lending "has been remarkably successful...and that we can find no adverse effects on our own economy, the soundness of our banking system, the availability of credit for domestic purposes, or the entire world economy." We indicated our belief that concerns over bank lending to LDCs (as indicated by Arthur Burns and some others) are "greatly exaggerated".

The IMF staff and Italy have reached agreement on the terms of a SDR 450 million ($520 million) standby credit which will be presented to the Executive Board for formal action within a few weeks. The standby will provide for drawdowns through 1978, dependent on Italian satisfaction of economic performance criteria agreed as part of the standby.

The Internal Revenue Service is requesting approval to acquire additional computer capacity to support the Tax Rebate Act of 1977 if it is passed by Congress. A supplemental appropriation of $6 million is to be requested for this and other items.

I will also soon be reviewing a major IRS proposal for a multi-year, $850 million computerized Tax Administration System. The project has received some publicity because of the privacy issues raised by some of its features, and my review will be to determine if the project is consistent with your views in this area and to see if its costs are justified by benefits of a commensurate magnitude.

I have sent out an announcement in the Department that I will not appear at public functions at any club or organization with discriminatory policies directed against women or minorities, and encouraging other Treasury officials to do the same.

The Assistant Secretary-Designate for Economic Policy, Dan Brill, reports that the mail which he receives for the drafting of replies is overwhelmingly concerned about inflation. I will be speaking to the National Press Club at noon next Wednesday, April 13, and expect that the speech and the questioning will concentrate on this issue.

Mike

W. Michael Blumenthal

INFORMATION

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

1977 APR 8 PM 2 21

April 8, 1977

MEMORANDUM FOR THE PRESIDENT

THROUGH JACK WATSON

SUBJECT: DOT Issues for Presidential Review

This memorandum summarizes the status of significant issues on activities now pending at the Department of Transportation.

National Visitors Center

I met with Secretary Andrus on April 1 to discuss resolution of the National Visitors Center problem. Background on this problem was provided in my March 25 memorandum to you. Secretary Andrus and I have agreed that it is important to complete this project as quickly and cost-effectively as possible. Senate Commerce, Science and Transportation Subcommittee hearings on the Union Station Improvement Act (S. 562) originally scheduled for April 5, have been postponed. No future hearing date has been set, but both Secretary Andrus and my staff are working informally with the Committee staff on this issue. In addition, negotiations between DOT and DOI, at the Secretaries' staff level, will begin on Monday, April 11. We hope to settle all outstanding questions by early May. During this interim, Interior will proceed with its request for additional authorization and appropriations to complete construction of Union Station.

Aircraft Noise Abatement

I am providing to your staff today a proposed Administration position on financing assistance for airlines to enable them to comply with Federal noise standards (FAR 36), as outlined in my memorandum to you of March 25. These standards have been retroactively applied to the older components of the aircraft fleet. I have proposed that the noise rule, as promulgated by the former Administration, remain in effect, including its applicability to the two and three engine jets.

In light of the fact that this rule applies a retroactive standard in order to achieve an important public purpose, I believe that some financial incentive to the airlines is warranted. This can be most effectively accomplished by a repeal of some portion of the existing excise tax on airline tickets. This tax now produces revenue significantly in excess of the permitted use of the Airport and Airways Trust Fund. The airlines would place this new revenue in an escrow fund to be used only for environmental improvement, under conditions which would permit compliance either through 1) engine retrofit, or 2) investment in new aircraft. In order to make the latter option, which has significant benefits to the economy and to the efficient operation of the nation's airlines available to all the carriers, it may be necessary to back up the tax rebate plan with a loan guarantee plan.

The House Public Works Committee is turning its attention to this issue now, and I am scheduled to testify on this matter on April 28. It is likely that noise abatement legislation will ultimately be merged with the regulatory reform legislation. I understand your staff will be pulling together all concerned departments (CEA, Treasury, OMB) to arrive at an Administration position.

Reform of DOT Regulatory Process

I am pleased to report to you that I have taken a number of steps to reform DOT's internal regulatory process. Most of DOT's regulations relate to transportation safety and are issued by the Federal Aviation Administration, the Coast Guard, and the National Highway Traffic Safety Administration. Last year, for example, DOT issued about 1,100 final rules covering 6,180 docket pages in the Federal Register. While most of these could be considered minor, it is clear that the volume is enormous. In early February, I issued a directive requiring the head of each of the operating elements to review all final rules before issuance and requiring the principal author or authors to sign such rules. I also directed that final rules be reviewed in my office to determine their necessity and reasonableness.

Meanwhile, I have had my General Counsel's office develop a much more comprehensive approach to streamlining the Department's regulatory process and to establish firm policies designed to assure that the regulations we issue are needed, that they are clearly written, and that benefits and the costs to the affected parties have been examined rigorously. The final policy statement, including the procedures we will follow, are in completed form now. Before issuing them, I plan to seek the advice of my Administrators. I will also send copies

to your staff to obtain any comments and suggestions they may have. I am confident that once we get this new system in place we can begin to make real progress in achieving your goal of reducing the burden of Federal regulation.

THE SECRETARY OF COMMERCE
Washington, D.C. 20230

"FYI"

April 8, 1977

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REPORT TO THE PRESIDENT

Subject: Department of Commerce Priority Issues

The following actions and issues are currently of priority concern to the Department of Commerce (DoC):

ACTIONS

• Trade Adjustment Assistance. In accordance with your decision DoC is moving rapidly to (1) assist the shoe industry during the next 90 days and (2) develop a comprehensive proposal for improving the entire adjustment assistance program. This will be done in conjunction with the Departments of Labor, Treasury, and State, the STR, and other agencies with responsibility in this area. While both efforts focus on techniques for increasing the efficiency of existing relief delivery methods, both also include the formulation of innovative approaches to providing adjustment assistance. Of most importance, DoC is exploring the possibility of creating teams of specialists (e.g., production, finance, marketing, and management experts)--drawn from DoC, other agencies, and private industry--to travel to affected areas to provide on-the-spot guidance and assistance to industry. These teams would concentrate on pilot projects scattered throughout the country. The goal is to use intensive team-firm collaboration on such matters as market analysis, financial affairs, product line revision, plant modernization, merger possibilities, and industry joint ventures to create models of successful adjustment. Building industry confidence in adjustment is a major objective. DoC, through either the team approach or some modification of it, intends to function as the catalyst to build that confidence.

• Drought Relief. In accordance with the proposed Community Emergency Drought Relief Act of 1977, DoC is to provide, by September 30, 1977, $225 million in emergency grants and loans to communities whose populations exceed 10,000. Our extensive consultations with local communities as well as Governors of the affected States suggest that applications for relief will include proposals for installing water meters to improve water conservation and the purchase and transportation of water from areas with a sufficient supply to those stricken by drought. Even though this legislation is still in the hearing stage, DoC has developed draft regulations and is prepared to implement the program within two weeks of the enactment of the Act.

• Business Views on Anti-Inflation Policies. As indicated in my March 11 report, I intend to give you periodic reports on my meetings with business leaders. At my request, some members of the Business Council have given me comments on our proposed anti-inflation policies. Generally, they favor the adoption of a long-run goal for the inflation rate (generally 2-3%) but oppose specific annual targets. They stress that the return to low rates of inflation will have to be

accomplished over a 5- to 10-year period. Their feeling is that monetary and fiscal polcies are the most appropriate instruments with which to reduce the inflation rate.

These businessmen also favor a review of Government regulatory policy because they feel Government regulations often cause unnecessary cost increases that are later translated into higher prices. Most of the businessmen objected to Government forecasting of supply shortages on the grounds that this could lead to disruptive inventory accumulation. Government intervention in the form of stockpiles or pre-notification of wage or price increases is generally opposed. These comments have been passed on to Charles Schultze. Further consultation with business is necessary and Charles Schultze, Mike Blumenthal, and myself will be meeting with such a group next Tuesday.

ISSUES

• Cargo Preference. Based on your guidance, DoC continues to work toward a cargo policy which is less costly than H.R. 1037, but which will provide some assistance to the merchant marine industry. Meetings were held April 6 with Congressional representatives, with a two-track approach being considered. The first approach is to see to what extent the Congress will accept a more limited cargo preference bill. The second is to explore non-cargo preference benefits to the industry, the extent of Congressional support for these other measures, and to analyze the economic and foreign policy costs of such proposals. We will be consulting with representatives of the industry as well and will send you another report on this issue in the next couple of weeks.

• Tuna/Porpoise. After in-depth discussions, DoC has determined that there is no administrative relief which can be provided that will meet the requirements the tuna fishermen feel they need regarding the eastern spinner dolphin kill quota. The tuna fleet is, for the most part, currently tied up in port and threatening to remain there unless relief is provided. This is limiting the supply of tuna available to canners and will likely result in layoffs of their workers and an increase in the retail price of tuna. Some modification of the Marine Mammal Protection Act appears to offer the only solution to this problem. The Department continues to work closely with representatives of environmental organizations and industry, and with members of Congress, to resolve this problem as soon as possible.

Juanita M. Kreps

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

April 8, 1977
1977 APR 9 PM 1 35

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is my weekly report on important activities within the Department of Health, Education, and Welfare

PUBLIC EVENTS

- Education Reorganization. We have completed work on a major reorganization of the Office of Education. On Monday, April 11, Dr. Ernest Boyer, Commissioner of Education, will announce it.

- National Health Insurance Task Force. Last week I announced formation of an Advisory Committee on National Health Insurance issues. The Committee will be chaired by the Under Secretary and will have 29 public members drawn from all regions and representing consumers, physicians, other health professionals, labor unions, state and local governments, the hospital and insurance industries and the business community. The Committee will conduct a broad inquiry, including hearings across the nation, into the problems of financing health care service, and it will give advice on the major issues that will be addressed in the health insurance plan that you have asked us to prepare for your consideration.

- Handicapped Demonstration. As you know, several hundred handicapped citizens demonstrated at HEW on Tuesday, and about 50 staged a sit-in in my outer office Tuesday night and Wednesday. They left peacefully Wednesday afternoon. More demonstrations may occur after I have promulgated altered 504 regulations, and HEW will face some delicate questions regarding the proper response to handicapped protestors. As you also know, the White House Conference on the Handicapped is scheduled for late May, and it is possible that there will also be demonstrations surrounding that event. As of this writing, there are still demonstrators in the HEW San Francisco office.

- Immunization. We are moving quickly to implement your childhood immunization initiative which was announced last week. I also will be announcing next week the outlines of the Department's influenza immunization policy for next year's flu season. It will, in broad outline, be much more modest than last year's program.

- Minority Biomedical Symposium. Dr. Donald Fredrickson, Director, National Institutes of Health, will speak at the Banquet Session of the Fifth Annual Symposium of the Minority Biomedical Support Program at Xavier University, New Orleans, Louisiana, on Tuesday, April 12. Approximately 1,200 minority biomedical researchers and teachers are expected to attend the Symposium.

CONGRESSIONAL ACTIVITY

- Health Message. At present, your Health Message is scheduled for April 18th or 19th. Early next week, I will be sending you memoranda describing the two major components of that message: cost containment legislation and legislation on Comprehensive Health Assessments and Primary Care for Children (CHAPS).

Joseph A. Califano, Jr.

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Joseph A. Califano, Jr.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

April 8, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze CLS

SUBJECT: CEA Weekly Report

1. Energy. On the basis of the meeting with you and Jim Schlesinger this week, CEA staff has been working with Treasury, OMB, and Schlesinger's staff to nail down the final elements of an agreed upon energy program. We are also jointly preparing for you: (i) an assessment of the overall economic impact; (ii) several alternatives for using the funds generated by the wellhead tax on oil. Our tentative conclusion is that, with the exception of the gasoline tax, the inflationary impact of the energy program may be minimal.

2. Humphrey-Hawkins. The EPG took up Humphrey-Hawkins on April 4 and decided to try to put together a new proposal that could serve as an alternative to the existing Humphrey-Hawkins bill. The CEA is working with Labor, Commerce, OMB, and Treasury to develop the new proposal. It will incorporate the basic objectives and principles of Humphrey-Hawkins but eliminate its objectionable features. This new proposal will come before the EPG on April 25. I talked with Senator Humphrey who is quite anxious to cooperate in revising the bill, and offered to help us deal with Congressman Hawkins.

3. Anti-Inflation. We are redrafting the proposed anti-inflation statement along the lines you suggested at the Saturday meeting. In the meantime, we will start consulting with business and labor leaders.



THE WHITE HOUSE

WASHINGTON

April 8, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: JIM SCHLESINGER

SUBJECT: Weekly Activities Report

Department of Energy

- Draft of comprehensive energy plan is being revised and will be ready on April 11th. You have a copy of the previous draft;
- We are working closely with OMB, Domestic Council, CEA, Treasury etc. in preparing a totally integrated energy policy. An option paper for you on alternative ways to tax gasoline is being prepared;
- Draft legislation necessary to implement proposed energy plan will be completed by April 12th;
- Markup of S. 826 tentatively scheduled to begin in late April and markup of HR. 4623 anticipated for late April or early May;
- Consulted with Congressional leaders and numerous Members of both Houses on long-term energy plan.

Public Participation in Energy Plan

- Written comments, recommendations and suggestions from the public submitted for possible inclusion in your energy plan have reached 27,000 -- final report summarizing the responses will be completed by April 11th.

