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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo w/att	From Hamilton Jordan to The President Re: Candidates for Comptroller of the Currency (12 pp.) / attached to memo from Hutcheson to Hamilton Jordan	4/12/77	C

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.-Pres. Handwriting File 4/14/77 [2] Box 17

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THE WHITE HOUSE
WASHINGTON

April 14, 1977

Bob Lipshutz
Ham Jordan
Hugh Carter
Richard Harden

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

Rick Hutcheson

Re: White House Staff

THE WHITE HOUSE
WASHINGTON

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

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

		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
/		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
		GAMMILL
/		HARDEN
		HOYT
		HUTCHESON
		JAGODA
		KING

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

THE PRESIDENT HAS SEEN.

a) We have excessive security guards & cars within the White House
b) Move everyone possible from WH → EOB & from EOB → agencies
c) See marginal notes
J. C.

THE WHITE HOUSE

WASHINGTON

April 13, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: BOB LIPSHUTZ
HAM JORDAN
HUGH CARTER
RICHARD HARDEN

SUBJECT: White House Staff

In response to your directions concerning the White House Staff, we have held several meetings both among ourselves and with other members of the Senior Staff and with members of the Executive Office of the President (EOP) Reorganization Study Team.

It is our recommendation that all White House staff organization efforts clearly be considered as interim steps and not final until the completion of the EOP study. This is desirable for several reasons:

1. The EOP study will enable us to relate properly to all functions relating to Executive Office functions instead of isolating some facets from others when, in fact, there is a necessary correlation. There are approximately 1,700 authorized personnel positions in the EOP, of which only 225 are "White House Staff" and 230 "White House Operations" staff.

2. By the time the EOP study is completed, substantially all "start-up" and "transition" actions should have been completed, and, therefore, the temporary personnel employed for these purposes should have been terminated: carry-over Ford staff personnel not being retained permanently; extra help in the correspondence section; extra help in the personnel section; etc.

3. By the time the EOP study is completed, we hope that the Energy Reorganization will be substantially completed, and thus the status of the 48 people now employed here will be clarified.

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4. By the time the EOP study is completed, the White House Senior Staff will be able to project with more certainty its permanent personnel needs.

   a. We will be much better able to determine the volume of White House activity -- at the present time we are receiving: about 73,000 letters per month, three times as much as did Ford; about 19,000 visitors per month (excluding tourists), two-and-one-half as many as Ford; and handling about 55,000 phone calls per day (incoming, outgoing, and transfers), versus about 35,000 under the Ford Administration. It appears that we are referring out to the departments and agencies as big a percentage of inquiries as did Ford's staff, but obviously this still leaves us, at this time, a much greater volume of activity than our predecessor.

   b. We will be much better able to determine the volume of legislative and Congressional activity -- at the present time it is quite apparent that our programs are much more positive and aggressive than were those of the Ford Administration.

   c. We will be much better able to determine the amount of time each person will need to spend on the job after he, or she, has become a little more experienced in the job. At the present time most staff persons typically are working 60 to 70 hours a week; as productivity and experience increase, this may be reduced some.

In the interim, we would like to propose that the following steps be taken:

-- Place a cap of 220 on the professional staff and 257 on the operational staff pending completion of the EOP study. As indicated in Attachment 1, we should be at these levels by May 31, 1977. ok

-- In regard to the increases that have occurred since January, we have included as Attachment 2 a summary sheet for you to indicate whether you approve the change, disapprove it, or wish to keep the individual in a temporary status until the completion of the EOP study. Unless I approved change in writing

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-- Appoint a Personnel Committee consisting of Bob Lipshutz, Hamilton Jordan, Hugh Carter, and Richard Harden to handle all personnel matters and have the Committee submit to you a monthly one page report summarizing changes.

-- Excluding the mail detailees, direct that all detailees performing routine functions be returned to their agencies by May 15, 1977 and direct that detailees can be used in the future only on special projects and only after a project plan has been submitted to and approved by the Personnel Committee.

-- Direct that the Personnel Committee study the EOP reorganization report and submit to you by June 15, 1977 a report providing options and recommendations.

For your information, we have outlined in Attachment 3 some of the options that might be considered in transferring functions out of the White House. As noted initially, we would recommend that no decision be made on these matters until the completion of the EOP study.

Attachments

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Attachment 1

WHITE HOUSE PROFESSIONAL AND POLITICAL STAFF AND DIRECTLY RELATED COUNCILS

	Ford	Carter (goal)	Date
Permanent Personnel on White House Professional and Political Staff	*261	*220	now
Temporary Personnel on White House Professional and Political Staff	** 83	** 53	May 31
Domestic Council	45	34	now
National Security Council	*127	*105	now
Total	**516	**412	

---

* This includes assumption that 3 of the NSC staff are on White House staff.

** Energy personnel are excluded from all of the above (48 persons).

WHITE HOUSE OPERATIONS STAFF

	Ford	Carter (goal)	Date
Correspondence	119	161	May 31
All other	111	96	May 31
Total	230	257	

Attachment 2

EXPLANATION OF STAFF INCREASES

Operational Staff - 27 Positions

Due to the significant increase in the mail volume, Hugh is estimating it will take an additional 42 people to handle the mail. He estimates he will be able to bring about a reduction of 15 positions in other units of the operational staff resulting in a net increase of 25 positions.

_____ Approve

_____ Disapprove

__✓__ Delay decision pending EOP study and keep personnel on temporary status

First Lady - 11 Positions

At your request, the First Lady's staff has been increased to provide for four calligraphers, one advance person, and six people to handle mail.

OK — why separate?

_____ Approve — Seems too many

_____ Disapprove

_____ Delay decision pending EOP study and keep personnel on temporary status

Frank Moore - 9 Positions

At your request, we worked with Frank to develop an organization capable of handling the increased volume in his area. The nine includes a legislative projects coordinator, an additional House Liaison Officer, an additional Senate Liaison Officer, and six support personnel.

__✓__ Approve

_____ Disapprove — no more

_____ Delay decision pending EOP study and keep personnel on temporary status

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Midge Costanza - 6 Positions

At Midge's request, Richard worked with her in trying to develop an organization that could handle the increased interest shown by public interest groups in your Administration. The six new people provide four professionals and two clerical.

This should have been cleared with me Seems excessive

_____ Approve

_____ Disapprove

_____ Delay decision pending EOP study and keep on temporary status

Hamilton Jordan - 4 Positions

Two of the new positions have been added at the request of you and Charlie Kirbo and the other two positions have been added to provide needed clerical support for Hamilton and his staff.

_____ Approve

_____ Disapprove

_____ Delay decision pending EOP study and keep on temporary status

Jack Watson - 3 Positions

At Jack's request, three positions have been added to provide additional clerical/support personnel.

_____ Approve

_____ Disapprove

_____ Delay decision pending EOP study and keep on temporary status

I don't remember this

Other - 6 Positions

Zbig Brzezinski and you apparently agreed that he could have two deputies on the White House staff that were not included in our original figures. Bob Lipshutz has requested one additional person for clerical support. At yours and Hamilton's request we have added Dick Pettigrew and a secretarial position and, through an oversight, we forgot to include Joe Dennin, Counsel to the President's Intelligence Oversight Board.

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no more

Brzezinski (2 positions)

_____ Approve

_____ Disapprove

_____ Delay decision pending EOP study and keep on temporary status

Lipshutz (1 position)

_____ Approve

_____ Disapprove

_____ Delay decision pending EOP study and keep on temporary status

Pettigrew (2 positions)

_✓_ Approve

_____ Disapprove

_____ Delay decision pending EOP study and keep on temporary status

Dennin (1 position)

_✓_ Approve

_____ Disapprove

_____ Delay decision pending EOP study and keep on temporary status

Attachment 3

POSSIBLE FUNCTIONS TO TRANSFER OUT OF THE WHITE HOUSE

-- Intergovernmental Relations Staff

Initial findings indicate that there is a need to improve coordination between Jack Watson's intergovernmental relations staff and the intergovernmental relations unit within OMB. A reduction of eight positions on the White House staff might be possible by combining the two units.

good

-- Domestic Council

With the reorganization of the Domestic Council, it might be possible to transfer eight positions from Stu's staff off the White House staff.

good

-- EOP Administrative Support Unit

If the decision is made to develop a centralized administrative support unit for the EOP, there is a likelihood that a fairly large portion of the operational staff could be transferred off the White House staff.

good

NOTE: While each of the foregoing could reduce the "White House Staff," it should not be assumed that the overall personnel reduction for the EOP would be reduced in a similar amount, or at all.

Try

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THE WHITE HOUSE
WASHINGTON

April 14, 1977

Frank Moore
Stu Eizenstat

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

Rick Hutcheson

Re: Phone Call to Senator Cannon about Airline Reform

THE WHITE HOUSE
WASHINGTON

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

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

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

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

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

Frank/Stu
done
4-14-77
J

April 12, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT Stu

SUBJECT: Phone Call to Senator Cannon About Airline Reform

Senator Kennedy called me to report that the industry pressure opposing airline regulatory reform has become quite strong, and that we should plan a significant lobbying effort to insure passage of the bill. In particular he suggested that a call from you to Senator Cannon, the Chairman of the Aviation Subcommittee, would be helpful in bolstering his continued leadership.