Energy Research and Development Administration

- Multinational management plan for the design, construction and operation of two 500 kW pilot systems to be built in Spain at a cost of $30 million is being developed by an International Energy Agency working party. West Germany has the lead for the project design with the United States as deputy.

Federal Energy Administration

- Final report of the Joint Federal Power Commission/ Federal Energy Administration study on the impacts of the Western drought on Regional electricity generation was published;

- Weeks Island salt mine in the New Iberia Parish (Louisiana) was selected as the fourth storage site for the Strategic Petroleum Reserve.

THE SECRETARY OF THE INTERIOR

WASHINGTON

April 8, 1977

1977 APR 8 PM 2 21

MEMORANDUM TO THE PRESIDENT

FROM: Secretary of the Interior

SUBJECT: Major Topics for the Week of April 4

Tom Kimball of the National Wildlife Federation requested that you meet quietly and briefly with four persons representing the major environmental groups to direct their involvement in opposing the water projects. I advised him that I would coordinate them after your final decision which was agreeable, but they are still requesting 15 minutes to assure you that they are supportive.

We are moving on the Alaskan lands selection and will meet all timetables.

I told you that gas production from oil wells was 50% of production. I was wrong as it is increasing each year. Reserves as of 1976 are 30% associated with oil and 70% from straight gas.

Your feeling about FRC (Federal Regional Councils) is accurate. I suggest we abolish them and at the end of six months we can judge if any components should be restored or if government will survive without the cost and staff. I suspect an informal agreement between major government field people would make it possible to discuss major concerns without all the make-work mechanisms.

Cecil D. Andrus

CECIL D. ANDRUS

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

1977 APR 8 PM 4 31

April 8, 1977

MEMORANDUM TO THE PRESIDENT

THROUGH Jack Watson
Secretary to the Cabinet

SUBJECT: Weekly Report

FLOODS. FmHA, the food stamp division and other USDA agencies are prepared to deliver Department assistance to flood victims in the Virginia/West Virginia/Kentucky disaster areas. Emphasis is on improving and speeding services and on learning from past mistakes.

FOOD STAMPS. The Administration's food stamp proposal has strong bipartisan support in the House Agriculture Committee. Senator Talmadge has offered his own program on the Senate side. Evaluation: clear sailing, House Committee and floor; could lose by tie vote or win by one vote in Senate Committee, should pass Senate floor vote without problem.

ASCS. Working with the White House and Congressional delegations, we have found top flight, balanced, ASCS Committees for 20 States. We are insisting on women/minority representation.

REORGANIZATION. We are completing internal reorganization of the Federal Crop Insurance Corporation. To get the people where they can do the most good, seven clerical and 20 professional positions have been moved out of Washington.

ASSISTANT SECRETARIES. All now confirmed and sworn in. They work well together and know what they are doing.

FARM BILL. The House Subcommittee has approved a $3.20 income support level (target price) on wheat for the 1978 crop ($2.90 for 1977) and a minimum loan rate of $2.50. Vote: 10 to 1, with Poage as the only nay. A meeting has been scheduled for April 19 with House Committee Democrats to discuss the situation. Mark-up, in both House and Senate, is expected on April 20.

BOB BERGLAND

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

April 8, 1977

1977 APR 9 PM 1 36

MEMORANDUM FOR: The President

SUBJECT: Weekly Report of Major Departmental Activities

The following are brief descriptions of significant activities at the Department of Housing and Urban Development.

Reactivation of Public Housing. The Department now has completely reactivated the public housing program. Regulations for the program were published in February, and the Handbook and application forms now have been printed and distributed. During the remaining six months of this fiscal year HUD field offices will be accepting applications for fund reservations from Public Housing Authorities.

Consumer Forum on Tenant Participation. On Tuesday, I met with approximately 900 public housing tenants and managers from 57 cities and 21 states. The purpose of the consumer forum was to discuss tenant participation in the management and operation of Public Housing Authorities, prior to the preparation of Department regulations governing such tenant participation. This is the first time that the Department has offered an opportunity for those involved in tenant management to discuss possible regulation content prior to the drafting of the regulations. Such prior consultation is planned for other areas of HUD operations.

Indian Housing. HUD staff participated in a meeting of Indian Housing Authority representatives, sponsored by the Housing Assistance Council and the Congress of American Indians, to discuss problems with Indian housing. The representatives indicated that the existing regulations for Indian Public Housing are unworkable. This is an area which will be given priority for review and appropriate action.

Urban Growth. On April 4, the Department was host for a roundtable discussion on Urban Growth with 12 representatives of research institutions, universities, state and local governments,and observers from the Department of Commerce. The roundtable was one of a series of meetings to formulate

an agenda of problems facing central cities, suburban communities, and rural areas. Representatives also discussed possible form and content for the Regional Forums on Urban Growth which the Department plans to conduct in May and June.

Meeting with Planning Directors of Large Cities. A group of some 25 members of the American Institute of Planners City Planning and Management Department met with members of HUD's community development staff. This group, which represents the planning directors of the large cities, wants the Department to continue providing Section 701 Comprehensive Planning assistance during FY 1978. They also are pressing for long-range revisions in the 701 program to make it more useful to large cities and to link comprehensive planning to the delivery of community development and housing funds.

Alma-Bacon County, Georgia - Possible Environmental Litigation. We expect a complaint to be filed soon by some Georgia environmental groups and land owners alleging violations of the National Environmental Policy Act by HUD and a block grant recipient. The project involved is the impoundment of water in Hurricane Creek to create Lake Alma in Southeast Georgia. The recreation project is part of the Alma-Bacon County block grant program.

Project is not necessary J.C.

The environmental impact statement prepared by the grantee apparently was adequate, but EPA and the Interior Department have raised serious substantive questions about the project. EPA has referred the project to the Council on Environmental Quality for review. Although HUD has no legal basis under its regulations for withholding funds from the project for any significant length of time, we have asked the grantee to withdraw the project. Funding and permits from EPA and Interior are necessary to complete the project and probably will not be provided. If HUD approves the funding, environmental groups can be expected to request a temporary restraining order to prevent release of funds. This matter is under continuing review.

Philadelphia Protest March. We have been informed that a coalition of some 100 Philadelphia citizens, under the leadership of the local Urban Coalition, may "march on Washington" on April 18 to see me. The group's major complaint is that Community Development Block Grant funds are being spent primarily in white areas of the city and particularly in Mayor Rizzo's precincts. HUD and the Department of Justice have underway an investigation to determine whether these allegations are correct.

Assistant Secretary Embry met representatives of the group on Friday and is sending a senior member of his staff to work with the group in Philadelphia in resolving the problem. This same group marched on Philadelphia's City Hall and the HUD regional office on March 24. We hope our action showing that we take their concerns seriously will make a demonstration unnecessary.

Fair Housing Month. On Tuesday, I inaugurated the annual observance of Fair Housing Month with a ceremonial signing of the proclamation in the HUD lobby. Also present to sign the proclamation were officials from the White House, other Federal agencies, private industry and civil rights groups. In my remarks I pointed out that for many Americans, the promise of fair housing is still unfulfilled, and that we must rededicate ourselves to making fair housing a reality. A short film clip of the ceremony has been distributed nationally to some 700 television stations.

Disaster Assistance. Presidential declarations of major flood disasters have been issued for counties in Kentucky and Virginia, and West Virginia and Tennessee have requested declarations. Alabama may request disaster aid for the three counties stricken by tornadoes. The Federal Disaster Assistance Administration (FDAA) already has moved into Kentucky and Virginia and the Red Cross has assigned over 100 staff members who will begin providing assistance in the areas affected. It is now estimated that as many as 30,000 families may need emergency housing relief from HUD. Other Federal agencies -- SBA, Corps of Engineers, USDA -- are coordinating their assistance with FDAA.

Disaster Housing. In addition to FDAA's overall role in providing disaster assistance, HUD's Office of Housing has specific responsibility for providing temporary housing for disaster victims. Beginning with Hurricane Camille in 1969, the Department has provided temporary housing to over 74,000 families in 46 states. Families are provided temporary housing in vacant, government-owned or assisted housing and private rental units when these units are available. Where minimal repairs are necessary to restore owner-occupied units to liveable condition, assistance is provided under the Minimal Repair Program. Mobile homes are used when existing housing is not adequate. These government-owned mobile homes are stored at mobile home storage centers located in Georgia, Kentucky, and Texas and are held in readiness status for dispatch, when required, to disaster areas. We now have an authorized inventory of 7,000 mobile homes in response-ready condition for use as temporary housing.

GAO Report on Flood Insurance Financial Controls. On Wednesday, I issued a statement to the press to assure the public that Federal flood insurance policies are in no way threatened by the financial recordkeeping difficulties experienced by the National Flood Insurers Association (NFIA). These difficulties were the subject of a report issued this week by the General Accounting Office. I announced that I had appointed a task force to work with the NFIA in correcting this state of affairs and had instructed the HUD Inspector General to monitor the situation, two steps that were suggested by GAO. HUD has been working on this matter, which results from failure of the NFIA to provide adequate records.

Jay Davis for
Patricia Roberts Harris

"FYI"

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

April 8, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall Ray Marshall

SUBJECT: Major Departmental Activities, April 2-8

ILLEGAL ALIENS

On Tuesday, April 5, I met with Attorney General Bell, Secretary Califano and Under Secretary of State Christopher to discuss draft memorandum for you on the problem of illegal aliens. We will meet again in the near future to continue these discussions. Department of Labor staff is currently drawing up work orders to identify the tasks that need to be completed before we can develop a final proposal.

LABOR MANAGEMENT SERVICES ADMINISTRATION

East Coast Longshoreman

Assistant Secretary Frank Burkhardt and I have been closely following these negotiations since February. As you may know, one of the key issues in this dispute is labor and management's objections to decisions of the National Labor Relations Board and the Federal Maritime Administration on container handling rules. There is considerable hostility directed toward the Federal Government and, as a result, our involvement in these negotiations is highly sensitive. As a precaution, we have readied the Taft-Hartley machinery in the event of a strike. Later today, I will be sending you a confidential memorandum outlining the current situation in greater detail.

NATIONAL LABOR RELATIONS BOARD (NLRB)

As you know, the appointment of John Fanning as the new Chairman of the NLRB is only awaiting routine White House clearance procedures. We are in the process of developing a recommendation for the vacancy created by the recent resignation of Peter Walther from the Board.

Youth Bill

The Administration's Youth Employment bill was introduced in the Senate on April 6 by nine Senators.

Shoe Imports

As you know, the textile workers are threatening a work-stoppage on Wednesday, April 13 to protest your decision on shoe imports.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

On March 29, the city of Louisville, Kentucky, discovered high concentrations of a highly toxic pesticide in the sludge of one of their sewage treatment plants. OSHA was one of several federal and state agencies which tried to alleviate the problem. There was some confusion over responsibility, so OSHA made clear that their role was to assist any federal or state agency that needed their help.

EMPLOYMENT STANDARDS--BLACK LUNG COMPENSATION

At the request of Senate Majority Leader Byrd, Assistant Secretary Donald Elisburg visited West Virginia on April 1 to assess the Labor Department's black lung program. In addition to visiting various facilities, Elisburg conferred with representatives of the United Mine Workers and other groups.

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

April 8, 1977

Re: Principal activities of the Department of Justice for the week of April 4 through April 8

1. Events and Meetings

The Attorney General met this week with a number of groups to discuss their interests and concerns for the Department of Justice. These included representatives of the National Institute of Municipal Law Officers and the International Association of Chiefs of Police. He also had an interview session with the law clerks of the Supreme Court at the Supreme Court; he attended a reception given by the Federal Bar Association; he had an interview/lunch with the Washington Bureau of the Cox newspaper chain; he attended a luncheon in honor of retiring Chief District Judge William B. Jones; he held a wine party for the press corps who regularly cover the Department of Justice; and he met with a group of Florida condominium unit owners from West Palm Beach, Florida, who were accompanied by the Attorney General of Florida, Robert Shevin, alleging certain antitrust and mail fraud violations.

The Attorney General testified before the House Administration Committee on the Administration's Universal Voter Registration Act. Drew Days, Assistant Attorney General in charge of the Civil Rights Division, testified before the House Committee on Education and Labor, Subcommittee on Equal Opportunities, in favor of the proposed amendment to Title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy.

Peter F. Flaherty, Mayor of Pittsburgh, was confirmed by the United States Senate to be Deputy Attorney General. Mr. Flaherty will be sworn in in the Great Hall of the Department of Justice on Monday, April 11, at 3:30 p.m. by the Attorney General.

The Attorney General and Deputy Designate Flaherty went to the offices of the Law Enforcement Assistance Administration (LEAA) for a meeting with the top professional leadership of the agency concerning its programs. It is believed this was the first such meeting by any Attorney General concerning substantive matters of LEAA at the LEAA offices.

The Attorney General had a lengthy meeting with the key personnel of the Antitrust Division of the Department of Justice to discuss long-term policies.

2. Undocumented Aliens

On Tuesday, April 5, the Attorney General met at the Department of Justice with Secretary Marshall, Secretary Califano, Deputy Secretary Christopher, representatives of the Domestic Council staff, representatives of the office of the Secretary to the Cabinet, certain congressional staff representatives, and personal staffs of various interested Cabinet personnel to discuss comprehensive and coordinated policy recommendations to be made to the President concerning undocumented aliens. Considerable progress was made and additional drafts are currently being circulated among the principles for another such meeting in the near future.

3. FBI Indictment

A former FBI supervisor was indicted by a Federal grand jury Thursday on charges of directing a secret mail-opening and wiretapping operating during a search for racial fugitives in New York City from 1970 through 1972. The Attorney General is personally supervising the investigation, which is being conducted by the Civil Rights Division of the Department of Justice.

4. Negotiations with Congressman Moss

The Attorney General's staff consulted the Director of Central Intelligence and the Vice President to design a procedure by which intelligence documents can be made available to Congressman Moss as part of his inquiry into wiretapping.

Because of the precedential value of any agreement for handling sensitive material in this case, the Attorney General indicated to Congressman Moss and to the District Court that he intends to ask the President to review any proposed procedure before an agreement is reached. The District Court has asked the Department of Justice and Congressman Moss to negotiate a settlement by May 2.

5. Northwest Salmon Fishing Rights Controversy

The Attorney General and the Secretaries of Commerce and Interior announced on April 7 the creation of a task force to study issues raised by the salmon fishing controversy in Washington State and to develop proposals to provide long-range protection, management and enhancement of the salmon fishing industry. The controversy stems from litigation involving a conflict between fishing rights granted to Indians by treaty and the authority of States to regulate fishing within their boundaries.

6. G. Gordon Liddy Petition for Executive Clemency

On April 7, 1977, the Attorney General forwarded to the President his recommendation concerning the petition for commutation of sentence filed by Mr. Liddy. The Attorney General has recommended that Mr. Liddy's twenty-year sentence be commuted to eight years, thereby advancing Mr. Liddy's parole eligibility date to July 9, 1977.

7. Electronic Surveillance Legislation

The report of the Attorney General's subcommittee of the SCC on PRIM-11 will make recommendations to the SCC on April 14 regarding electronic surveillance legislation.

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memo	From Jack Watson to The President Re: Weekly Report From US Mission to UN (1 pp.) /attached to memo from Rick Hutcheson to Cabinet members	4/7/77	A

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THE PRESIDENT HAS SEEN. FYI

THE SECRETARY OF THE TREASURY
WASHINGTON 20220

April 8, 1977

C

MEMORANDUM TO THE PRESIDENT

SUBJECT: Highlights of Treasury Activities

I completed a four day trip to the West Coast, during which I visited Los Angeles, San Francisco, and Phoenix, making the case for the Administration's anti-inflation efforts and the economic stimulus package through public speeches, television interviews, and private meetings with influential members of the banking and business community. The result was saturation coverage in both print and electronic media.

I also spoke to IRS and Customs employees in both San Francisco and Los Angeles, and met with the Mayor of San Francisco and the Governor of Arizona for long discussions.

Recruitment is continuing for senior Treasury positions not yet filled. I expect to have a recommendation to you this week for a Comptroller of the Currency. Recommendations for General Counsel and Treasurer of the United States will follow soon.

No Congressional action regarding the rebate occurred this week and our focus turned toward working with outside interest groups. We have met with about 25 such groups to target their efforts and most have indicated their cooperation in communicating the Administration policies to the grass roots.

The House also voted to extend the Harkin-Badillo amendment to all international financial institutions. This amendment, which had been instituted for the Inter-American and African Banks in 1976, requires the United States to vote against all loans to countries consistently violating human rights unless the aid goes directly to meeting the "basic human needs" of people in that country. The House also added a Reuss amendment on the United States to "advance the cause of human rights...with its voice and vote" and "to direct assistance towards countries" which do not violate human rights, with semi-annual reports to the Congress on progress toward these ends.

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By a record vote of 218 to 145 the House also adopted an amendment directing U.S. officials to oppose financial assistance for agricultural projects promoting palm oil, sugar or citrus fruit production if the U.S. is a producer of the same or competing agricultural product. The Administration should strongly oppose this amendment in the Senate. We will keep you advised of our efforts.

Markup on the FY 78 IFI authorization bill by the Senate Foreign Relations Committee has been rescheduled for the week of April 18.

By unanimous vote, the Senate on Wednesday approved H.R. 1828 extending for one year the sick pay exclusion repealed by the 1976 Tax Reform Act.

The Senate Banking Committee has completed markup on 5303, rejecting an Administration proposal to lodge with Justice all enforcement obligations related to the bribery provisions. The Committee accepted, however, an Administration approved compromise to the corporate disclosure provision establishing the reporting level at five percent.

The Senate Budget Committee has approved the Administration's request for $9.7 billion for general revenue sharing.

The Senate and House this week agreed to the conference report on H.R. 3365 extending until December 15, 1977 authority for the flexible regulation of interest rates on deposits and accounts in depository institutions (Regulation Q). The bill has been sent to the White House for your signature.

In testimony this week, Assistant Secretary Bergsten presented the Administration's policy toward private bank lending to developing countries. He indicated that such lending "has been remarkably successful...and that we can find no adverse effects on our own economy, the soundness of our banking system, the availability of credit for domestic purposes, or the entire world economy." We indicated our belief that concerns over bank lending to LDCs (as indicated by Arthur Burns and some others) are "greatly exaggerated".

The IMF staff and Italy have reached agreement on the terms of a SDR 450 million ($520 million) standby credit which will be presented to the Executive Board for formal action within a few weeks. The standby will provide for drawdowns through 1978, dependent on Italian satisfaction of economic performance criteria agreed as part of the standby.

The Internal Revenue Service is requesting approval to acquire additional computer capacity to support the Tax Rebate Act of 1977 if it is passed by Congress. A supplemental appropriation of $6 million is to be requested for this and other items.

I will also soon be reviewing a major IRS proposal for a multi-year, $850 million computerized Tax Administration System. The project has received some publicity because of the privacy issues raised by some of its features, and my review will be to determine if the project is consistent with your views in this area and to see if its costs are justified by benefits of a commensurate magnitude.

I have sent out an announcement in the Department that I will not appear at public functions at any club or organization with discriminatory policies directed against women or minorities, and encouraging other Treasury officials to do the same.

The Assistant Secretary-Designate for Economic Policy, Dan Brill, reports that the mail which he receives for the drafting of replies is overwhelmingly concerned about inflation. I will be speaking to the National Press Club at noon next Wednesday, April 13, and expect that the speech and the questioning will concentrate on this issue.

Mike

W. Michael Blumenthal

THE PRESIDENT HAS SEEN. FYI

THE SECRETARY OF THE TREASURY
WASHINGTON 20220

April 8, 1977

MEMORANDUM TO THE PRESIDENT

SUBJECT: Highlights of Treasury Activities

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THE PRESIDENT HAS SEEN.

INFORMATION

THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

1977 APR 8 PM 2 21

April 8, 1977

MEMORANDUM FOR THE PRESIDENT

THROUGH JACK WATSON

SUBJECT: DOT Issues for Presidential Review

This memorandum summarizes the status of significant issues on activities now pending at the Department of Transportation.

National Visitors Center

I met with Secretary Andrus on April 1 to discuss resolution of the National Visitors Center problem. Background on this problem was provided in my March 25 memorandum to you. Secretary Andrus and I have agreed that it is important to complete this project as quickly and cost-effectively as possible. Senate Commerce, Science and Transportation Subcommittee hearings on the Union Station Improvement Act (S. 562) originally scheduled for April 5, have been postponed. No future hearing date has been set, but both Secretary Andrus and my staff are working informally with the Committee staff on this issue. In addition, negotiations between DOT and DOI, at the Secretaries' staff level, will begin on Monday, April 11. We hope to settle all outstanding questions by early May. During this interim, Interior will proceed with its request for additional authorization and appropriations to complete construction of Union Station.

Aircraft Noise Abatement

I am providing to your staff today a proposed Administration position on financing assistance for airlines to enable them to comply with Federal noise standards (FAR 36), as outlined in my memorandum to you of March 25. These standards have been retroactively applied to the older components of the aircraft fleet. I have proposed that the noise rule, as promulgated by the former Administration, remain in effect, including its applicability to the two and three engine jets.

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In light of the fact that this rule applies a retroactive standard in order to achieve an important public purpose, I believe that some financial incentive to the airlines is warranted. This can be most effectively accomplished by a repeal of some portion of the existing excise tax on airline tickets. This tax now produces revenue significantly in excess of the permitted use of the Airport and Airways Trust Fund. The airlines would place this new revenue in an escrow fund to be used only for environmental improvement, under conditions which would permit compliance either through 1) engine retrofit, or 2) investment in new aircraft. In order to make the latter option, which has significant benefits to the economy and to the efficient operation of the nation's airlines available to all the carriers, it may be necessary to back up the tax rebate plan with a loan guarantee plan.

The House Public Works Committee is turning its attention to this issue now, and I am scheduled to testify on this matter on April 28. It is likely that noise abatement legislation will ultimately be merged with the regulatory reform legislation. I understand your staff will be pulling together all concerned departments (CEA, Treasury, OMB) to arrive at an Administration position.

Reform of DOT Regulatory Process

I am pleased to report to you that I have taken a number of steps to reform DOT's internal regulatory process. Most of DOT's regulations relate to transportation safety and are issued by the Federal Aviation Administration, the Coast Guard, and the National Highway Traffic Safety Administration. Last year, for example, DOT issued about 1,100 final rules covering 6,180 docket pages in the Federal Register. While most of these could be considered minor, it is clear that the volume is enormous. In early February, I issued a directive requiring the head of each of the operating elements to review all final rules before issuance and requiring the principal author or authors to sign such rules. I also directed that final rules be reviewed in my office to determine their necessity and reasonableness.

Meanwhile, I have had my General Counsel's office develop a much more comprehensive approach to streamlining the Department's regulatory process and to establish firm policies designed to assure that the regulations we issue are needed, that they are clearly written, and that benefits and the costs to the affected parties have been examined rigorously. The final policy statement, including the procedures we will follow, are in completed form now. Before issuing them, I plan to seek the advice of my Administrators. I will also send copies

to your staff to obtain any comments and suggestions they may have. I am confident that once we get this new system in place we can begin to make real progress in achieving your goal of reducing the burden of Federal regulation.

THE PRESIDENT HAS SEEN.

THE SECRETARY OF COMMERCE
Washington, D.C. 20230

"FYI"

April 8, 1977

1977 APR 8 PM 4 31

REPORT TO THE PRESIDENT

Subject: Department of Commerce Priority Issues

The following actions and issues are currently of priority concern to the Department of Commerce (DoC):

ACTIONS

• Trade Adjustment Assistance. In accordance with your decision DoC is moving rapidly to (1) assist the shoe industry during the next 90 days and (2) develop a comprehensive proposal for improving the entire adjustment assistance program. This will be done in conjunction with the Departments of Labor, Treasury, and State, the STR, and other agencies with responsibility in this area. While both efforts focus on techniques for increasing the efficiency of existing relief delivery methods, both also include the formulation of innovative approaches to providing adjustment assistance. Of most importance, DoC is exploring the possibility of creating teams of specialists (e.g., production, finance, marketing, and management experts)--drawn from DoC, other agencies, and private industry--to travel to affected areas to provide on-the-spot guidance and assistance to industry. These teams would concentrate on pilot projects scattered throughout the country. The goal is to use intensive team-firm collaboration on such matters as market analysis, financial affairs, product line revision, plant modernization, merger possibilities, and industry joint ventures to create models of successful adjustment. Building industry confidence in adjustment is a major objective. DoC, through either the team approach or some modification of it, intends to function as the catalyst to build that confidence.

• Drought Relief. In accordance with the proposed Community Emergency Drought Relief Act of 1977, DoC is to provide, by September 30, 1977, $225 million in emergency grants and loans to communities whose populations exceed 10,000. Our extensive consultations with local communities as well as Governors of the affected States suggest that applications for relief will include proposals for installing water meters to improve water conservation and the purchase and transportation of water from areas with a sufficient supply to those stricken by drought. Even though this legislation is still in the hearing stage, DoC has developed draft regulations and is prepared to implement the program within two weeks of the enactment of the Act.

• Business Views on Anti-Inflation Policies. As indicated in my March 11 report, I intend to give you periodic reports on my meetings with business leaders. At my request, some members of the Business Council have given me comments on our proposed anti-inflation policies. Generally, they favor the adoption of a long-run goal for the inflation rate (generally 2-3%) but oppose specific annual targets. They stress that the return to low rates of inflation will have to be

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accomplished over a 5- to 10-year period. Their feeling is that monetary and fiscal polcies are the most appropriate instruments with which to reduce the inflation rate.

These businessmen also favor a review of Government regulatory policy because they feel Government regulations often cause unnecessary cost increases that are later translated into higher prices. Most of the businessmen objected to Government forecasting of supply shortages on the grounds that this could lead to disruptive inventory accumulation. Government intervention in the form of stockpiles or pre-notification of wage or price increases is generally opposed. These comments have been passed on to Charles Schultze. Further consultation with business is necessary and Charles Schultze, Mike Blumenthal, and myself will be meeting with such a group next Tuesday.

ISSUES

• Cargo Preference. Based on your guidance, DoC continues to work toward a cargo policy which is less costly than H.R. 1037, but which will provide some assistance to the merchant marine industry. Meetings were held April 6 with Congressional representatives, with a two-track approach being considered. The first approach is to see to what extent the Congress will accept a more limited cargo preference bill. The second is to explore non-cargo preference benefits to the industry, the extent of Congressional support for these other measures, and to analyze the economic and foreign policy costs of such proposals. We will be consulting with representatives of the industry as well and will send you another report on this issue in the next couple of weeks.