Senator Cannon is still a solid supporter, but he is under tremendous pressure to weaken the bill to make it more acceptable to the industry. A compromise will certainly be necessary as the bill makes its way through Congress, but it is important to begin with as strong a bill as possible in the Committee.

I recommend that you call Senator Cannon to congratulate him for his leadership and for his three weeks of hearings. I would re-emphasize your commitment to legislation, pledge our assistance in working out a small communities provision, and let him know that he will have the active support of the Administration as he "hangs tough" in the months ahead.

cc: Frank Moore

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THE WHITE HOUSE
WASHINGTON

April 14, 1977

Robert Strauss -

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

Rick Hutcheson

Re: Pan American Day Speech

THE WHITE HOUSE
SIGNATURE MUST BE SECURED

4/14/77
$? L$
DATE.....

O

The Honorable Robert S. Strauss
Special Representative for Trade
Negotiations
1800 G Street N. W.
Washington, D.C. 20506

NUMBER 005283

TIME REC'D .....

RECEIVED BY .....

DELIVERED BY .....
RICK HUTCHESON

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

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

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

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

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

THE PRESIDENT HAS SEEN.

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

April 13, 1977

MEMORANDUM FOR THE PRESIDENT

FROM : Robert S. Strauss
Special Trade Representative

SUBJECT: Language in your speech for Pan American Day Regarding the OPEC Exclusion from Benefits of the Generalized System of Preferences (GSP)

It has come to my attention that your speech prepared for Pan American Day includes a reference to a change in the Trade Act relative to making OPEC countries eligible for duty-free treatment for designated products under the U.S. Generalized System of Preference (GSP). I strongly recommend that there be no mention in the speech of this provision.

While I believe that in the longer run it would be useful to have these countries diversify their trade, rather than concentrating their trade in oil, the timing for a statement on GSP is not right. Domestically, in my judgment, it would be politically unacceptable for the President to announce that he favors duty-free treatment for countries that have contributed to high energy costs, while conversely almost simultaneously recommending a drastic energy program that calls for sacrifices on the part of the United States public. The energy program would kill any immediate hopes of amending that part of the Trade Act. I do not pretend to be aware of all of the problems, but if we need to do something now for Latin America, other avenues should be explored.

Finally, Mr. President, I cannot understand how a major amendment to the Trade Act, to a program which I administer, could be considered and recommended without consultation with the Special Trade Representative. It is contrary to my conception of my responsibility to you.

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THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON

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

	ENROLLED BILL
	AGENCY BILL
	Staffing comments should go to Bert Carp within 48 hours; due from Carp to Staff Secretary next day.

	CAB DECISION
	EXECUTIVE ORDER
	Staffing comments should go to Doug Huron within 48 hours; due from Huron to Staff Secretary next day.

ACTION	FYI	
		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
X		SCHLESINGER
		SCHNEIDERS
		SCHULTZE
		SIEGEL
		SMITH
		WELLS
		VOORDE

THE WHITE HOUSE
WASHINGTON

April 14, 1977

Jim Schlesinger -

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

Rick Hutcheson

Re: Letter from Governor Briscoe on Energy

THE PRESIDENT HAS SEEN.

cc To Jim Schlesinger
J

DOLPH BRISCOE
GOVERNOR

OFFICE OF THE GOVERNOR
STATE CAPITOL
AUSTIN, TEXAS 78711

April 17, 1977

Honorable Jimmy Carter
President
The White House
Washington, D.C. 20500

Dear Mr. President:

As Governor of the State which is the largest producer and the largest consumer of energy in the nation, I would like to share with you my thoughts about the elements which an effective national energy policy must include.

A national energy policy absolutely must encourage the production of oil and natural gas. These fuels currently provide over three-fourths of our domestic energy supply and will certainly have to provide the lion's share of our energy needs for at least the next fifteen years.

Go To electrical power Generation in Texas is from natural gas

Secondly, the national policy must provide for an orderly and expeditious transition to alternative fuels. Such transition must not, however, be undertaken entirely at the expense of producing regions of the country, which are almost totally dependent on their indigenous fuels, oil and natural gas.

Finally, the national energy program must have as a primary goal the establishment of a limited and predictable role for governmental regulation. The cornerstone of any national policy must be the free market system and not government control.

I have attached a more detailed treatment of Texas' position on the critical elements which your national program should include and I hope this information is helpful to you and your energy staff.

Sincerely,

Dolph Briscoe

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cc
Jim Schlesinger
F

DOLPH BRISCOE
GOVERNOR

OFFICE OF THE GOVERNOR
STATE CAPITOL
AUSTIN, TEXAS 78711

NECESSARY ELEMENTS OF AN EFFECTIVE NATIONAL ENERGY POLICY

INTRODUCTION

In the final analysis, any energy policy will have to be a national effort, drawing support from a cross section of Americans. Responsible citizens now realize that we must pull together to find solutions to our energy dilemma. This winter's natural gas crisis frightened many people into recognizing that even greater perils will be coming if a reasonable and dependable energy supply is not developed.

As the nation's largest energy producer and consumer, Texas has a keen interest in developing a National Energy Policy that will encourage, not discourage, the production of oil and gas. For even as we work to convert to other energy sources, these conventional fuels must continue to meet the lion's share of the nation's energy demand for at least the next fifteen years.

The only way to meet that demand is to rely to the maximum degree on private enterprise for the exploration, production, distribution, marketing and pricing of fuels. History has shown that the complexity and enormity of the national energy problem defies solution solely by legislation, allcoation or regulation. In the case of natural gas, interstate regulation has led us to wastefully consume a precious resource at artificially low prices, and has failed to provide producers enough capital to explore for additional supplies.

As with other industries, consumer choice, when not distorted by federal price and allocation controls, results in maximum competition among suppliers and minimum imbalance between supply and demand. Had controls not been imposed on oil and gas prices, the problems we face today would not have reached such great proportions.

There is no one in or out of government who is smart enough to make price controls work for the long-term benefit of American consumers. The State of Texas maintains that the cornerstone of any national policy must be the free market system and not government control.

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Governmental actions which are needed, as in the area of environmental protection and antitrust law enforcement, should be applied equally to all levels and types of industry and should always stimulate, not discourage, competition. Application of punitive taxes, competition standards, or price regulations to a target industry places it at a competitive disadvantage for acquisition of investment capital resulting in diminished productivity within that target industry. Our nation cannot afford the costs which result from a national policy which creates economic barriers to full development within our energy producing industries.

A comprehensive national energy policy should also call for an orderly and expeditious transition to alternative fuels. Our concern is that while other fuels offer relief for some users, the prospects for finding adequate and economical substitutes for petroleum are extremely poor in some industries. Instantaneous economic adjustments to new energy sources could be greater than some sectors of the economy are able to accommodate. Furthermore, the lead times involved make instantaneous change impossible, even when desirable. For example, the impulsive mandatory overnight conversion away from gas-fueled boilers will be largely at the expense of consumers and industries in Texas and other gas producing states. Currently about 90% of our electrical generation is designed to burn gas. Use of any other fuel requires replacement, not conversion, of these generation facilities. It is estimated that by 1985 provision for existing and planned facilities to burn coal will cost $40 billion and would require the burning of 300 to 400 million tons of coal per year. This is equal to roughly half the total present U.S. production. These capital expenses will be passed to consumers in the form of vastly higher utility bills and product costs. More significant than the gross unfairness of this measure is the physical impossibility of its fulfillment. There is no realistic expectation that enough coal can be mined and transported to replace boiler fuel gas in Texas by 1985 much less by the end of 1978. It is also not possible for existing gas-fired boilers to be immediately replaced with coal-fired boilers because of the four to five year lead-time required for acquiring boilers from the manufacturers.

Finally, a basic principle in a national energy policy should be to insure predictability of governmental actions and to eliminate inconsistencies and contradictions among the various institutional, economic and legal activities of energy agencies. Piecemeal solutions to the energy problem have not been effective. Organizing the federal energy bureaucracy into a single cabinet-level department will, we trust, increase efficiency and allow greater responsiveness to specific problems.

It is the position of the State of Texas that a National Energy Policy, in order to be truly effective, must include the following elements:

SUPPLY

1. Natural Gas Deregulation - Federal legislation should be enacted which would remove wellhead price restrictions from natural gas dedicated to interstate commerce for the first time, gas continued in interstate commerce after the expiration of existing contracts, and gas produced from wells commenced on or after the legislation takes effect. The state opposes wellhead price ceilings for intrastate natural gas production.

The effect of price controls on interstate natural gas has been to discourage exploration and production, greatly stimulate demand, and undermine the development of much-needed alternative fuels and technologies. It is a sad commentary that there have been severe shortages of natural gas in the interstate market, yet there are some who advocate as a solution to the interstate problem the imposition of the same regulatory approach, along with its twenty-three year record of failures, upon the Texas intrastate gas system which has maintained a relative balance between supply and demand. Allowing the market to seek its own price level would help minimize the shortages by encouraging interstate sales. It would also provide oil and gas producers the investment capital needed to increase recovery from wells and to explore for new gas.