• Tuna/Porpoise. After in-depth discussions, DoC has determined that there is no administrative relief which can be provided that will meet the requirements the tuna fishermen feel they need regarding the eastern spinner dolphin kill quota. The tuna fleet is, for the most part, currently tied up in port and threatening to remain there unless relief is provided. This is limiting the supply of tuna available to canners and will likely result in layoffs of their workers and an increase in the retail price of tuna. Some modification of the Marine Mammal Protection Act appears to offer the only solution to this problem. The Department continues to work closely with representatives of environmental organizations and industry, and with members of Congress, to resolve this problem as soon as possible.

Juanita M. Kreps

THE WHITE HOUSE
WASHINGTON

April 11, 1977

Secretary Andrus -

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

Rick Hutcheson

cc: Tim Kraft

Report of Interior Activities
for Week of April 4

THE WHITE HOUSE
WASHINGTON

cc Andrus
Kraft

THE PRESIDENT HAS SEEN.

THE SECRETARY OF THE INTERIOR

WASHINGTON

April 8, 1977 1977 APR 8 PM 2 21

MEMORANDUM TO THE PRESIDENT

FROM: Secretary of the Interior

SUBJECT: Major Topics for the Week of April 4

Tom Kimball of the National Wildlife Federation requested that you meet quietly and briefly with four persons representing the major environmental groups to direct their involvement in opposing the water projects. I advised him that I would coordinate them after your final decision which was agreeable, but they are still requesting 15 minutes to assure you that they are supportive.

We are moving on the Alaskan lands selection and will meet all timetables.

I told you that gas production from oil wells was 50% of production. I was wrong as it is increasing each year. Reserves as of 1976 are 30% associated with oil and 70% from straight gas.

Your feeling about FRC (Federal Regional Councils) is accurate. I suggest we abolish them and at the end of six months we can judge if any components should be restored or if government will survive without the cost and staff. I suspect an informal agreement between major government field people would make it possible to discuss major concerns without all the make-work mechanisms.

Cecil D. Andrus

CECIL D. ANDRUS

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THE WHITE HOUSE
SIGNATURE MUST BE SECURED

TO:
The Honorable Bob S. Bergland
Secretary of Agriculture
Washington, D.C. 20250

DATE. . . 4/11/77. . . .
NUMBER 005083
TIME REC'D 5:30

RECEIVED BY . . . B. H. Stern . . . . . .
DELIVERED BY . . . . RICK HUTCHESON . . . . . .
RETURN RECEIPT ~~ROOM 54 E.O.E.O.B.~~

THE WHITE HOUSE
WASHINGTON

April 11, 1977

Secretary Bergland -

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

Rick Hutcheson

Re: Farm Bill

THE WHITE HOUSE
WASHINGTON



THE PRESIDENT HAS SEEN.

cc To Bob J.C.

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

1977 APR 8 PM 4 31

April 8, 1977

MEMORANDUM TO THE PRESIDENT

THROUGH Jack Watson
Secretary to the Cabinet

SUBJECT: Weekly Report

FLOODS. FmHA, the food stamp division and other USDA agencies are prepared to deliver Department assistance to flood victims in the Virginia/West Virginia/Kentucky disaster areas. Emphasis is on improving and speeding services and on learning from past mistakes.

FOOD STAMPS. The Administration's food stamp proposal has strong bipartisan support in the House Agriculture Committee. Senator Talmadge has offered his own program on the Senate side. Evaluation: clear sailing, House Committee and floor; could lose by tie vote or win by one vote in Senate Committee, should pass Senate floor vote without problem.

ASCS. Working with the White House and Congressional delegations, we have found top flight, balanced, ASCS Committees for 20 States. We are insisting on women/minority representation.

REORGANIZATION. We are completing internal reorganization of the Federal Crop Insurance Corporation. To get the people where they can do the most good, seven clerical and 20 professional positions have been moved out of Washington.

ASSISTANT SECRETARIES. All now confirmed and sworn in. They work well together and know what they are doing.

FARM BILL. The House Subcommittee has approved a $3.20 income support level (target price) on wheat for the 1978 crop ($2.90 for 1977) and a minimum loan rate of $2.50. Vote: 10 to 1, with Poage as the only nay. A meeting has been scheduled for April 19 with House Committee Democrats to discuss the situation. Mark-up, in both House and Senate, is expected on April 20.

I may have to veto

BOB BERGLAND

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THE PRESIDENT HAS SEEN.

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

April 8, 1977

1977 APR 9 PM 1 36

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is my weekly report on important activities within the Department of Health, Education, and Welfare

PUBLIC EVENTS

- Education Reorganization. We have completed work on a major reorganization of the Office of Education. On Monday, April 11, Dr. Ernest Boyer, Commissioner of Education, will announce it.

- National Health Insurance Task Force. Last week I announced formation of an Advisory Committee on National Health Insurance issues. The Committee will be chaired by the Under Secretary and will have 29 public members drawn from all regions and representing consumers, physicians, other health professionals, labor unions, state and local governments, the hospital and insurance industries and the business community. The Committee will conduct a broad inquiry, including hearings across the nation, into the problems of financing health care service, and it will give advice on the major issues that will be addressed in the health insurance plan that you have asked us to prepare for your consideration.

- Handicapped Demonstration. As you know, several hundred handicapped citizens demonstrated at HEW on Tuesday, and about 50 staged a sit-in in my outer office Tuesday night and Wednesday. They left peacefully Wednesday afternoon. More demonstrations may occur after I have promulgated altered 504 regulations, and HEW will face some delicate questions regarding the proper response to handicapped protestors. As you also know, the White House Conference on the Handicapped is scheduled for late May, and it is possible that there will also be demonstrations surrounding that event. As of this writing, there are still demonstrators in the HEW San Francisco office.

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. Immunization. We are moving quickly to implement your childhood immunization initiative which was announced last week. I also will be announcing next week the outlines of the Department's influenza immunization policy for next year's flu season. It will, in broad outline, be much more modest than last year's program.

. Minority Biomedical Symposium. Dr. Donald Fredrickson, Director, National Institutes of Health, will speak at the Banquet Session of the Fifth Annual Symposium of the Minority Biomedical Support Program at Xavier University, New Orleans, Louisiana, on Tuesday, April 12. Approximately 1,200 minority biomedical researchers and teachers are expected to attend the Symposium.

CONGRESSIONAL ACTIVITY

. Health Message. At present, your Health Message is scheduled for April 18th or 19th. Early next week, I will be sending you memoranda describing the two major components of that message: cost containment legislation and legislation on Comprehensive Health Assessments and Primary Care for Children (CHAPS).

Joseph A. Califano, Jr.

THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

April 8, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze CLS

SUBJECT: CEA Weekly Report

1. Energy. On the basis of the meeting with you and Jim Schlesinger this week, CEA staff has been working with Treasury, OMB, and Schlesinger's staff to nail down the final elements of an agreed upon energy program. We are also jointly preparing for you: (i) an assessment of the overall economic impact; (ii) several alternatives for using the funds generated by the wellhead tax on oil. Our tentative conclusion is that, with the exception of the gasoline tax, the inflationary impact of the energy program may be minimal.

2. Humphrey-Hawkins. The EPG took up Humphrey-Hawkins on April 4 and decided to try to put together a new proposal that could serve as an alternative to the existing Humphrey-Hawkins bill. The CEA is working with Labor, Commerce, OMB, and Treasury to develop the new proposal. It will incorporate the basic objectives and principles of Humphrey-Hawkins but eliminate its objectionable features. This new proposal will come before the EPG on April 25. I talked with Senator Humphrey who is quite anxious to cooperate in revising the bill, and offered to help us deal with Congressman Hawkins.

3. Anti-Inflation. We are redrafting the proposed anti-inflation statement along the lines you suggested at the Saturday meeting. In the meantime, we will start consulting with business and labor leaders.

AMERICAN REVOLUTION BICENTENNIAL 1776-1976

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THE WHITE HOUSE
SIGNATURE MUST BE SECURED

TO:
The Honorable Cecil D. Andrus
Secretary of the Interior
Washington, D.C. 20240

DATE. 4/11/77
NUMBER 005084
TIME REC'D 5:15

RECEIVED BY Marjorie L. Russ

DELIVERED BY
RICK HUTCHESON

RETURN RECEIPT ~~ROOM 54 EN O.E.O.B.~~

THE WHITE HOUSE

WASHINGTON

MINUTES OF THE CABINET MEETING

Monday, April 11, 1977

The twelfth meeting of the Cabinet was called to order by the President at 9:09 a.m., Monday, April 11, 1977. All members of the Cabinet were present except Dr. Schlesinger and Mr. Blumenthal, who was represented by Treasury Under Secretary Robert Carswell. Other persons present were:

Joe Aragon
Katie Beardsley
Zbigniew Brzezinski
Landon Butler
Hugh Carter
Doug Costle
Stu Eizenstat
Jane Frank
Rex Granum
Gail Harrison
Jim King
Bob Lipshutz
Jim McIntyre
Bunny Mitchell
Dick Moe
Frank Moore
Frank Press
Charles Schultze
Robert Strauss
Tim Smith
Stansfield Turner
Harrison Wellford
Dave Woodham
Jack Watson

The President asked for comments from Cabinet members, beginning with the Secretary of State:

1. Mr. Vance discussed the State Department's activities with respect to the situation in Zaire. According to Mr. Vance, we are providing limited help to a friendly nation and attempting to avoid an escalated confrontation in that area. U.S. help includes provision of non-lethal military supplies under existing legal authority; economic aid, including imports of commodities and PL 480 assistance; diplomatic aid in the form of support for the territorial integrity of the nation and mediation efforts by Nigeria. If these efforts fail, appeal will be made to the Organization of African Unity.

The President added that what we want is peace in the area.

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-- Mr. Vance said that recommendations on arms transfers policies will be submitted to the President soon.

-- He noted that British Foreign Minister David Owen left for Africa yesterday. If the results of his trip are positive, we shall co-sponsor a constitutional conference on Africa with the British.

The President and Messrs. Adams, Turner and Vance discussed recent actions against Soviet vessels found in violation of the 200 mile fishing limit. Mr. Adams said that he would like to attend future NSC meetings when this issue, oil spills, and air rights are discussed. The President asked Mr. Adams to discuss the matter with Dr. Brzezinski.

2. Mr. Andrus described a civil service rule which prevents people from earning more than three times their former salary. Ms. Harris said that the practice perpetuates discrimination against minorities and women who were unable to draw high salaries in the past, or who are young but well-qualified for the positions for which they are being hired.

The President asked Mr. Andrus to discuss the subject with Mr. Lance.

-- Mr. Andrus said that the proposal on the California redwoods issue will be ready by this weekend.

3. Mr. Schultze reported that CEA is continuing its study of the possible under-utilization of production capacity.

4. Dr. Brzezinski said that NSC committees will meet this week on Africa, arms transfers, European policy and the forthcoming International Economic Summit.

-- Dr. Brzezinski is participating in a major review of U.S. force posture. The President has been briefed, along with Dr. Brown.

-- The NSC is also reviewing U.S. policy towards the Philippines and Korea.

-- The Special Coordination Committee met last week on SALT; Dr. Brzezinski stressed the complexity and long-term nature of the negotiations.

-- He flagged two potential problems: (1) The human rights issue has acquired a momentum of its own in the

Congress and proposed human rights amendments to various pieces of legislation may be unduly restrictive; (2) There are fears abroad that the forthcoming U.S. energy program will be both recessionary and inflationary.

The President and Messrs. Vance and Brzezinski discussed ways to insure that Congressional amendments on human rights afford the Administration adequate latitude in international affairs.

The President said he had again reviewed the U.S. position on SALT and remains convinced that our proposal is fair and equitable.

5. Ambassador Young reported that he had spent most of last week in Washington meeting with the Vice President and Messrs. Brzezinski and Vance on South Africa and Zaire.

6. Mr. Marshall said that the youth employment bill has been introduced in the Senate and that prospects for passage appear to be good.

-- The East Coast longshoremen's negotiations are continuing and there may be a longshoremen's strike. Tomorrow is a critical day in the negotiations.

-- Mr. Marshall summarized last week's meeting among Labor, Justice, State and HEW on the undocumented aliens issue. The group reached consensus on several major points. The critical question pertains to a proper identification system for prospective employees; certain proposals on that question raise serious cost and civil liberties issues. The group is considering a range of proofs an employee could offer to show legal status--similar to documents accepted in the Farm Labor Contractor Registration Act. Other issues being explored are the international implications of the problem; an amnesty provision for workers already in the country; and alternative means of improved policing of the borders. The group is preparing a set of recommendations for the President's review.

7. The Attorney General commented that he hopes the policy recommendations on undocumented aliens will be ready by May 1. He estimated the number of people to be covered by an amnesty provision and the annual cost for adequate policing of the borders.

-- He briefly described the status of his investigation of LEAA and noted some abuses of the program which have come to his attention.

-- He indicated that the Justice Department will meet with the Canadian Solicitor General in response to a Presidential request to assess the reach of discovery under U.S. antitrust laws.

-- Mr. Bell plans to discuss the energy proposal with Dr. Schlesinger to be sure that antitrust issues are properly addressed.

8. The Vice President explained the draft calendar of priority Presidential activities and asked that comments from the Cabinet be submitted to Jack Watson by Friday, April 15. He suggested that a Cabinet retreat on the subject might be fruitful.