As environmental quality becomes more difficult to maintain because of increased utilization of coal, this new gas will be a precious resource. Federal policy should encourage its development, not stifle it. Texas recognizes that higher prices for natural gas may be painful to consumers, yet the costs will be less compared to other available alternatives. Phased deregulation would also mitigate abrupt price increases.

2. Outer Continental Shelf Development - Maximum effort should be devoted to the environmentally safe development of OCS zones, including the Atlantic seaboard. Actual exploration, drilling and production should be conducted without direct government participation, and impact assistance should be made available to coastal states to aid in offsetting the cost of required public services and environmental impacts.

Texas has long recognized that to meet the growing demands for oil and gas, offshore development of these resources is imperative. Last year wells in the Gulf of Mexico produced 14 percent of all the gas burned in the United States, and most of that gas was leased by the federal government. This production should be continued, but the Gulf Coast should not have to bear the burden of offshore development when oil and gas remain untapped on the Atlantic seabord.

3. Coal Boiler Fuel Restrictions - A maximum, reasonable time should be allowed to replace natural gas with coal as a boiler fuel. Temporary exemptions should be given to users who demonstrate a good faith effort to convert to other fuels for base load requirements. Energy conservation efforts should also be considered in granting exemptions.

Under Railroad Commission Docket 600, large users of natural gas as a boiler fuel in Texas must gradually reduce their consumption of gas by 25% by 1985. More rapid boiler conversion requirements would be technically and economically impractical and would place undue hardships on industry and individual consumers. Texans already pay the highest prices for natural gas in the nation, and any tax or restrictions on natural gas used in boilers would only act as a penal sanction, because many industries lack the capital necessary for conversion and access to substitute fuels in the near future. Many parts of Texas also have severe water shortages, and time is needed to acquire water supplies to use for coal plants. In addition, even if most

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industires were able to replace natural gas with coal quickly, it is highly unlikely that coal could be produced or delivered in time. Finally, any federal policy that combines stringent air standards and harsh restrictions on boiler fuel may severely limit Texas' future economic growth.

4. Coal Transportation - To facilitate fast and safe transportation of Western coal to Texas, the right of eminent domain should be extended to coal slurry pipelines. Allocation of a state's water resources for use by a coal slurry pipeline should be controlled by that state. The federal government should also ascertain the need for and oversee the renovation of rail beds to be used for long-haul, heavy, sustained use by unit trains.

5. Coal on Federal Lands - Leasing of federal coal lands which are held in public trust should proceed without excessive regulatory barriers but with regard for the environment. Leasing programs should recognize the economic, environmental and social characteristics of the states that will be affected by the development. Federal agencies should coordinate their efforts with state and local governments in these areas so that this development will not place an unreasonable burden on individual states.

6. Surface Mining - The need for federal surface mining regulation does not exist. Thirty-nine (39) states already have surface mining regulations, and any regulation at the federal level would be usurping the traditional authority of these states. Uniform, mandatory federal control over surface mining would fail to recognize local and regional differences and needs. It would only increase the overall cost of natural resource production without a proportionate improvement of environmental quality.

7. Crude Oil Production and Pricing - There should be an orderly elimination of government-imposed price controls on crude oil at the earliest possible date. Decontrolled prices from enhanced recovery operations would also facilitate the capital required by producers for enhanced recovery investments.

   Price controls on crude oil have been arbitrary and difficult to administer. Continual changes in the regulations have led to inequities and caused a great uncertainty in the market. This uncertainty has stifled new exploration. Deregulation would not only stimulate supply, but would also provide more price competition among oil companies and lessen our national dependence on foreign oil sources. A significant addition can also be made to our crude oil reserves through enhanced recovery techniques if prices are allowed to seek their market level.

8. Incentives for Developing Technologies - Federal tax incentives should be implemented to speed up the development of new technologies to increase our domestic supplies of energy resources. Likewise, undesirable institutional and regulatory barriers to development should be lifted. The major responsibility for basic government funding of research and development rests with the federal government, but more direct and formal state input is needed in funding and siting decisions.

9. Nuclear - The federal government should support research and development of both nuclear fission and fusion so that the nation will have access to this energy in the future under environmentally safe conditions. Government support, however, should not continue beyond the demonstration phase. Licensing procedures should be streamlined and decisions in the nuclear fuel cycle and waste management areas should not needlessly inhibit the growth of nuclear power.

10. Strategic Petroleum Reserve Storage - Every reasonable effort should be made to expedite the reserve program. Environmental and sociological impacts should be given careful, but early consideration so that undue delay can be avoided.

11. Loan Guarantees for Synthetic Fuels - Free market prices should be allowed to provide the basic incentives for private sector commercialization of all alternative energy sources, including synthetic fuels. But unfortunately, these prices may not be sufficient to insure timely commercialization of synthetic fuels. Therefore, if market prices for oil and gas remain regulated, the federal government should provide support for synthetic fuel development in the form of loan guarantees. The federal government should also establish regulatory and licensing procedures wich will not unduly restrict their potential for future commercialization.

12. Divestiture - Vertical divestiture is contrary to the national interest, as it would weaken the nation's petroleum industry and reduce already declining supplies of domestically-produced oil and gas. Likewise, horizontal divestiture would reduce the necessary capital available for developing energy alternatives. It would also adversely affect our balance of payments, weaken the economy, and result in years of litigation to determine property interests after fragmentation. The federal government should instead emphasize the enforcement of antitrust legislation as a remedy for alleged anti-competitive aspects of the petroleum industry. Any competition measurement standards or enforcement should be applied equally to all U.S. industry.

13. Transportation of Oil and Gas - The superport facility now planned for the Texas Gulf Coast should proceed as scheduled, without federal obstacles. The Federal Power Commission should approve the SOHIO proposal to bring Alaskan crude oil to the nation via the unutilized El Paso Natural Gas Company pipeline. The federal government should also encourage better international tanker safety standards.

DEMAND

1. Conservation - Conservation should be an important factor in any federal energy policy, as it remains the only short-term solution to the energy supply problem. The conservation policy should emphasize voluntary programs with local government involvement under state supervision. Texas would not support any legislation which would impose harsh mandatory regulations

that would be impossible to enforce and which would cause serious economic and social disruption. State guidelines already encourage the elimination of energy waste in state buildings and a state energy conservation plan is now being drafted to determine where the greatest potential savings exist in the private sector. The state supports such programs that would provide assistance in energy auditing, implementing local building codes, and procurement practices and educational programs. In the industrial sector, the state supports efforts to improve efficiency through combined generation of steam and electric power, promote recycling of used oil and containers, and coordinate university research and demonstration projects in energy efficiency. Utility rate structures should also encourage conservation and efficient load management to more fully utilize the capacity of the utility plant. Rate structures should be cost-based so as to be equitable to all classes of customers and promote the most efficient allocation of scarce resources.

2. Agriculture - The curtailing of natural gas for essential agricultural, food processing and food packaging purposes, including irrigation pumping, crop drying and the use of natural gas as a feedstock in the production of fertilizer, should be prohibited to the maximum extent possible.

3. Petrochemical Feedstocks - Both federal and state policy should aim at expediting conversion of oil and natural gas fueled systems to alternate fuels, promoting conservation of existing resources and encouraging the free market pricing of hydrocarbon resources.

   The Texas petrochemical industry uses hydrocarbon feedstocks derived from oil and natural gas to produce a variety of products essential to agriculture, construction, industry, medicine and other industries. It directly employees 60,000 people in the state and provides jobs for 3 million people through the nation. About 13 cents of each dollar of the GNP is contributed by products based on this industry. Though the industry uses 7 percent of oil and gas production, its contribution to the nation's economy is irreplaceable and must be assured high priority in access to hydrocarbons as fuel and feedstock.

4. Environmental Considerations - Federal energy policy must reflect a balance between energy and environmental goals. An increase in energy consumption, along with conversion to coal, will place greater pressures on this balance. To maintain the balance, federal and state governments should adopt policies which would extend our present supplies of natural gas and gain time for the development of new environmentally safe technologies. Energy conservation should be promoted, and the states should be given greater participation in the establishment and enforcement of environmental standards.

   These standards should address regional differences and should be justified by their cost effectiveness. High-cost pollution controls for protection against unknown or speculative levels of risk should be required only as a result of a clear expression of public willingness at the local level to pay the price involved. Such decisions should be made on a timely basis to avoid project delays and undue financial hardships.