9. Mr. Bergland outlined the status of the food stamp proposals. Although Senator Talmadge opposes elimination of the purchase requirement (EPR), his Committee is likely to approve an experiment with it. Mr. Bergland stressed that the Committee will stay within the overall food stamp budget.

-- Mark-up of the farm bill is due next week and is likely to go beyond the amounts recommended by the Administration.

-- Soy bean prices have doubled in the past year, and the impact is now being felt in the poultry industry.

10. Ms. Harris said that HUD's authorization and appropriation proposals are going well in the Congress.

-- She described the impact of recent floods in Kentucky, Virginia, West Virginia, Alabama, Tennessee and Georgia--the worst disaster of that kind since Hurricane Agnes in 1972. HUD is extensively involved in repairing homes and establishing temporary mobile home projects. Estimates of total damage range as high as $500 million. Cooperation by other Cabinet departments in the disaster area has been excellent.

11. Mr. Califano noted the time-consuming and controvertial nature of several reform proposals pending in the House and Senate Finance Committees.

-- He reported on the status of the demonstration by the handicapped in the HEW San Francisco office.

-- He is moving to reorganize the Office of Education--an effort that will consolidate twenty-seven bureaus into five or six.

-- The child immunization program has begun; Mr. Califano said he greatly appreciated Mrs. Bumper's help in launching the program.

-- He will face a difficult decision on a flu immunization program for next year.

-- He met recently with state "Human Resources" administrators from around the country and noted that their support of HEW's initiatives for change should prove most helpful.

12. Ambassador Strauss described his recent trip to Japan and his negotiations there on shoe and television imports. He meets tomorrow with the Koreans on the subject of TV imports and already has made considerable progress with Taiwan and Korea on shoes.

-- He stressed the importance of frequent telephone and personal contacts by Cabinet members with members of Congress.

13. Ms. Kreps said that she talked recently with her Korean counterpart who expressed his approval of the President's decision on shoe imports.

14. The President reiterated that zero-based budgeting and government reorganization will be major programs in his administration, and asked Bert Lance and OMB Deputy Director Jim McIntyre to discuss briefly with the Cabinet the reorganization authority just enacted and the President's basic plans for reorganization of the Executive Office of the President.

-- Mr. Lance said that a memorandum on zero-based budgeting was being distributed to each Cabinet member at the meeting. He urged Cabinet members to re-evaluate constantly their departmental forms, reporting requirements and regulations, including those for consultants and contractors, and cited the helpful intervention in one instance by EPA Administrator Doug Costle.

-- Mr. McIntyre outlined the reorganization authority signed by the President last week. He pointed out that Cabinet departments cannot be created or abolished under the authority, and that the President has the opportunity to amend pending plans within thirty days of submission to the Congress. Mr. McIntyre also pointed out that zero-based budgeting and reorganization are integrally related since both require an analysis of existing functions.

-- Harrison Wellford, OMB Executive Associate Director for Reorganization and Management, described several early reorganization efforts, including the plan to reorganize the Executive Office of the President. The EOP reorganization proposal should be ready for submission to the Congress by mid-June.

-- There is an April 15 deadline on proposals for reduction of advisory committees.

-- Although there is no firm decision yet on civil rights consolidation, the intention is to eliminate overlap and inconsistency in those programs throughout the various departments and agencies.

-- A proposed program to revamp federal regional councils is under discussion in the Under Secretaries Group.

-- Although an effort is underway to consolidate various consumer agencies in order to eliminate duplicate functions, existing departments and agencies are expected to remain responsive to consumer concerns.

-- OMB's goals is a 10 - 15 percent reduction in paperwork in the first year.

The President suggested that Cabinet members should note in the upper, right-hand corner of reports they are required to submit if they think the report should be terminated.

-- Mr. Wellford described the overall status of internal departmental reorganization and its relationship to government-wide reorganization. Although primary responsibility for implementing the former lies with the Cabinet, it is extremely important that all reorganization efforts be coordinated. Proper coordination will help avoid conflict and permit the President to select those programs on which he wants to put his personal stamp. It will also help ensure that Cabinet members learn from each other.

-- Mr. Wellford described the reorganization staff structure, including the Reorganization Advisory Group. The total staff involved should be approximately 150 people -- 50 from OMB; 50 from the agencies; 50 from non-federal governmental agencies.

-- Mr. McIntyre said that OMB will soon distribute a sample questionnaire to the departments and agencies in an effort to survey and begin analysis of the existing functions of each department. The questionnaire will be followed by priority setting, proposal development and finally the implementation of the proposals.

-- He stressed that Cabinet Secretaries will be asked to lend people full-time to this effort, and that consultation and cooperation with the Congress are crucially important.

The President asked Cabinet members to assign some of their best people to this project. He commented that zero-based budgeting is an extremely helpful management tool, and urged appropriate utilization by all Cabinet members.

-- The Vice President raised the problem of getting middle and lower-level civil servants to adopt and carry out the President's policies. Mr. Lance said that the Chairman of the Civil Service Commission would serve on the Executive Committee for the reorganization project to assist in addressing the problems of accountability and responsibility of civil servants at all levels.

15. Ms. Kreps asked for guidance on the Puerto Rico question and noted that she has sent a memorandum to Jack Watson on the subject. The President suggested that Ms. Kreps might call Governor Barcello-Romero to discuss the potential agenda for the group she is convening. Ms. Harris commented briefly on her role in President Johnson's study on the status of Puerto Rico.

16. Mr. Brown goes to Rochester on Wednesday to give a speech on SALT.

-- The request for military discharge reviews are now coming in at the rate of several thousand per day. DOD will be able to predict shortly the continuing flow of requests.

-- Despite earlier fears, and with the exception of the House Budget Committee, Congress is approving an appropriation level for DOD very close to the Administration's request. Unfortunately, the House Armed Services Committee is including too much detail in its proposed authorization.

17. The President said that he plans to work this week primarily on the anti-inflation message and the energy program.

-- He reiterated his pledge to hold the line on the budget.

-- He asked Cabinet members to ensure that the person in their departments who writes federal regulations personally signs them.

-- He speaks to the OAS this week on Latin America. Cabinet members who have any suggestions for the speech should communicate their ideas to Dr. Brzezinski today.

-- Next week's energy message will involve numerous Cabinet departments; Cabinet members should be prepared to answer questions and give support in every way possible. Cabinet members should call Dr. Schlesinger directly about questions they have on the proposal.

-- Several opponents of the tax rebate have indicated to the President an open mind on the subject and a willingness to accommodate the Administration.

-- The President had an excellent meeting with Egyptian President Sadat last week and will be meeting in the next several months with other Middle East leaders.

-- He reminded Cabinet members who may have particular knowledge of or insight into a problem with foreign nations to share their thoughts with Cy Vance or, when appropriate, Zbig or the President.

The meeting was adjourned by the President at 11:26 a.m.

Respectfully submitted,

Jack Watson

Jack H. Watson, Jr.

THE WHITE HOUSE

WASHINGTON

April 9, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: Jack Watson
Jim Parham

RE: WELFARE REFORM MEETING
Monday, April 11, 1977

Joe Califano will present several optional plans in response to your questions at the last meeting:

> "What system would you design using existing federal welfare dollars as you saw fit, without regard to the present categories?"
>
> "What would you add if increased funds could be made available?"

Each plan presented will have plus and minus attributes of varying degrees. Criteria for evaluating the plans should include:

(1) What does the plan do for the desperately poor?

- Are basic allowances reasonably adequate?

- Is stigma reduced?

(2) Will it encourage families to remain together?

(3) Will it help the children of the working poor?

(4) Will it cover single individuals and childless couples?

(5) Will it encourage work?

(6) Will it be responsive to families with unanticipated need for basic subsistence? (What is the accounting period for the income test?)

(7) Does it simplify or further complicate the national income maintenance system?

(8) Does it provide significant fiscal relief to state and local governments?

(9) Does it reduce current benefits or established safeguards for significant groups (i.e., the aged, handicapped, veterans, etc.)?

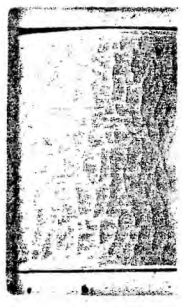
(10) Will it be heavily dependent on continued state supplementation to avoid reduced benefits for recipients?

(11) Does it differentially favor certain regions of the nation?

(12) What are its implications for future costs?

I want to stress again how important it is to have the signals clear between you and Joe as to exactly what he is to submit on May 1st. I also suggest that you mention again to Joe and Ray that you want HEW and Labor to strive for concurrence on their recommendations on the jobs component of the package.

Respectfully,



THE WHITE HOUSE
WASHINGTON

April 11, 1977

Secretary Harris -

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

Rick Hutcheson

Re: Alma-Bacon County, Georgia
Possible Environmental
Litigation



THE WHITE HOUSE
WASHINGTON

CC Seq
(Harris

THE PRESIDENT HAS SEEN.

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

cc Pat J

April 8, 1977

1977 APR 9 PM 1 36

MEMORANDUM FOR: The President

SUBJECT: Weekly Report of Major Departmental Activities

The following are brief descriptions of significant activities at the Department of Housing and Urban Development.

Reactivation of Public Housing. The Department now has completely reactivated the public housing program. Regulations for the program were published in February, and the Handbook and application forms now have been printed and distributed. During the remaining six months of this fiscal year HUD field offices will be accepting applications for fund reservations from Public Housing Authorities.

Consumer Forum on Tenant Participation. On Tuesday, I met with approximately 900 public housing tenants and managers from 57 cities and 21 states. The purpose of the consumer forum was to discuss tenant participation in the management and operation of Public Housing Authorities, prior to the preparation of Department regulations governing such tenant participation. This is the first time that the Department has offered an opportunity for those involved in tenant management to discuss possible regulation content prior to the drafting of the regulations. Such prior consultation is planned for other areas of HUD operations.

Indian Housing. HUD staff participated in a meeting of Indian Housing Authority representatives, sponsored by the Housing Assistance Council and the Congress of American Indians, to discuss problems with Indian housing. The representatives indicated that the existing regulations for Indian Public Housing are unworkable. This is an area which will be given priority for review and appropriate action.

Urban Growth. On April 4, the Department was host for a roundtable discussion on Urban Growth with 12 representatives of research institutions, universities, state and local governments,and observers from the Department of Commerce. The roundtable was one of a series of meetings to formulate

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an agenda of problems facing central cities, suburban communities, and rural areas. Representatives also discussed possible form and content for the Regional Forums on Urban Growth which the Department plans to conduct in May and June.

Meeting with Planning Directors of Large Cities. A group of some 25 members of the American Institute of Planners City Planning and Management Department met with members of HUD's community development staff. This group, which represents the planning directors of the large cities, wants the Department to continue providing Section 701 Comprehensive Planning assistance during FY 1978. They also are pressing for long-range revisions in the 701 program to make it more useful to large cities and to link comprehensive planning to the delivery of community development and housing funds.

Alma-Bacon County, Georgia - Possible Environmental Litigation. We expect a complaint to be filed soon by some Georgia environmental groups and land owners alleging violations of the National Environmental Policy Act by HUD and a block grant recipient. The project involved is the impoundment of water in Hurricane Creek to create Lake Alma in Southeast Georgia. The recreation project is part of the Alma-Bacon County block grant program.

Project is not necessary J.C.

The environmental impact statement prepared by the grantee apparently was adequate, but EPA and the Interior Department have raised serious substantive questions about the project. EPA has referred the project to the Council on Environmental Quality for review. Although HUD has no legal basis under its regulations for withholding funds from the project for any significant length of time, we have asked the grantee to withdraw the project. Funding and permits from EPA and Interior are necessary to complete the project and probably will not be provided. If HUD approves the funding, environmental groups can be expected to request a temporary restraining order to prevent release of funds. This matter is under continuing review.

Philadelphia Protest March. We have been informed that a coalition of some 100 Philadelphia citizens, under the leadership of the local Urban Coalition, may "march on Washington" on April 18 to see me. The group's major complaint is that Community Development Block Grant funds are being spent primarily in white areas of the city and particularly in Mayor Rizzo's precincts. HUD and the Department of Justice have underway an investigation to determine whether these allegations are correct.

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Assistant Secretary Embry met representatives of the group on Friday and is sending a senior member of his staff to work with the group in Philadelphia in resolving the problem. This same group marched on Philadelphia's City Hall and the HUD regional office on March 24. We hope our action showing that we take their concerns seriously will make a demonstration unnecessary.

Fair Housing Month. On Tuesday, I inaugurated the annual observance of Fair Housing Month with a ceremonial signing of the proclamation in the HUD lobby. Also present to sign the proclamation were officials from the White House, other Federal agencies, private industry and civil rights groups. In my remarks I pointed out that for many Americans, the promise of fair housing is still unfulfilled, and that we must rededicate ourselves to making fair housing a reality. A short film clip of the ceremony has been distributed nationally to some 700 television stations.

Disaster Assistance. Presidential declarations of major flood disasters have been issued for counties in Kentucky and Virginia, and West Virginia and Tennessee have requested declarations. Alabama may request disaster aid for the three counties stricken by tornadoes. The Federal Disaster Assistance Administration (FDAA) already has moved into Kentucky and Virginia and the Red Cross has assigned over 100 staff members who will begin providing assistance in the areas affected. It is now estimated that as many as 30,000 families may need emergency housing relief from HUD. Other Federal agencies -- SBA, Corps of Engineers, USDA -- are coordinating their assistance with FDAA.

Disaster Housing. In addition to FDAA's overall role in providing disaster assistance, HUD's Office of Housing has specific responsibility for providing temporary housing for disaster victims. Beginning with Hurricane Camille in 1969, the Department has provided temporary housing to over 74,000 families in 46 states. Families are provided temporary housing in vacant, government-owned or assisted housing and private rental units when these units are available. Where minimal repairs are necessary to restore owner-occupied units to liveable condition, assistance is provided under the Minimal Repair Program. Mobile homes are used when existing housing is not adequate. These government-owned mobile homes are stored at mobile home storage centers located in Georgia, Kentucky, and Texas and are held in readiness status for dispatch, when required, to disaster areas. We now have an authorized inventory of 7,000 mobile homes in response-ready condition for use as temporary housing.

GAO Report on Flood Insurance Financial Controls. On Wednesday, I issued a statement to the press to assure the public that Federal flood insurance policies are in no way threatened by the financial recordkeeping difficulties experienced by the National Flood Insurers Association (NFIA). These difficulties were the subject of a report issued this week by the General Accounting Office. I announced that I had appointed a task force to work with the NFIA in correcting this state of affairs and had instructed the HUD Inspector General to monitor the situation, two steps that were suggested by GAO. HUD has been working on this matter, which results from failure of the NFIA to provide adequate records.

Jay Janis for
Patricia Roberts Harris

THE WHITE HOUSE
WASHINGTON

April 11, 1977

Secretary Marshall -

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

Rick Hutcheson

Re: Teamsters Central States Pension Fund

THE WHITE HOUSE
WASHINGTON

April 11, 1977

Hamilton Jordan
Bob Lipshutz

Your specific attention is called to the note on page two of the report from the Labor Department.

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

cc marshall

ACTION	FYI		
		MONDALE	
		COSTANZA	
		EIZENSTAT	
X		JORDAN	
X		LIPSHUTZ	note
		MOORE	
		POWELL	see p. 2
		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

"FYI"

cc Ray
J

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

April 8, 1977 THE PRESIDENT HAS SEEN.

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall Ray Marshall

SUBJECT: Major Departmental Activities, April 2-8

ILLEGAL ALIENS

On Tuesday, April 5, I met with Attorney General Bell, Secretary Califano and Under Secretary of State Christopher to discuss draft memorandum for you on the problem of illegal aliens. We will meet again in the near future to continue these discussions. Department of Labor staff is currently drawing up work orders to identify the tasks that need to be completed before we can develop a final proposal.

LABOR MANAGEMENT SERVICES ADMINISTRATION

East Coast Longshoreman

Assistant Secretary Frank Burkhardt and I have been closely following these negotiations since February. As you may know, one of the key issues in this dispute is labor and management's objections to decisions of the National Labor Relations Board and the Federal Maritime Administration on container handling rules. There is considerable hostility directed toward the Federal Government and, as a result, our involvement in these negotiations is highly sensitive. As a precaution, we have readied the Taft-Hartley machinery in the event of a strike. Later today, I will be sending you a confidential memorandum outlining the current situation in greater detail.

NATIONAL LABOR RELATIONS BOARD (NLRB)

As you know, the appointment of John Fanning as the new Chairman of the NLRB is only awaiting routine White House clearance procedures. We are in the process of developing a recommendation for the vacancy created by the recent resignation of Peter Walther from the Board.

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TEAMSTERS CENTRAL STATES PENSION FUND

The Fund is trying to negotiate an agreement in principle with two independent investment managers to take control of the Fund's assets. The proposed investment managers are the Crocker National Bank (the 12th largest bank in the country) and the Lomas & Nettleton Financial Corporation (the country's largest mortgage banking firm). Jesse Hay, the President of Lomas & Nettleton is also the new Finance Chairman of the Democratic National Committee. Hay has expressed fears that this dual role might embarrass the Administration, but I have assured him personally that his firm is the appropriate choice.

this may be a problem

If an agreement in principle is reached, the next steps in the process would be: (a) IRS reapproves the Fund; (b) the four "hold-over" trustees--including Frank Fitzsimmons--resign; (c) the agreement in principle is made permanent with appropriate closing documents. We hope that all of this would be accomplished by April 30, 1977. If Lomas & Nettleton choose not to participate--or if an agreement is not reached--we will go into court around April 15.

EMPLOYMENT AND TRAINING--ECONOMIC STIMULUS PACKAGE

Disabled Veterans

Although a large portion of the Stimulus Package is stalled in Congress, one program for disabled veterans is being funded out of presently available funds. That is the Disabled Veterans Outreach Program which is designed to put disabled Vietnam-era veterans in Federal Employment Service offices around the country. This week the first disabled outreach workers were hired in Kansas. And over 70 percent of the planned positions have been successfully arranged with state employment offices.

Project Hire

There are some minor roadblocks in initiating this program which will subsidize the hiring of Vietnam-era veterans by private industry. On the positive side, John Harper of the Business Roundtable has agreed to chair the Project HIRE Steering Committee. The program design and related materials have been prepared. But the Steering Committee is reluctant to focus their effort exclusively on the problems of Vietnam-era veterans. They are more concerned with long-term employment and training problems. Labor Department officials are meeting with the Steering Committee and hope to resolve this problem shortly.

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Youth Bill

The Administration's Youth Employment bill was introduced in the Senate on April 6 by nine Senators.

Shoe Imports

As you know, the textile workers are threatening a work-stoppage on Wednesday, April 13 to protest your decision on shoe imports.

OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA)

On March 29, the city of Louisville, Kentucky, discovered high concentrations of a highly toxic pesticide in the sludge of one of their sewage treatment plants. OSHA was one of several federal and state agencies which tried to alleviate the problem. There was some confusion over responsibility, so OSHA made clear that their role was to assist any federal or state agency that needed their help.

EMPLOYMENT STANDARDS--BLACK LUNG COMPENSATION

At the request of Senate Majority Leader Byrd, Assistant Secretary Donald Elisburg visited West Virginia on April 1 to assess the Labor Department's black lung program. In addition to visiting various facilities, Elisburg conferred with representatives of the United Mine Workers and other groups.

THE WHITE HOUSE
WASHINGTON

April 11, 1977

The Attorney General -

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

Rick Hutcheson

Re: Negotiations with Congressman Moss

THE WHITE HOUSE
WASHINGTON

cc Bell

THE PRESIDENT HAS SEEN.

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

April 8, 1977

Re: Principal activities of the Department of Justice for the week of April 4 through April 8

1. Events and Meetings

The Attorney General met this week with a number of groups to discuss their interests and concerns for the Department of Justice. These included representatives of the National Institute of Municipal Law Officers and the International Association of Chiefs of Police. He also had an interview session with the law clerks of the Supreme Court at the Supreme Court; he attended a reception given by the Federal Bar Association; he had an interview/lunch with the Washington Bureau of the Cox newspaper chain; he attended a luncheon in honor of retiring Chief District Judge William B. Jones; he held a wine party for the press corps who regularly cover the Department of Justice; and he met with a group of Florida condominium unit owners from West Palm Beach, Florida, who were accompanied by the Attorney General of Florida, Robert Shevin, alleging certain antitrust and mail fraud violations.

The Attorney General testified before the House Administration Committee on the Administration's Universal Voter Registration Act. Drew Days, Assistant Attorney General in charge of the Civil Rights Division, testified before the House Committee on Education and Labor, Subcommittee on Equal Opportunities, in favor of the proposed amendment to Title VII of the Civil Rights Act of 1964 to prohibit sex discrimination on the basis of pregnancy.

Peter F. Flaherty, Mayor of Pittsburgh, was confirmed by the United States Senate to be Deputy Attorney General. Mr. Flaherty will be sworn in in the Great Hall of the Department of Justice on Monday, April 11, at 3:30 p.m. by the Attorney General.

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The Attorney General and Deputy Designate Flaherty went to the offices of the Law Enforcement Assistance Administration (LEAA) for a meeting with the top professional leadership of the agency concerning its programs. It is believed this was the first such meeting by any Attorney General concerning substantive matters of LEAA at the LEAA offices.

The Attorney General had a lengthy meeting with the key personnel of the Antitrust Division of the Department of Justice to discuss long-term policies.

2. Undocumented Aliens

On Tuesday, April 5, the Attorney General met at the Department of Justice with Secretary Marshall, Secretary Califano, Deputy Secretary Christopher, representatives of the Domestic Council staff, representatives of the office of the Secretary to the Cabinet, certain congressional staff representatives, and personal staffs of various interested Cabinet personnel to discuss comprehensive and coordinated policy recommendations to be made to the President concerning undocumented aliens. Considerable progress was made and additional drafts are currently being circulated among the principles for another such meeting in the near future.

3. FBI Indictment

A former FBI supervisor was indicted by a Federal grand jury Thursday on charges of directing a secret mail-opening and wiretapping operating during a search for racial fugitives in New York City from 1970 through 1972. The Attorney General is personally supervising the investigation, which is being conducted by the Civil Rights Division of the Department of Justice.

4. Negotiations with Congressman Moss

The Attorney General's staff consulted the Director of Central Intelligence and the Vice President to design a procedure by which intelligence documents can be made available to Congressman Moss as part of his inquiry into wiretapping.

Because of the precedential value of any agreement for handling sensitive material in this case, the Attorney General indicated to Congressman Moss and to the District Court that he intends to ask the President to review any proposed procedure before an agreement is reached. The District Court has asked the Department of Justice and Congressman Moss to negotiate a settlement by May 2.

5. Northwest Salmon Fishing Rights Controversy

The Attorney General and the Secretaries of Commerce and Interior announced on April 7 the creation of a task force to study issues raised by the salmon fishing controversy in Washington State and to develop proposals to provide long-range protection, management and enhancement of the salmon fishing industry. The controversy stems from litigation involving a conflict between fishing rights granted to Indians by treaty and the authority of States to regulate fishing within their boundaries.

6. G. Gordon Liddy Petition for Executive Clemency

On April 7, 1977, the Attorney General forwarded to the President his recommendation concerning the petition for commutation of sentence filed by Mr. Liddy. The Attorney General has recommended that Mr. Liddy's twenty-year sentence be commuted to eight years, thereby advancing Mr. Liddy's parole eligibility date to July 9, 1977.

7. Electronic Surveillance Legislation

The report of the Attorney General's subcommittee of the SCC on PRIM-11 will make recommendations to the SCC on April 14 regarding electronic surveillance legislation.

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THE WHITE HOUSE

WASHINGTON

April 8, 1977

MEMORANDUM TO: THE PRESIDENT

FROM: Jack Watson
Jane Frank

RE: CABINET SUMMARIES FOR THE WEEK ENDING APRIL 8, 1977; MISCELLANEOUS ITEMS

CABINET SUMMARIES

We are attaching weekly summaries received before you leave for Georgia. The other summaries will be forwarded, in an expeditious fashion, when we receive them.

UNDOCUMENTED WORKERS

You are probably aware that four Cabinet members - Griffin Bell, Ray Marshall, Joe Califano and Warren Christopher (for Cy Vance) - met earlier this week at the Justice Department to discuss a proposed policy on undocumented workers. Jane Frank, Stu Eizenstat and some of Stu's staff were also present. The group appointed a drafting subcommittee to work on legislation with these principal features:

(1) Appropriate sanctions on employers who hire undocumented workers.

(2) A list of defenses an employer can invoke to avoid penalties.

(3) A plan to legalize the status of undocumented workers as of a certain date and to accommodate certain other workers on a case-by-case basis.

(4) A program to prevent future illegal entry.

In coordination with the legislation, the State Department is assessing ways to work with the Mexican government to improve economic conditions there and thus provide a disincentive for Mexicans to come here for jobs.

Although a precise time-table was not worked out, the group hopes to be ready with a decision memorandum for you within six to eight weeks. This plan may be expedited if there is a consensus in the

group on the features of the bill, and if House Judiciary Committee Chairman, Peter Rodino, proceeds to introduce legislation on this subject earlier. Griffin Bell has said he believes that Chairman Rodino should take the lead on this issue and Rodino's staff is already involved with the group.

TAX REFORM

In late February, Mike Blumenthal sent you a memorandum outlining procedures for formulating the tax reform package. You commented that he should "send this to the EPG." Mike understood your comment to mean that the substantive policy issues of tax reform should be referred to the EPG and not that it was necessary to have an EPG discussion of the process for developing the substantive proposals. EPG will definitely be involved in developing the substantive reform proposals.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

April 8, 1977

MEMORANDUM TO: THE PRESIDENT

FROM: Jack Watson
Jane Frank

RE: CABINET SUMMARIES FOR THE WEEK ENDING APRIL 8, 1977; MISCELLANEOUS ITEMS

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(1) Appropriate sanctions on employers who hire undocumented workers.

(2) A list of defenses an employer can invoke to avoid penalties.

(3) A plan to legalize the status of undocumented workers as of a certain date and to accommodate certain other workers on a case-by-case basis.

(4) A program to prevent future illegal entry.

Should expedite & give me a date J

In coordination with the legislation, the State Department is assessing ways to work with the Mexican government to improve economic conditions there and thus provide a disincentive for Mexicans to come here for jobs.