4-13-77
$50 rebate

1% monthly inflation
2% inc in final sales

Spending hi % income
Consumer approve rebate
Spending influenced by rebate
> Investment spending plans. P - 6%
shortfall $9-10 Bil + $11 Bil rebate = $21 Bil
Schultze Deficit '76 hi - '77 10 - '78 hi
Trade imbalance $10 B $14 Bil
2nd Qtr will be good
Dissent from Ford/Nixon
Rebate self limiting
Message - Bad for Labor groups
Go to '78 spending
Unemp → < 7%
Mike 7% correction sales/rebate
Housing up to 1.8 mil
Bldg permits 1.5 mil

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Bus plans invest +11%
All indicators up except stock market
GNP 1st Qtr +3½%
Whsle prices +14% annual rate
+10.2% 3 mos
12 mos 6.8%
Annual infl rate => 6%
Rebate is a symbol
M1 money supply +
Deficit '68 - ↓7 - ↓7 = 5%
'78 deficit ↑58
-1/0 one for rebate
Summit Effect?
20 Bil PKG - Stimulate
Tuesday
Congressional leaders
Total package - $20 Bil
Nixon will hire

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THE WHITE HOUSE
WASHINGTON

4-7-77

Stennis = firm against - will look again
Beyond 1/5 +
Mc Clellan - don't approve - will try
one no vote
De Concini
Durkin China
Sparkman Australia
Hart - prob. will - problems for '78
Bentsen
Childs - Prob ok - unless econ improves
Johnston - budget com - doubts
will be sympathetic

Ch John West - Saudi Arabia
no Gerard Smith - USSR amb
no Terry Sanford - France
yes Leonard Woodcock - PRC

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#50 private
C

BUMPERS AMENDMENT

Senators	Who Calls	(+ or -) Status	Remarks
Stennis	P		
Eastland	P	- Try to help T/T	
Ford	P		
Randolph	P	- wants to help - doubts - Send info - Needs prior info on Energy bills -	
Hollings	P		
Glenn	P	+(?)	
Church	VP		
Kennedy	VP	- ok	
Leahy	VP		
Mathias	VP		
Pearson	VP		
Hart	VP		
Haskell	VP		
Stafford	VP		
McClellan	FM		
Bentsen	FM		
Gravel	FM		
Case	FM		
Stone	FM		
Stevenson	FM/HHH		
DeConcini	FM/HHH		
Chiles	DT		
Nunn	DT		
Pell	DT		
Metzenbaum	DT		
Johnston	DT		
Proxmire	DT		
Morgan	DT		
Zorinsky	Strauss		
Bellmon	Muskie		

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

April 5, 1977

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE FM

The Vice President and I met this afternoon with Senators Byrd, Humphrey, Cranston and Long. We received the water projects story, and Dr. Byrd says the patient is in intensive care, has no discernible pulse, and prospects of survival are nil unless it receives an immediate Presidential transfusion.

The Vice President and I have agreed to Dr. Byrd's prescription and have so divided the vote calls. I will talk with you about it at my regular morning meeting. These calls should be made before tomorrow night, if possible.

Please excuse the silly analogy, but I wanted to report the Senator's conversation accurately.

THE VICE PRESIDENT
WASHINGTON

April 12, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: THE VICE PRESIDENT

SUBJECT: CALLS TO SENATORS ON THE REBATE

The following is a report on the eight senators I was asked to call concerning support of the rebate.

Church - He has made no commitment. He will keep an open mind.

Hart - He will probably support the rebate. He is not enthusiastic about this remedy. He prefers a program which attacks the deeper structural problems in the economy.

Haskell - He has announced that he is against the rebate. He is willing to take another look. Also, he is interested in getting political reaction from his constituents. We agreed to talk when he returns. Leaning against.

Kennedy - He is unreachable on a boat. will help - J. C.

Mathias - He is currently in Israel. I will speak with him when he returns.

Leahy - We are expecting a call from him later this morning.

Pearson - He is leaning against and will probably vote against. Only a new "political argument" could sway him in our direction. He suggests the possibility of linking the rebate to the energy package. We agreed to talk again when he returns.

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Stafford - He indicates that he has not made any commitment. We agreed to talk again when he returns from Australia.

THE WHITE HOUSE
WASHINGTON

April 12, 1977

Frank Moore
Hamilton Jordan

The attached is forwarded to you for your information.

Rick Hutcheson

Re: Calls to Senators on the Rebate.

THE WHITE HOUSE

WASHINGTON

April 14, 1977

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE F.M.

Dan Tate and I reached ten Democratic members of the Senate Finance Committee last night, plus another five or six Senators.

All of these have pledged to stay with us until the end; all were relieved with exception of Senator Muskie who wants to talk with Charles Schultze to justify to him the economic indicators that necessitate dropping the rebate.

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MEMORANDUM

OFFICE OF THE VICE PRESIDENT

WASHINGTON

April 13, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: THE VICE PRESIDENT

SUBJECT: CRANSTON CONVERSATION

Senator Cranston said that on the Rebate, there are 44 solid noes, 35 solid yeses, 11 possible to likely and 11 negative but not hopeless, and thus, he thinks there is a good chance we will lose. His personal view is

1. That to compromise and to lose the rebate, which he considers to be a real possibility, would be an absolute disaster, because you would not only have lost the rebate, but have shown yourself to be a compromising politician.

2. To compromise and win is not much better, because it would show old fashioned politics, the Senate and not you, would appear to have won, and people aren't that hot about the rebate and they wouldn't appreciate the compromise.

3. He believes that you have yet to truly persuade the business community that you are prudent fiscally, and the rebate has been one of their chief arguments.

He personally doubts that the rebate will help the economy that much. He is concerned about inflation. He doesn't find much support or appreciation for the prospect of a rebate, even though people could use the money, and he doesn't consider that your prestige is on the line.

He recommends that you drop the rebate and be very candid as to the reasons:

a. That there are many in the Congress whose judgment you respect who genuinely doubt the wisdom of the rebate;
b. economic conditions havechanged substantially since the decision to recommend the rebate were announced; and
c. you recognize that you might well lose the plea for a rebate, and that trading on other issues might be essential to its adoption--that you do not want to get into the position of trading one issue to obtain what you want on another. He thinks this should be very carefully stated.

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If you decide on this course, he then thinks you should restore some of the water projects, especially a few of the key ones, and also, pronounce that you would not pursue impoundments against the others, although reserving the right to veto.

You could do this at that point under circumstances where no one could charge that your decision was a political compromise.

He then thinks you should be very stern in opposition to spending the money saved by dropping the rebate, and that you should consider raising the possibility of a veto.

He believes this course would do several things for your leadership. It would show that you are not stubborn and are flexible and that you can be generous when you're under pressure.

Not

IF ASKED ABOUT THE REPUBLICAN PROPOSAL FOR PERMANENT TAX REDUCTIONS, YOU CAN POINT OUT THAT THERE ARE PERMANENT REDUCTIONS ALREADY IN YOUR PACKAGE AND [redacted] ANY ADDITIONAL REDUCTIONS SHOULD BE A PART OF THE OVERALL TAX REFORM PROPOSAL THAT WILL BE PRESENTED THIS FALL.

AT PRESENT, I THINK WE ARE GETTING ABOUT THE TYPE OF PRESS REACTION I [redacted] EXPECTED. THERE IS NO AVOIDING THE IDEA THAT THE DECISION WAS PARTIALLY POLITICAL. WE SHOULD NOT STRAIN OUR CREDIBILITY BY MAINTAINING [redacted] THAT IT WAS NOT. WE CAN HOWEVER STRESS THAT IF YOU HAD BEEN CONVINCED THAT THE REBATE WAS STILL NEEDED YOU WOULD HAVE MADE THE FIGHT DESPITE THE OPPOSITION AND WE BELIEVE WE WOULD HAVE WON. OBVIOUSLY HAD THERE BEEN NO OPPOSITION WE MAY WELL HAVE LET IT GO THROUGH. ALTHOUGH YOU SHOULD NOT SAY SO, I BELIEVE THE BEST INTERPRETATION WE CAN GET IS THAT IT WAS A DECISION BASED ON A CAREFUL WEIGHING OF BOTH ECONOMIC AND POLITICAL CONSIDERATIONS WITH [redacted] ECONOMIC CONSIDERATIONS PREDOMINANT.

THE POLITICAL ANALYSTS WILL GENERALLY GIVE US CREDIT FOR A WISE DECISION, I BELIEVE.

THE PRESIDENT HAS SEEN.

NOTES FOR REBATE QUESTIONS:

THE MOST DIFFICULT QUESTIONS WILL COME FROM THE APPARENT SUDDEN NATURE OF THE DECISION. RAY MARSHALL WAS DEFENDING THE REBATE STRONGLY AS LATE AS THURSDAY.

YOU JUST NEED TO SAY THAT THE DECISION WAS MADE LATE YESTERDAY AND YOU SAW NO REASON TO DELAY ANNOUNCING IT JUST TO MAKE THE CHANGE APPEAR TO BE MORE GRADUAL. UNTIL THE DECISION WAS MADE, THERE WAS NO REASON NOT TO CONTINUE TO SUPPORT THE ORIGINAL PROPOSAL.

THERE WILL OF COURSE BE THE QUESTIONS ABOUT WHETHER THE DECISION WASN'T PRIMARILY POLITICAL. YOU NEED A QUOTABLE ONE-LINER SINCE THERE IS NO WAY TO ACTUALLY PROVE ONE WAY OR THE OTHER. PERHAPS SOMETHING LIKE, "THE ONE THING I DON'T THINK I'VE EVER BEEN ACCUSED OF IS BEING AFRAID OF A TOUGH FIGHT OR BEING TOO DISPOSED TOWARD COMPROMISE."