Although a precise time-table was not worked out, the group hopes to be ready with a decision memorandum for you within six to eight weeks. This plan may be expedited if there is a consensus in the

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group on the features of the bill, and if House Judiciary Committee Chairman, Peter Rodino, proceeds to introduce legislation on this subject earlier. Griffin Bell has said he believes that Chairman Rodino should take the lead on this issue and Rodino's staff is already involved with the group.

TAX REFORM

In late February, Mike Blumenthal sent you a memorandum outlining procedures for formulating the tax reform package. You commented that he should "send this to the EPG." Mike understood your comment to mean that the substantive policy issues of tax reform should be referred to the EPG and not that it was necessary to have an EPG discussion of the process for developing the substantive proposals. EPG will definitely be involved in developing the substantive reform proposals.

EYES ONLY

THE WHITE HOUSE
WASHINGTON

April 11, 1977

Bob Lipshutz -

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

Rick Hutcheson

cc: The Vice President
Ham Jordan
Jody Powell

Re: G. Gordon Liddy

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

ok - proceed F

April 8, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz RJF

SUBJECT: G. Gordon Liddy

With reference to this matter, which arose as a result of a formal petition for commutation of sentence filed by G. Gordon Liddy on September 6, 1976, and which has been under active review and consideration by the Attorney General for the past six weeks, I am enclosing herewith the original letter of advice from the Attorney General to the President.

I respectfully concur in the recommendations made by the Attorney General and urge that you take appropriate action accordingly. His recommendations, which are set out in the last paragraph on page 7 and on all of page 8, are:

1. That you decline to commute this sentence to the time he has already served in prison.

2. That you do commute his sentence from 20 years imprisonment to eight years imprisonment, which would advance his parole eligibility date from September 30, 1980, to July 9, 1977.

3. That you do not remit the $40,000 fine (should he otherwise become eligible for parole, Liddy could obtain his release by taking a pauper's oath, which the record indicates would be appropriate).

Supplementing the letter of advice from the Attorney General are two newspaper editorials, which reflect the attitude of much of the press which has expressed opinions relating to this case; January 10, 1977, edition of the Washington Post and February 24, 1977, edition of the New York Times.

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I also am attaching a chart prepared by the attorneys for Liddy which illustrates the relative results of all of the "Watergate" defendants.

Should you wish to discuss this matter with us, Griffin Bell and I would be very glad to do so.

Please advise.

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

APR 7 1977

IN THE MATTER OF THE APPLICATION FOR EXECUTIVE CLEMENCY

OF

GEORGE GORDON LIDDY

The President

Sir:

This petitioner was convicted in four proceedings in the United States District Court for the District of Columbia and was fined $40,000 and sentenced to terms of imprisonment totalling twenty-one and a half years. The fine and a sentence to twenty years' imprisonment was imposed on March 23, 1973, for conspiracy, burglary and attempted interception of oral and wire communications. Service of this sentence was interrupted by the imposition on April 3, 1973, of an indeterminate sentence not to exceed 18 months' imprisonment for contempt of a grand jury. A third sentence, imposed on May 24, 1974, of six months' imprisonment for contempt of Congress, was suspended and petitioner was placed on one hour's unsupervised probation. He was last sentenced on July 31, 1974, to a concurrent term of from one to three years' imprisonment for conspiring against the rights of citizens. He has no other arrest record.

Petitioner began service of his 20-year sentence on January 30, 1973. Service of this sentence was interrupted between April 3, 1973 and October 2, 1974 by the contempt sentence. He was released on bail pending appeal of his burglary conviction on October 15, 1974. The judgment was affirmed by the Court of Appeals for the District of Columbia in November 1974. The Supreme Court subsequently denied certiorari and petitioner returned to custody on January 22, 1975. He is presently confined in the Federal Prison Camp, Allenwood, Pennsylvania. His release date with credit for statutory good time is April 1988. Unless his sentence should be modified, he will not become eligible for parole until July 1981. The fine has not been paid.

In connection with his 1974 conspiracy conviction petitioner requested the United States Probation Officer to advise the court that under no circumstances would he be willing to accept parole or the supervision of a probation officer. Through his attorney, petitioner advised on February 28, 1977, that he would refuse to apply for parole if he were eligible for it. He therefore requests a reduction of his sentence to time served and remission of the fine.

The principal offense for which clemency is sought occurred in the District of Columbia between May 1 and June 17, 1972, when petitioner, then a 41-year-old employee

of the Committee to Reelect the President, conspired with six other persons to illegally intercept telephone communications from the Democratic National Committee in Washington, D.C. Five of petitioner's co-conspirators were arrested on the night of June 17, 1972, while in the act of installing listening devices. All six co-conspirators received significantly lesser sentences, ranging from four months' (McCord) to eight years' imprisonment (Hunt). Petitioner is the only one of the seven codefendants who remains incarcerated.

Petitioner's 1974 conviction for conspiracy to violate the rights of citizens arose out of his appointment as a White House aide in 1971 to investigate security leaks. While so employed he conspired with John D. Ehrlichman and two others to break into the offices of Dr. Louis J. Fielding in 1971. Both contempt convictions related to his refusal to testify in connection with the Watergate case and related matters.

Born in 1930 in New York, petitioner received a Bachelor of Science degree in Philosophy from Fordham University in New York City in 1952 and entered the Army as a lieutenant. Honorably discharged in 1954 following nearly two years' service, he entered Fordham Law School and received an L.L.B. degree in 1957. He became a Federal Bureau of Investigation agent in 1957, resigned in 1962 and spent the following four years in

private law practice in New York City. He was an Assistant District Attorney in Dutchess County, New York from 1966 until 1968, when he unsuccessfully ran for Congress in the 28th Congressional District of New York. He was Chairman of the 1968 Nixon-Agnew campaign committee in Dutchess County. While residing in New York, he was active in the Rotary Club, American Legion and National Rifle Association. He also is a licensed pilot and enjoys target shooting.

Petitioner moved to Washington, D.C. in 1969 and was a special assistant in the Organized Crime Section of the Treasury Department and an advisor to the Enforcement Legal Counsel between 1969 and 1971. In 1971 he became a White House aide assigned to investigate security leaks. He left White House employment to perform security work for the Committee to Reelect the President in December 1971.

Petitioner's wife and five teenaged children live in the family home in Oxon Hill, Maryland. She earns $16,700 annually as a public school teacher in the District of Columbia. A financial statement executed by petitioner in February 1977 indicates that his assets are nominal and that his wife occasionally must borrow from her family to pay household expenses. In addition to the family's mounting debts, petitioner discloses that he owes his attorney over $137,000. It is evident that he does not presently possess the financial resources to pay his fine. Upon his release he states that he will return to his family and seek business employment.

Petitioner has received six minor incident reports while incarcerated. Despite these minor infractions, he has made an excellent institutional adjustment. A progress report in November 1976 describes his overall work performance rating at Danbury as good to outstanding. He has taught language and aviation courses and maintains good relations with other inmates and staff. He is being awarded meritorious good time and performance pay, has acquired community custody status and generally is described as a very willing worker who demonstrates interest in his assignments and produces high quality work.

The Director, Bureau of Prisons, describes petitioner's overall prison adjustment as satisfactory but made no recommendation concerning disposition of the petition.

Noting the policy of the Special Prosecutor to refrain from making sentencing recommendations concerning defendants convicted in cases prosecuted by his office, the present Special Prosecutor declined to comment on the merits of the instant clemency petition. The United States Attorney considers premature any opinion by his office concerning the merits of the petition until the judgments and sentences of petitioner's superiors in the Watergate case are made final. However, with regard to the long sentence imposed upon petitioner, the United States Attorney notes that petitioner additionally could have been prosecuted successfully with Messrs. Ehrlichman, Haldeman and

Mitchell for participating in the "cover-up" offenses, such as obstruction of justice and perjury. He implies that the severity of petitioner's sentence generally is attributed to his lack of cooperation in the investigation of the crimes.

The United States Attorney provides one comparable sentencing precedent for the severity of Judge Sirica's sentence, that of Paul Enten (see United States v. Lemonakis, et al., 485 F. 2d 941 (D.C. Cir. 1973)). However, the United States Attorney points out that Mr. Enten's 20-year sentence for burglaries and conspiracy was reduced to a maximum of eight years' imprisonment upon reassignment to another judge. Finally, he observes that "there is no question that compared to others convicted of burglary and related offenses in this jurisdiction, the sentence imposed upon Mr. Liddy, even for non first offenders, was far more severe."

When requested to comment on the instant petition, Judge Sirica referred to the views expressed in his June 20, 1975 denial of petitioner's motion for reduction of sentence. In summary, the judge held in the disposition of that motion that inasmuch as the deterrent effect of sentences, as one of the primary reasons for prescribing a term of incarceration, was no less important at the time of the motion for reduction of sentence than at the time of initial sentencing, and since the defendant had refused to cooperate with Government investigations and had not shown remorse or regret for his actions,

reduction of sentence would be denied (United States v. Liddy, 397 F. Supp. 947 (D.C.D.C. 1975), aff'd without opinion, 530 F. 2d 1094 (D.C. Cir. 1976)).

Numerous citizens from all walks of life recommend favorable clemency consideration to alleviate the severity and disparity of the sentence. In addition to several volumes of petition signatures supporting the application, a Congressman and a former United States Senator urge serious clemency consideration. Chesterfield Smith, former President of the American Bar Association, characterizes the sentence as "outrageously out of line with sentences in the Federal criminal justice system given to others under similar circumstances." He further expresses a widely held view that petitioner received an obviously disparate sentence solely because he refused to engage in plea bargaining or cooperate with the prosecution. In addition, Mr. Smith believes that the primary benefits of the Watergate prosecution and trials now have been secured and that no public purpose would be served by petitioner's continued imprisonment.

Now 46, petitioner has served nearly four years' imprisonment, with less than two and a half years of that time applicable to his present 20-year sentence. There is no reason to believe that he would pose any threat to society if released. In view of his good institutional adjustment and the disparity of his sentence, I believe that a commutation of sentence which

would render petitioner eligible for parole in the near future would be in the best interests of justice. While petitioner states that he would refuse to apply for parole if he were eligible, I do not believe that the court's sentence should be disturbed to a greater degree than necessary to give him access to the Parole Commission. This is consistent with recent practice in most Presidential actions to commute prison sentences. In view of the foregoing, I advise you to commute petitioner's 20-year sentence to eight years' imprisonment, which would advance his parole eligibility date to July 9, 1977 and his mandatory release date with credit for good time to September 30, 1980. Since he previousl served an 18 months' contempt sentence, which interrupted the running of his 20-year sentence, his total sentence would be nine years and six months.

I do not recommend that the fine be remitted. Although it is a committed fine, petitioner may obtain his release by taking a pauper's oath. In any event, it appears that he possesses the potential upon his release to accumulate over a period of time the financial resources necessary to discharge all or part of the fine, for which he would remain liable even though he may obtain his release by taking an oath. If future events should indicate continuing inability to pay the fine or should show the fine to be an unfair penalty, further consideration may be given to remission of the fine, upon application by the petitioner.

Respectfully,

Griffin B. Bell

Attorney General

Jan. 10, 1977

The Washington Post

AN INDEPENDENT NEWSPAPER

Free Gordon Liddy

CHIEF JUSTICE Warren E. Burger recently brought up one of those subjects he talks about every now and again: the need for a mechanism to even out the disparities in sentences that are imposed on criminals whose circumstances are very much alike. It is a good idea. When a judicial system permits one judge to send a burglar to jail for, say, 10 years while another judge sends another burglar with an identical record to jail for one year, the basic unfairness of the system is self-evident.

In thinking about the Chief Justice's comments, we got to considering a well-known convicted felon of no particular charm, but one whose sentence seems to us to demonstrate the need for this kind of change. His name is G. Gordon Liddy, and you will recall that he was once thought to have been the mastermind of the original Watergate burglary. As it turned out, he was both more and less than that. He was a key figure in the "plumbers" operation at the White House, which was authorized by others, but he was involved in more illegal activity than the burglary of the Democratic Party's national headquarters.

Of all those involved in Watergate and its related squalors, Mr. Liddy has been treated the most harshly by the law. He was sentenced to 20 years for the original burglary, a sentence so severe it must have been imposed in an effort to persuade him to cooperate with the investigators. Mr. Liddy, of course, did not cooperate. In fact, he drew an additional 18 months in prison for contempt of court when he refused to answer questions before a grand jury after he was granted immunity. Eventually, he was also convicted of contempt of Congress and of conspiring to violate the rights of Daniel Ellsberg's psychiatrist. But he got no additional time in prison on the latter two convictions. The net of it is that Mr. Liddy has a sentence totalling 21½ years, of which he has already served 44 months. None of the other Watergate figures has received a sentence anything like that. John Mitchell, H. R. Haldeman and John D. Ehrlichman were each sentenced to eight years. So was E. Howard Hunt Jr., the other main actor in the original burglary. The rest of the underlings received terms ranging from 15 months to six years. None of them has served or is likely to serve as much time in prison as Mr. Liddy already has. And he has yet four more years to put in before he will even be eligible to be considered for parole, although his prison record so far has been without fault.

Of course, Mr. Liddy is different in one respect from most of the others. He has consistently refused to tell anyone what he knows about illegal activities in the Nixon White House. It is no doubt true that some of the other lesser figures drew shorter sentences than he did because they talked—sometimes truthfully and sometimes not quite so truthfully. But Mr. Liddy has already served the 18-month sentence imposed for his refusal to talk and it does not seem just to punish him further for that refusal.