I WILL TELL THE PRESS ON BACKGROUND, UNLESS YOU OBJECT, THAT THE FINAL DISCUSSION TOOK PLACE YESTERDAY MORNING AND YOU REACHED A DECISION YESTERDAY EVENING. I CAN POINT OUT THAT THE DISCUSSION WAS ALMOST ENTIRELY ON THE ECONOMIC ~~MERIT~~ MERITS OF THE PROPOSAL.

FINALLY, I THINK YOU NEED TO COME DOWN HARDER ON RESISTING PRESSURE TO SPEND ALL OF THIS $11B THAN THE STATEMENT DOES. AT THE SAME TIME YOU NEED TO AVOID GETTING IN A POSITION OF HAVING TO OPPOSE THE APPROPRIATION OF ANY OF IT.

1354

MR. CHAIRMAN, MEMBERS OF THE PERMANENT COUNCIL, MR. SECRETARY GENERAL, PERMANENT OBSERVERS TO THE OAS, CHIEFS OF THE SPECIALIZED ORGANIZATIONS AND AGENCIES, ~~MEMBERS OF THE PRESS,~~ DISTINGUISHED GUESTS:

Hace trés años, tuve el honor y placer de hablar ante la Asemblea General de la OEA celebrada en mi estado de Georgia. Igual que en Atlanta, hoy seguiré el consejo de mis compañeros, que opinan -- para el beneficio de buenas relaciones -- sería mejor que no hablara en español.

(THREE YEARS AGO I HAD THE HONOR AND PLEASURE OF SPEAKING BEFORE THE GENERAL ASSEMBLY OF THE OAS H ELD IN GEORGIA. AS I DID THEN IN ATLANTA, I WILL

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TODAY FOLLOW THE ADVICE OF MY FRIENDS, WHO THINK THAT -- IN THE INTEREST OF GOOD RELATIONS -- IT WOULD BE BETTER FOR ME NOT TO SPEAK IN SPANISH.)

THAT DAY IN ATLANTA I SHARED WITH YOU SOME OF THE THOUGHTS THAT MY WIFE AND I BROUGHT BACK FROM OUR VISITS TO SEVERAL OF THE AMERICAN STATES. I SPOKE PARTICULARLY OF THE NEED FOR CONSULTATION, COOPERATION, AND HARMONY AMONG THE NATIONS OF THIS HEMISPHERE. I BELIEVE THAT JUST AS STRONGLY TODAY AS I DID THREE YEARS AGO.

I AM DELIGHTED TO BE WITH YOU IN THIS BEAUTIFUL HOUSE OF THE AMERICAS. FOR NEARLY THREE DECADES THE OAS HAS STOOD FOR MUTUAL RESPECT AMONG SOVEREIGN NATIONS FOR PEACE AND FOR THE RULE OF LAW IN THIS HEMISPHERE. THE OAS CHARTER PLEDGES US TO INDIVIDUAL LIBERTY AND SOCIAL JUSTICE. I COME HERE NOW TO RESTATE OUR COMMITMENT TO ALL THOSE GOALS.

THE CHALLENGE BEFORE US TODAY, HOWEVER, IS NOT TO REAFFIRM THOSE PRINCIPLES, BUT TO FIND WAYS TO MAKE THEM A REALITY. TO DO THIS, WE MUST TAKE ACCOUNT OF THE CHANGES IN OUR RELATIONSHIPS OVER THE LAST DECADE, AND WE MUST CANDIDLY ACKNOWLEDGE THE DIFFERENCES AMONG US. WE MUST ADAPT OUR CURRENT POLICIES AND INSTITUTIONS TO THOSE CHANGES SO THAT WE CAN PURSUE OUR GOALS MORE EFFECTIVELY.

AS NATIONS OF THE "NEW WORLD," WE ONCE BELIEVED THAT WE WOULD PROSPER IN ISOLATION FROM THE "OLD WORLD." BUT SINCE THE SECOND WORLD WAR, ALL OF US HAVE TAKEN SUCH VITAL ROLES IN THE WORLD COMMUNITY THAT ISOLATION WOULD NOW BE HARMFUL TO OUR BEST INTERESTS. OUR JOINING IN THE INTERNATIONAL MONETARY FUND, THE WORLD BANK, AND THE GENERAL AGREEMENT ON TRADE AND

TARIFFS ARE SIGNS THAT WE UNDERSTAND THIS. SO IS THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT WHICH RAUL PREBISCH OF ARGENTINA MADE INTO AN IMPORTANT FORUM OF THE DEVELOPING WORLD. VENEZUELA IS NOW CO-CHAIRING THE PARIS CONFERENCE ON INTERNATIONAL ECONOMIC COOPERATION. THE UNITED NATIONS ECONOMIC COMMISSION FOR LATIN AMERICA IS THE SOURCE OF MANY CREATIVE IDEAS ON DEVELOPMENT THROUGHOUT THE WORLD. THE LEADERS OF MANY LATIN AMERICAN NATIONS HAVE BEEN THE DRIVING FORCE BEHIND THE NORTH-SOUTH NEGOTIATIONS.

IN ALL THESE WAYS, THE NATIONS OF LATIN AMERICA WERE AMONG THE FIRST IN OUR CHANGING WORLD TO SEE THE IMPORTANCE OF ADAPTING GLOBAL INSTITUTIONS TO NEW REALITIES.

THE PROBLEMS AND THE PROMISE OF THE REGION HAVE BECOME AS DIVERSE AS THE WORLD ITSELF. THE

ECONOMIES OF MOST LATIN AMERICAN NATIONS HAVE BEEN DEVELOPING RAPIDLY, THOUGH AT DIFFERENT RATES. SOME HAVE AN IMPRESSIVE RECORD OF GROWTH. A FEW ARE AMONG THE POOREST IN THE DEVELOPING WORLD. SOME HAVE ABUNDANT ENERGY RESOURCES, AND SOME ARE DESPERATELY SHORT. MANY OF OUR COUNTRIES EXPORT PRIMARY PRODUCTS. SOME HAVE BECOME MAJOR EXPORTERS OF MANUFACTURED GOODS WHILE OTHERS EXPORT LITTLE AT ALL. YOUR PROBLEMS OF MARKET ACCESS, TECHNOLOGY TRANSFER, AND DEBT MANAGEMENT SOMETIMES DEFY REGIONAL SOLUTIONS.

IN ADDITION TO ECONOMIC DIVERSITY, WE HAVE ALL DEVELOPED WIDELY VARIED FORMS AND PHILOSOPHIES OF GOVERNMENT. THIS DIVERSITY HAS BROUGHT NATIONAL PRIDE AND STRENGTH, AND AS YOU HAVE PLAYED MORE INDEPENDENT AND IMPORTANT ROLES IN WORLD POLITICS,

WE HAVE ALL BEGUN TO CONSTRUCT MORE NORMAL AND BALANCED RELATIONSHIPS.

IN THE LIGHT OF THESE CHANGES, A SINGLE U. S. POLICY TO LATIN AMERICA AND THE CARIBBEAN MAKES LITTLE SENSE. WHAT WE NEED IS A WIDER AND MORE FLEXIBLE APPROACH, WORKED OUT IN CONSULTATION WITH YOU. TOGETHER, WE WILL DEVELOP POLICIES MORE SUITED TO EACH NATION'S VARIETY AND POTENTIAL. IN THIS PROCESS, I WILL BE PARTICULARLY CONCERNED THAT WE NOT SEEK TO DIVIDE THE NATIONS OF LATIN AMERICA ONE FROM ANOTHER, OR SET LATIN AMERICA APART FROM THE REST OF THE WORLD. OUR GOAL IS TO ADDRESS PROBLEMS IN WAYS THAT WILL LEAD TO PRODUCTIVE SOLUTIONS -- GLOBALLY, REGIONALLY AND BILATERALLY.

OUR NEW APPROACH WILL BE BASED ON THREE ELEMENTS:

FIRST IS A HIGH REGARD FOR THE INDIVIDUALITY AND SOVEREIGNTY OF EACH LATIN AMERICAN AND CARIBBEAN NATION. WE WILL NOT ACT ABROAD IN WAYS THAT WE WOULD NOT TOLERATE AT HOME.

SECOND IS OUR RESPECT FOR HUMAN RIGHTS, A RESPECT WHICH IS ALSO SO MUCH PART OF YOUR OWN TRADITION. OUR VALUES AND YOURS REQUIRE US TO COMBAT ABUSES OF INDIVIDUAL FREEDOM, INCLUDING THOSE CAUSED BY POLITICAL, SOCIAL AND ECONOMIC INJUSTICE. OUR OWN CONCERN FOR THESE VALUES WILL NATURALLY INFLUENCE OUR RELATIONS WITH THE COUNTRIES OF THIS HEMISPHERE AND THROUGHOUT THE WORLD. YOU WILL FIND THIS COUNTRY EAGER TO STAND BESIDE THOSE NATIONS WHICH RESPECT HUMAN RIGHTS AND PROMOTE DEMOCRATIC VALUES.

THIRD IS OUR DESIRE TO PRESS FORWARD ON THE GREAT ISSUES WHICH AFFECT THE RELATIONS BETWEEN THE DEVELOPED AND DEVELOPING NATIONS. YOUR ECONOMIC PROBLEMS ARE ALSO GLOBAL IN CHARACTER AND CANNOT BE DEALT WITH SOLELY IN REGIONAL TERMS.