In other words, like a good many other prisoners in federal jails for other kinds of offenses, Mr. Liddy has a legitimate complaint about the fairness of his sentence. If the kind of review the Chief Justice is advocating had been in effect in the past, the length of Mr. Liddy's term probably would have been scaled down. But it appears that any scaling down will have to be done by a President. We suggest Mr. Carter examine the Liddy case soon after he takes office—along with the whole general issue. There is an opportunity here to make justice more even-handed.

Justice for G. Gordon Liddy

To end a strange caper in the strangest way, four of the convicted Watergate burglars have agreed to accept $200,000 from former President Nixon's still undissipated 1972 campaign fund. The out-of-court settlement on its face recgonizes the plaintiffs' claim that they had been misled into believing their crime was sponsored by the Government in the interest of national security.

If they were so deceived, it would seem to have been by their chief contact, former C.I.A. aide E. Howard Hunt, who was released from prison yesterday. The four served 14 months and Mr. Hunt 31 months. That leaves one of the original band still in jail, where he has already served nearly four years, with at least four years and possibly as many as 17 years to go.

The victim of this unevenhanded justice is G. Gordon Liddy. The explanation for his plight appears to lie solely in his refusal to cop a plea, "sing," or otherwise make life easier for the prosecution or the court. Stiff-necked as he was—and continues to be—Mr. Liddy (who was fined $40,000 into the bad bargain) is being treated shamefully. He had a constitutional right to his silence and a human right to the folly of believing himself no less than a patriot. Neither attitude can justify a sentence from 20 to 40 times that usually given for a first offense of unarmed breaking and entering.

President Ford took no action on a petition for Mr. Liddy's pardon, quick though he had been with mercy for another Watergate figure. If the prisoner rates no cash award from the Nixon campaign fund, he surely rates the justice of an end to his punishment.

N. Y. Times 2/24/77

THE WHITE HOUSE
WASHINGTON

eyes only
give Lipshutz copy of all
just top 2 pages
for the rest

ACTION	FYI	
	X	MONDALE
		COSTANZA
		EIZENSTAT
	X	JORDAN
	X	LIPSHUTZ
		MOORE
	X	POWELL
		WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

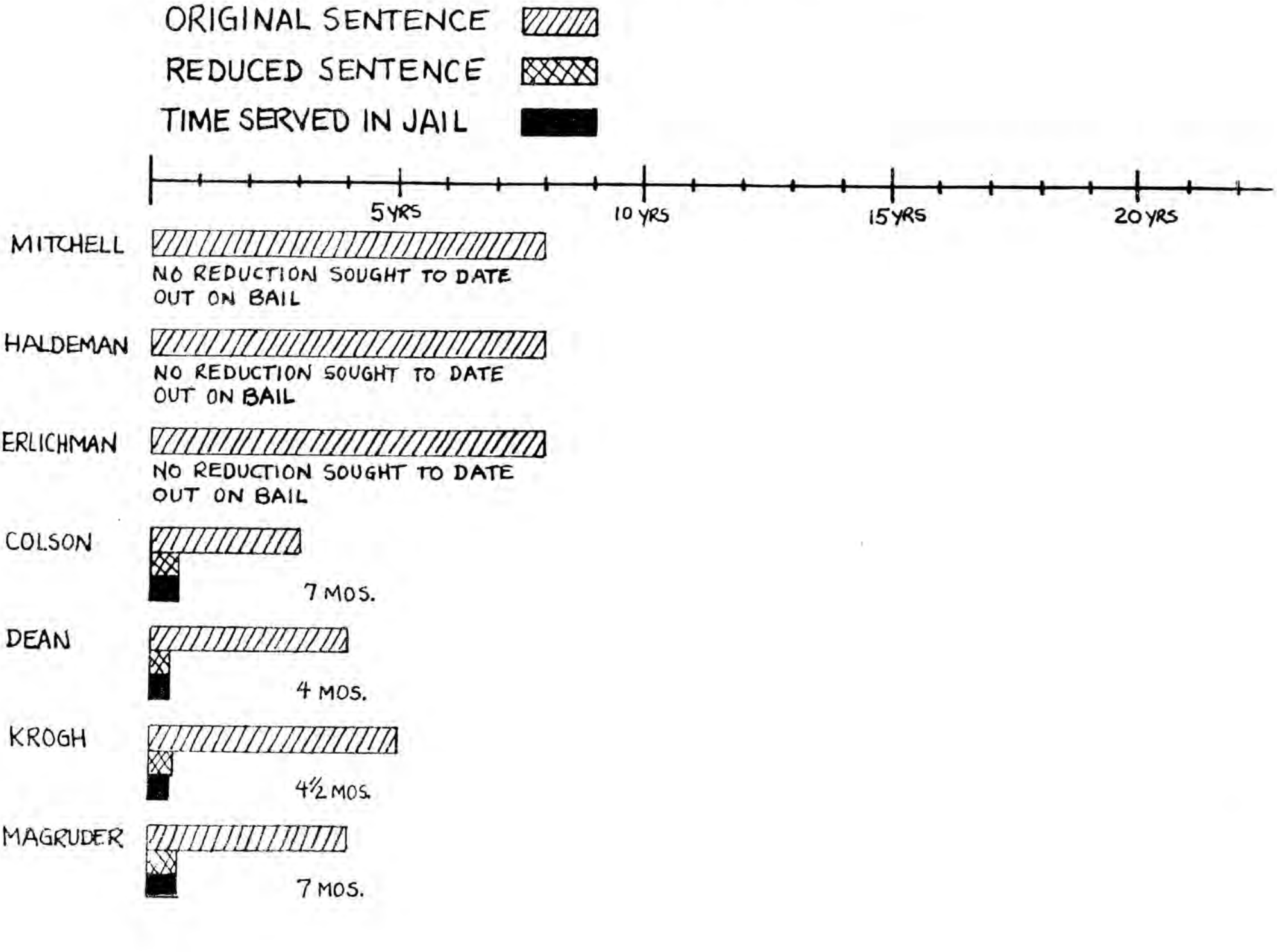
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	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

WATERGATE SENTENCES



6 MOS.

LARUE

4½ MOS.

PORTER

1 MO.

HUNT

REDUCTION DENIED

STILL IN JAIL

LIDDY

REDUCTION DENIED

STILL IN JAIL

1½ YRS FOR CONTEMPT

McCORD

4 MOS.

BARKER

13 MOS.

GONZALEZ

15 MOS.

MARTINEZ

15 MOS.

STURGIS

13 MOS.

EXHIBIT B

THE WHITE HOUSE
WASHINGTON

To Rick H.
for the
President's file.

RGF

JIMMY CARTER

PRESIDENT OF THE UNITED STATES OF AMERICA

To all to whom these presents shall come, Greeting:

WHEREAS George Gordon Liddy was convicted in the United States District Court for the District of Columbia on an indictment (Doc. No. CC 1827-72) charging violation of Sections 371 and 2511, Title 18, United States Code, and Section 1801 (b), Title 22, District of Columbia Code, and on March twenty-third, 1973, was sentenced to twenty years' imprisonment and ordered to pay a fine of forty thousand dollars ($40,000); and

WHEREAS the fine has not been paid and the said George Gordon Liddy began service of his sentence on January thirtieth, 1973, is presently confined in the Federal Prison Camp, Allenwood, Pennsylvania, will be eligible for release therefrom with credit for statutory good time on April twelfth, 1988, and will be eligible for parole consideration on July ninth, 1981; and

WHEREAS it has been made to appear that the ends of justice do not require that the aforesaid sentence be served in its entirety:

NOW, THEREFORE, BE IT KNOWN, that I, Jimmy Carter, President of the United States of America, in consideration of the premises, divers other good and sufficient reasons me thereunto moving, do hereby commute the aforesaid prison sentence of the said George Gordon Liddy to a term of eight years' imprisonment, the forty thousand dollars ($40,000) fine to remain in effect.

IN TESTIMONY WHEREOF I have hereunto signed my name and caused the seal of the Department of Justice to be affixed.

DONE at the City of Washington this Twelfth Day of April, in the Year of Our Lord One Thousand Nine Hundred and Seventy-seven and of the Independence of the United States the Two-hundred and First.

By the President: Jimmy Carter

Benjamin R. Civiletti

Attorney General

THE WHITE HOUSE
WASHINGTON

Pl Rick
Hutcheson

Please attach
to the President's
file re. this
matter. — RO

R2-1

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

12 April 1977

Dear Mr. President:

My family and I thank you for commuting my sentence. It was most considerate of you, and we want you to know of our gratitude and appreciation.

Yours most respectfully,

G. Gordon Liddy

G. Gordon Liddy

P.O. Box 1000
Montgomery, Pennsylvania, 17752

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15

PETER L. MAROULIS
ATTORNEY AT LAW
104 HOOKER AVENUE
POUGHKEEPSIE, N. Y. 12601
(914) 471-6050

April 13, 1977

President Jimmy Carter
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20000

Dear Mr. President:

I would like to express my appreciation and gratitude for your commuting my friend G. Gordon Liddy's sentence from 20 years to 8 years. I have worked on Mr. Liddy's behalf for almost five years. During those years, as a single practitioner, I faced the massive staff of the Justice Department, the Watergate Special Prosecution Force and their computer -- formidable opponents. I was aided only by my wife, Margaret, my law clerk, Susan Tousley, one secretary and a handful of friends who contributed their time. There were many occasions on which I felt discouraged with the unfairness of the legal system of our country. However, with the final application available to Mr. Liddy, even-handed justice has prevailed. The inequities visited upon Mr. Liddy have been set aside by your fair and most equitable decision to commute his sentence to one compatible with the sentences of the other principals in the Watergate cases. The doctrine of equal justice under the law is again restored in my mind.

Thank you.

Respectfully yours,

Peter L. Maroulis

PETER L. MAROULIS

PLM:gac

Honorable Robert Lipschutz, Esquire
Counsel to the President
The White House
Washington, D.C.

13th April 1977

Dear Mr. Lipschutz:

Although I am aware that the decision to commute my sentence was one taken by President Carter I am also aware, by virtue of my own White House staff experience, of how very importantly you figured in the taking of that decision.

For that, and for your most courteous and considerate treatment of Mrs. Liddy, my friends and counsel Peter Maroulis and George Higgins and my friend and neighbor James Gavin, I want you to know I am very grateful.

Yours most sincerely,

G. Gordon Liddy

P.O. Box 1000
Montgomery, Pennsylvania, 17752

PETER L. MAROULIS
ATTORNEY AT LAW
104 HOOKER AVENUE
POUGHKEEPSIE, N. Y. 12601
(914) 471-6050

April 13, 1977

Robert Lipshutz, Esq.
Counsel to the President
The White House
1600 Pennsylvania Avenue
Washington, D. C. 20000

Dear Mr. Lipshutz:

I would like to thank you for your attention and assistance in the Petition for Commutation of Sentence of G. Gordon Liddy. As you know, I have worked on Mr. Liddy's behalf for the past five years. For a single practitioner it has been a rigorous unrelenting battle against the massive facilities of the Watergate Special Prosecution Force and the United States Justice Department. I have felt almost continual frustration and disappointment in that our government could allow such inequities to be heaped upon one man because of his steadfast hold on his personal concepts of integrity. After so many years of working for the cause of even-handed justice, I am pleased by the fairness of the President's decision to commute Mr. Liddy's sentence to one compatible with the sentences of the other principals in the Watergate cases.

Very truly yours,

Peter L. Maroulis

PETER L. MAROULIS

PLM:gac

GEORGE V. HIGGINS, INC.

Law Offices
100 Federal Street
Boston, Massachusetts 02110

(617) 542-6546

GEORGE V. HIGGINS
FRANK C. CROWLEY
WILLIE J. DAVIS

DAVID A. MILLS
Of Counsel

Cable Address: Eddiecoyle, Boston

April 14, 1977

Robert J. Lipshutz, Esquire
Counsel to the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Petition of G. Gordon Liddy

Dear Bob:

Thank you very much. You were extremely nice about my repeated inquiries, and you did what you said you would do, keeping tabs on Gordon's case.

In the context of the crimminal justice system, the President's decision is extremely important. In the narrower sense, of Gordon's individual case, it is even more important.

Thank you,

GEORGE V. HIGGINS

THE WHITE HOUSE
WASHINGTON

Dick - for the
President's file
on this subject.

Jackie Jack

(1) mi?

GEORGE V. HIGGINS, INC.

Law Offices
100 Federal Street
Boston, Massachusetts 02110

(617) 542-6546

GEORGE V. HIGGINS
FRANK C. CROWLEY
WILLIE J. DAVIS

DAVID A. MILLS
Of Counsel

Cable Address: Eddiecoyle, Boston

April 14, 1977

The Hon. Jimmy Carter
President of the United States
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500

Petition of G. Gordon Liddy

Dear Mr. President:

Thank you for your decision of April 12th to commute the sentence of G. Gordon Liddy. It was humane of you, and it repaired a serious dislocation of the American criminal justice system as well. In short, it was decent.

I think you are fortunate (which I suppose you knew) in your choice of counsel. I made a pest of myself with Robert Lipshutz; his patience did not ebb, nor did his civility fail. When he called me, he was on the line when I answered; quite honestly, I never got that sort of treatment from the White House before, and I didn't mind it, either.

Respectfully yours,

GEORGE V. HIGGINS

cc: G. Gordon Liddy, Esquire
Peter Maroulis, Esquire