HOWEVER, SOME OF OUR GLOBAL POLICIES ARE OF PARTICULAR INTEREST TO OTHER AMERICAN STATES. WHEN MAJOR DECISIONS ARE TAKEN IN THESE AREAS, WE WILL CONSULT WITH YOU.

-- THE UNITED STATES WILL TAKE A POSITIVE AND OPEN ATTITUDE TOWARD THE NEGOTIATION OF AGREEMENTS TO STABILIZE COMMODITY PRICES, INCLUDING THE ESTABLISHMENT OF A COMMON FUNDING ARRANGEMENT FOR FINANCING BUFFER STOCKS WHERE THEY ARE A PART OF INDIVIDUAL, NEGOTIATED AGREEMENTS.

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-- WE WILL ACTIVELY PURSUE THE MULTILATERAL TRADE NEGOTIATIONS WITH YOUR GOVERNMENTS IN GENEVA. WE ARE COMMITTED TO MINIMIZE TRADE RESTRICTIONS, TO TAKE INTO ACCOUNT THE SPECIFIC TRADE PROBLEMS OF DEVELOPING COUNTRIES, AND TO PROVIDE SPECIAL AND MORE FAVORABLE TREATMENT WHERE FEASIBLE AND APPROPRIATE. WE BELIEVE THAT THIS IS IN OUR MUTUAL INTEREST AND THAT IT WILL CREATE IMPORTANT NEW OPPORTUNITIES FOR LATIN AMERICAN TRADE.

-- OUR SCIENCE AND TECHNOLOGY, TOO, CAN BE USEFUL TO MANY OF YOUR COUNTRIES. FOR INSTANCE, WE ARE READY TO TRAIN YOUR TECHNICIANS TO USE MORE INFORMATION GATHERED BY OUR SATELLITES, SO THAT YOU CAN MAKE BETTER JUDGMENTS ON MANAGEMENT OF YOUR RESOURCES AND YOUR ENVIRONMENT.

SPACE COMMUNICATIONS TECHNOLOGY CAN ALSO BE A CREATIVE TOOL IN HELPING YOUR NATIONAL TELEVISION SYSTEMS TO

PROMOTE YOUR EDUCATIONAL AND CULTURAL OBJECTIVES.

-- I HAVE ASKED CONGRESS TO MEET IN FULL OUR PLEDGES TO THE INTER-AMERICAN DEVELOPMENT BANK AND THE OTHER MULTILATERAL LENDING INSTITUTIONS WHICH LOAN A HIGH PROPORTION OF THEIR CAPITAL TO THE RELATIVELY ADVANCED DEVELOPING COUNTRIES OF LATIN AMERICA.

-- AND, FINALLY, WE ARE DIRECTING MORE OF OUR BILATERAL ECONOMIC ASSISTANCE TO POORER COUNTRIES. WE ARE ALSO PREPARED TO EXPLORE WITH OTHER COUNTRIES NEW WAYS OF BEING HELPFUL ON A WIDE RANGE OF INSTITUTIONAL, HUMAN DEVELOPMENT, AND TECHNOLOGICAL APPROACHES WHICH MIGHT ENABLE THEM TO DEAL MORE EFFECTIVELY WITH THE PROBLEMS OF THE NEEDY. ALL OF US HAVE A SPECIAL RESPONSIBILITY TO HELP THE POOREST COUNTRIES IN THE WORLD AS WELL AS THE POOREST PEOPLE IN EACH OF OUR COUNTRIES.

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I WOULD LIKE TO ADD A WORD ABOUT PRIVATE INVESTMENT. YOUR GOVERNMENTS ARE UNDERSTANDABLY INTERESTED IN SETTING RULES THAT WILL ENCOURAGE PRIVATE INVESTORS TO PLAY AN IMPORTANT ROLE IN YOUR DEVELOPMENT. WE SUPPORT YOUR EFFORTS AND RECOGNIZE THAT A NEW FLEXIBILITY AND ADAPTABILITY ARE REQUIRED TODAY FOR FOREIGN INVESTMENT TO BE MOST USEFUL IN COMBINING TECHNOLOGY, CAPITAL MANAGEMENT, AND MARKET EXPERIENCE TO MEET YOUR DEVELOPMENT NEEDS. WE WILL DO OUR PART IN THIS FIELD TO AVOID DIFFERENCES AND MISUNDERSTANDINGS BETWEEN OUR GOVERNMENTS.

ONE OF THE MOST SIGNIFICANT POLITICAL TRENDS OF OUR TIME IS THE RELATIONSHIP BETWEEN THE DEVELOPING NATIONS AND THE INDUSTRIALIZED COUNTRIES. WE BENEFIT FROM YOUR ADVICE AND COUNSEL, AND WE COUNT ON YOU TO CONTINUE YOUR CONSTRUCTIVE LEADERSHIP IN THIS NORTH-SOUTH DIALOGUE.

WE ALSO HOPE TO WORK WITH ALL NATIONS TO HALT THE SPREAD OF NUCLEAR EXPLOSIVE CAPABILITIES. THE STATES OF LATIN AMERICA TOOK THE INITIATIVE TEN YEARS AGO WHEN YOU SET UP THE FIRST NUCLEAR-FREE ZONE IN ANY POPULATED REGION OF THE WORLD. THE TREATY OF TLATELOLCO IS A MODEL WORTHY OF OUR ADMIRATION. FOR OUR PART, THE UNITED STATES WILL SIGN, AND I WILL ASK THE SENATE TO RATIFY PROTOCOL I OF THE TREATY. HOWEVER, BANNING THE SPREAD OF NUCLEAR EXPLOSIVES DOES NOT REQUIRE GIVING UP THE BENEFITS OF PEACEFUL NUCLEAR TECHNOLOGY. WE MEAN TO WORK CLOSELY WITH ALL OF YOU ON NEW TECHNOLOGIES TO USE THE ATOM FOR PEACEFUL PURPOSES.

TO SLOW THE COSTLY BUILD-UP OF CONVENTIONAL ARMS, WE ARE SEEKING GLOBAL POLICIES OF RESTRAINT. WE ARE SHOWING RESTRAINT IN OUR OWN POLICIES AROUND

THE WORLD, AND WE WILL BE TALKING TO SUPPLIER NATIONS AND TO PROSPECTIVE BUYERS ABOUT WAYS TO WORK OUT A COMMON APPROACH. WE ALSO BELIEVE THAT REGIONAL AGREEMENTS AMONG PRODUCERS AND PURCHASERS OF ARMS CAN FURTHER SUCH A GLOBAL EFFORT. AGAIN, YOU HAVE TAKEN THE LEAD. THE PLEDGE OF EIGHT SOUTH AMERICAN NATIONS TO LIMIT THE ACQUISITION OF OFFENSIVE ARMS IN THEIR REGION IS A STRIKING EXAMPLE. IF THE EIGHT NATIONS CAN IMPLEMENT THEIR PLEDGE, THEIR OWN PEOPLES WILL NOT BE THE ONLY ONES TO BENEFIT. THEY WILL HAVE SET A STANDARD FOR OTHERS, THROUGHOUT THE WORLD, TO FOLLOW.

THESE ARE CHALLENGES THAT FACE US IN THE FUTURE. THERE ARE ALSO PROBLEMS THAT PLAGUE US FROM THE PAST WHICH WE MUST WORK TO SOLVE.

ONE IS THE PANAMA CANAL. IN THE FIRST DAYS OF MY ADMINISTRATION I DIRECTED A NEW APPROACH TO OUR NEGOTIATIONS WITH PANAMA ON A NEW CANAL TREATY. IN THE LIGHT OF THE CHANGES WHICH I DISCUSSED BEFORE, THE TREATY OF 1903 WHICH DEFINES OUR RELATIONSHIP WITH PANAMA ON THE CANAL IS NO LONGER APPROPRIATE OR EFFECTIVE. I AM FIRMLY COMMITTED TO NEGOTIATING IN AS TIMELY A FASHION AS POSSIBLE A NEW TREATY WHICH WILL TAKE INTO ACCOUNT PANAMA'S LEGITIMATE NEEDS AS A SOVEREIGN NATION AND OUR INTERESTS IN THE EFFICIENT OPERATION OF A NEUTRAL CANAL, OPEN ON A NON-DISCRIMINATORY BASIS TO ALL USERS.

ANOTHER IS CUBA. WE BELIEVE THE NORMAL CONDUCT OF INTERNATIONAL AFFAIRS, AND PARTICULARLY THE NEGOTIATION OF DIFFERENCES, REQUIRE COMMUNICATION WITH ALL COUNTRIES IN THE WORLD. TO THESE ENDS, WE

ARE SEEKING TO DETERMINE WHETHER RELATIONS WITH CUBA CAN BE IMPROVED ON A MEASURED AND RECIPROCAL BASIS.

I AM DEDICATED TO FREEDOM OF MOVEMENT BETWEEN N ATIONS. I HAVE REMOVED RESTRICTIONS ON U. S. CITIZENS' TRAVEL ABROAD. TODAY, I HAVE REMOVED SIMILAR TRAVEL RESTRICTIONS ON RESIDENT ALIENS IN THE UNITED STATES.

AS WE SEEK TO ENCOURAGE INTERNATIONAL TRAVEL, WE MUST TAKE GREATER ACCOUNT OF PROBLEMS THAT TRANSCEND NATIONAL BORDERS. DRUGS AND INTERNATIONAL CRIME, INCLUDING TERRORISM, CHALLENGE TRADITIONAL CONCEPTS OF DIPLOMACY. FOR THE WELL-BE'ING OF OUR PEOPLES, WE MUST COOPERATE ON THESE ISSUES. WITH EACH PASSING YEAR THEY WILL OCCUPY A MORE AND MORE CENTRAL PLACE IN OUR DELIBERATIONS.

I HAVE A LONGSTANDING INTEREST IN THE OAS, AND I VERY MUCH WANT TO SEE IT PLAY A CONSTRUCTIVE ROLE.

THE GENERAL ASSEMBLY OF THE OAS HAS BEEN AN IMPORTANT FORUM FOR THE DIRECT EXCHANGE OF VIEWS AMONG OUR GOVERNMENTS. SUCH MINISTERIAL CONSULTATIONS ARE EXTREMELY USEFUL. THEY ALLOW US TO APPLY OUR COLLECTIVE STRENGTH TO POLITICAL AND ECONOMIC PROBLEMS.

THE INTER-AMERICAN COMMISSION ON HUMAN RIGHTS HAS PERFORMED VALUABLE SERVICES. IT DESERVES INCREASED SUPPORT FROM ALL OUR GOVERNMENTS. THE UNITED STATES WILL WORK TOWARD COORDINATED AND MULTILATERAL ACTION IN THIS FIELD. THE UNITED STATES WILL SIGN, AND I WILL SEEK SENATE APPROVAL OF THE

AMERICAN CONVENTION ON HUMAN RIGHTS NEGOTIATED SEVERAL YEARS AGO IN COSTA RICA. AND WE WILL SUPPORT, IN COOPERATION WITH INTERNATIONAL AGENCIES, BROADENED PROGRAMS FOR AIDING POLITICAL REFUGEES. I URGE THIS ORGANIZATION AND ALL ITS MEMBER STATES TO TAKE A MORE ACTIVE ROLE IN THE CARE, PROTECTION, AND RESETTLEMENT OF POLITICAL REFUGEES.

THE PEACEKEEPING FUNCTION IS FIRMLY EMBEDDED IN THE OAS CHARTER. I WANT TO ENCOURAGE THE SECRETARY GENERAL OF THE OAS TO CONTINUE HIS ACTIVE AND EFFECTIVE INVOLVEMENT IN THE SEARCH FOR PEACEABLE SOLUTIONS TO SEVERAL LONGSTANDING DISPUTES IN THE HEMISPHERE. THE UNITED STATES WILL SUPPORT HIS EFFORTS AND INITIATIVES.

THE OAS, OF COURSE, IS NOT THE ONLY INSTRUMENT OF COOPERATION AMONG THE NATIONS OF THE AMERICAS. THE INTER-AMERICAN DEVELOPMENT BANK IS AMONG THE MOST IMPORTANT MULTILATERAL MECHANISMS FOR PROMOTING DEVELOPMENT IN THE WORLD TODAY. BY BRINGING IN NATIONS OUTSIDE THE WESTERN HEMISPHERE, THE IDB BEARS TESTIMONY TO LATIN AMERICA'S GROWING INVOLVEMENT WITH THE REST OF THE WORLD.

WITHIN THE HEMISPHERE, MANY OF YOU ARE WORKING TOWARD REGIONAL AND SUB-REGIONAL INTEGRATION EFFORTS INCLUDING THOSE IN THE CARIBBEAN, IN THE CENTRAL AMERICAN COMMON MARKET, AND THE ANDEAN PACT, AND WE FAVOR SUCH EFFORTS. THEY ARE THE FIRST STEPS TOWARD BOLÍVAR'S VISION OF A HEMISPHERE UNITED.

LET ME CONCLUDE BY BRINGING UP A MATTER THAT IS PARTICULARLY CLOSE TO ME BECAUSE OF MY LONG INTEREST IN INTER-AMERICAN AFFAIRS. MY WIFE AND I HAVE TRAVELED AND MADE MANY FRIENDS IN MEXICO, BRAZIL AND ELSEWHERE IN CENTRAL AND SOUTH AMERICA. MY WIFE IS PRESENTLY STUDYING SPANISH, AND I HAVE TRIED TO KEEP UP THE SPANISH I LEARNED AT SCHOOL. I HAVE SEEN CLEARLY HOW GREATLY OUR COUNTRY HAS BEEN BLESSED AND ENRICHED BY THE PEOPLE AND CULTURES OF THE CARIBBEAN AND LATIN AMERICA. WE ARE BOUND TOGETHER BY CULTURE, BY HISTORY AND BY COMMON PURPOSES AND IDEALS.

THE UNITED STATES ACTUALLY HAS THE FOURTH LARGEST SPANISH-SPEAKING POPULATION IN THE WORLD. THE NOVELS WE READ, THE MUSIC WE HEAR, THE SPORTS WE PLAY -- ALL REFLECT A GROWING CONSCIOUSNESS OF EACH OTHER.

THESE INTELLECTUAL, SOCIAL, CULTURAL AND EDUCATIONAL EXCHANGES WILL CONTINUE WITH OR WITHOUT GOVERNMENT HELP. BUT THERE ARE STEPS THAT GOVERNMENTS CAN TAKE TO SPEED UP THE PROCESS. IN THE MONTHS AHEAD, THEREFORE, WE PLAN TO EXPLORE WITH YOUR GOVERNMENTS -- INDIVIDUALLY AND HERE IN THE OAS -- NEW PEOPLE-TO-PEOPLE PROGRAMS, AN INCREASE IN PROFESSIONAL AND SCIENTIFIC EXCHANGES, AND OTHER WAYS OF STRENGTHENING THE TIES THAT ALREADY LINK US.

THE CHALLENGE WE FACE IS TO AWAKE OUR INSTITUTIONS TO A CHANGING WORLD. WE MUST FOCUS OUR ATTENTION ON THE PROBLEMS WHICH FACE OUR COUNTRIES AND TAILOR EACH SOLUTION TO ITS PROBLEM.

SIMÓN BOLÍVAR BELIEVED THAT WE WOULD REACH OUR GOALS ONLY WITH OUR PEOPLES FREE AND OUR GOVERNMENTS WORKING IN HARMONY. I HOPE THE STEPS I HAVE OUTLINED WILL MOVE US TOWARD THOSE GOALS.

THANK YOU.

STATEMENT RE TAX REBATE 1
APRIL 14, 1977

Energy & Inflation

RECENT AND PROSPECTIVE IMPROVEMENT IN OUR NATION'S ECONOMY HAS MADE UNNECESSARY THE $11 BILLION REBATE PROPOSED IN MY ECONOMIC STIMULUS PACKAGE. AND I AM THEREFORE WITHDRAWING MY REQUEST FOR THAT THE CONGRESS PASS THIS ELEMENT OF MY ECONOMIC STIMULUS PROPOSALS.

I AM ALSO WITHDRAWING MY REQUEST FOR OPTIONAL BUSINESS TAX CREDITS. THOSE TAX REDUCTIONS

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FOR BUSINESS WOULD BE INAPPROPRIATE IN THE ABSENCE OF THE TAX REBATE FOR INDIVIDUALS.

I URGE THE CONGRESS TO PRESS AHEAD QUICKLY WITH THE OTHER COMPONENTS OF MY STIMULUS PROGRAM. THE $4 BILLION PERMANENT REDUCTION IN INCOME TAXES FOR INDIVIDUALS, THROUGH AN INCREASE IN THE STANDARD DEDUCTION, PROVIDES FOR A MORE EQUITABLE TAX SYSTEM AND A NEEDED SIMPLIFICATION OF INCOME TAX FORMS. THE PROPOSALS FOR ADDITIONAL PUBLIC WORKS, PUBLIC SERVICE EMPLOYMENT, JOB TRAINING PROGRAMS, AND COUNTERCYCLICAL AID

TO STATE AND LOCAL GOVERNMENTS WILL CREATE SORELY NEEDED JOBS FOR THE UNEMPLOYED.

OUR ECONOMIC STIMULUS PACKAGE WAS FORMULATED IN THE OPENING DAYS OF THIS YEAR, WHEN OUR ECONOMY WAS JUST BEGINNING TO EMERGE FROM A PROLONGED PERIOD OF SLOW GROWTH. MY ECONOMIC ADVISERS AND THE CONGRESSIONAL LEADERSHIP BELIEVED THAT THE PACE OF ECONOMIC ACTIVITY WOULD INCREASE SOMEWHAT EVEN IN THE ABSENCE OF ADDITIONAL FISCAL STIMULUS. BUT THEY ALSO BELIEVED THAT ECONOMIC GROWTH THIS YEAR WOULD NOT BE

ADEQUATE TO REDUCE UNEMPLOYMENT SIGNIFICANTLY UNLESS POSITIVE STEPS WERE TAKEN BY THE FEDERAL GOVERNMENT.

THE STRATEGY BEHIND OUR PROPOSALS WAS TWOFOLD: FIRST, A TAX REBATE TO PROVIDE A QUICK ACTING STIMULUS TO CONSUMER MARKETS IN THE FIRST HALF OF THIS YEAR; SECOND, A SERIES OF DIRECT JOB-CREATING MEASURES, WHICH UNDER CAREFUL MANAGEMENT WOULD GET UNDERWAY GRADUALLY IN THE SECOND HALF OF 1977 AND BUILD UP TO FULL STRENGTH IN 1978.

THE BASIC FACT IS THAT THE ECONOMIC SITUATION HAS CHANGED

SUBSTANTIALLY SINCE THE REBATE PROPOSAL WAS DRAFTED AND SUBMITTED TO CONGRESS EARLY THIS YEAR, AND I BELIEVE OUR STIMULUS MUST REFLECT THOSE CHANGES.

LET ME BRIEFLY DESCRIBE THESE TO YOU.

WE HAVE BEEN MONITORING THE INCOMING ECONOMIC STATISTICS VERY CAREFULLY THIS YEAR, AND IT HAS BECOME INCREASINGLY EVIDENT THAT THE ECONOMY IS REBOUNDING FASTER THAN HAD BEEN ANTICIPATED.

PRODUCTION AND RETAIL SALES ALL INCREASED MATERIALLY IN FEBRUARY,

BUT THIS WAS PARTLY A REBOUND FROM THE ADVERSE EFFECTS OF COLD WEATHER IN JANUARY. IN MARCH, HOWEVER, THEY CONTINUED TO SHOW SUBSTANTIAL FURTHER GAINS. AFTER SLOWER GROWTH IN JANUARY BECAUSE OF COLD WEATHER, EMPLOYMENT HAS RISEN BY ALMOST A MILLION IN THE ~~SUBSEQUENT~~ LAST TWO MONTHS.

MY ECONOMIC ADVISERS HAVE INDICATED TO ME THAT OVERALL ECONOMIC GROWTH IN THE FIRST QUARTER APPARENTLY EXCEEDED THE ESTIMATES THEY HAD MADE EARLIER, AND THAT A SIZEABLE FURTHER RISE IS LIKELY IN THE SECOND QUARTER.

THE WELCOME IMPROVEMENT IN OUR ECONOMY OVER THE PAST SEVERAL MONTHS HAS STEMMED MAINLY FROM A STRONG RISE OF CONSUMER SPENDING -- PRECISELY THE AREA WHICH THE REBATE WAS DESIGNED TO STIMULATE. CONSUMERS ARE IN A CONFIDENT, BUYING MOOD, AND THEY ARE SPENDING A LARGER FRACTION OF THEIR AFTER-TAX INCOMES NOW THAN THEY HAVE IN MANY YEARS. IT IS APPARENT THAT THE REBATE IS NO LONGER NEEDED TO PROVIDE A QUICK LIFT TO CONSUMER SPENDING -- THAT LIFT HAS OCCURRED ON ITS OWN. MOREOVER, WITH THE STRONG RESURGENCE IN CONSUMER

SPENDING, BUSINESS INVESTMENT IN INVENTORIES AND PLANT AND EQUIPMENT IS LIKELY TO PROCEED FASTER THAN ORIGINALLY EXPECTED.

THIS CONCLUSION HAS ALSO BECOME APPARENT TO MANY MEMBERS OF THE CONGRESS. I CONSULTED EXTENSIVELY WITH THEM IN THE FORMULATION OF MY ECONOMIC STIMULUS PACKAGE EVEN BEFORE THE ELECTION, AND THEY HAVE CONTINUED TO GIVE ME THE BENEFIT OF THEIR ADVICE AND COUNSEL. THEIR JUDGMENT AT THIS TIME COINCIDES WITH THAT OF MY ECONOMIC ADVISERS THAT THE REBATE IS NO LONGER NEEDED.

I STRONGLY URGE THE CONGRESS TO ENACT THE REMAINING PARTS OF MY FISCAL PROGRAM, BUT TO STAY WITHIN THE SPENDING LIMITS I HAVE RECOMMENDED. INCREASED APPROPRIATIONS NOW WOULD PRINCIPALLY SERVE TO INCREASE SPENDING AND DEFICITS IN 1978 AND BEYOND, THEREBY JEOPARDIZING OUR GOAL OF A BALANCED BUDGET IN 1981.

I AM ASKING THE CONGRESS TO JOIN WITH ME IN RESISTING THE TEMPTATION TO SPEND THE FUNDS ORIGINALLY ALLOCATED TO THE REBATES JUST BECAUSE THEY ARE NOW AVAILABLE.

I AM CONVINCED WE ARE ON THE ROAD TO DURABLE ECONOMIC GROWTH. WITH ENACTMENT OF THE OTHER ELEMENTS OF THE STIMULUS PACKAGE, THE MEASURES TO DEAL WITH INFLATION TO BE ANNOUNCED TOMORROW, AND THE TAX REFORM PROPOSALS COMING ALONG LATER IN THE YEAR, A BROAD AND NONINFLATIONARY ADVANCE IN JOBS, OUTPUT, AND INCOME LIES AHEAD OF US.

CONFIDENTIAL

THE WHITE HOUSE
WASHINGTON

April 14, 1977

Stu Eizenstat -

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

Rick Hutcheson

Re: Budget

CLASSIFIED BY EXECUTIVE ORDER 12065
AUTOMATICALLY DOWNGRADED AT TWO YEAR INTERVALS
DECLASSIFIED ON DEC. 31, 1982

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
X		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

	FOR STAFFING
	FOR INFORMATION
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

Stu - Talk to Bert & Frank - I agree
F

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

April 12, 1977

~~CONFIDENTIAL~~ -- NOT FOR CIRCULATION

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT

SUBJECT: Budget

As reflected by Bert Lance's memorandum of April 1, 1977 and the material furnished by the Congressional leadership at the last Leadership Breakfast, there is over a $6 billion increase in the 1978 House Budget Resolution and your February budget revisions. While only some of this is in the outlay side, and while much of the outlay side results from different estimates by the House and OMB on the economic picture, reflected in entitlement program projections, there is nevertheless reason for concern.

It is very important that OMB clarify its own revenue and expenditure estimates in light of current economic conditions and meet with persons from the Congressional Budget Office to attempt to match assumptions as closely as possible.

Moreover, it is critical that the legislative liaison people from the departments stay on top of the Budget Committees' (Senate and House) deliberations to fight for the Budget we sent up. For example, while our budget revisions reducing educational impact aid would have faced tough sledding in any event, I am told no one from the Administration was there to defend the Administration's cut when the House Budget Committee voted to include such aid.

OMB people and people from the Agency should be closely involved in the deliberations of the Budget Committees in both houses, as well as in deliberations of the Authorizing and Appropriations Committees.

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12958, SEC. 3.4(b)
BY [illegible], NARA, DATE 10-15-2007"

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THE WHITE HOUSE

WASHINGTON

ORGANIZATION OF
AMERICAN STATES

Thursday-April 14, 1977

Departure: 12:05 p.m.

From: Tim Kraft

SEQUENCE

12:05 p.m. — You board motorcade on South Lawn and depart en route Pan American Union. Secretary Vance and Dr. Brzezinski will accompany you.

12:07 p.m. — Arrive Pan American Union where you will be met by:
Ambassador Evan Dobelle, U.S. Chief of Protocol
Ambassador Pedro Ramirez, Organization of American States Chief of Protocol

PRESS POOL COVERAGE
CLOSED ARRIVAL

Escorted by Ambassadors Dobelle and Ramirez, proceed to doorway of Pan American Union where you will be met by:

Alejandro Orfila, Secretary General of OAS
Ambassador Gale McGee, U.S. Ambassador to the OAS
Ambassador Galo Leoro, Ambassador of Equador
Ambassador Victor McIntyre, Ambassador of Trinidad and Tobago
Ambassador Julio C. Carasales, Ambassador of Argentina

PRESS POOL COVERAGE

12:09 p.m. Escorted by the Ambassadors, proceed to the foyer where you will be greeted by Mr. Rafael Sarda, Museum of Modern Art of the Americas

Escorted by Rafael Sarda, you will tour an exhibit of silverworks from Rio De La Plata, Argentina.

PRESS POOL COVERAGE

12:13 p.m. Tour concludes.

Escorted by the Ambassadors, you proceed via stairway en route the office of the Secretary General.

12:14 p.m. Arrive Office of the Secretary General where you will be met by:

Ambassador Juan Pablo Gomez-Pradilla,
Chairman of the Permanent Council
Dr. Jorge Luis Zelaya, Assistant Secretary
General of the OAS

12:15 p.m. Ambassadors proceed to their seats.

12:17 p.m. Ambassador Gomez-Pradilla calls the meeting to order.

12:17 p.m. Announcement.

12:17 p.m. You and the Secretary General proceed inside Hall of the Americas to dais and take your seats.

PRESS COVERAGE
ATTENDANCE: 800

NOTE: A delayed broadcast of your address will be televised in Latin American countries.

12:18 p.m. — Introduction of you by Ambassador Gomez-Pradilla.

NOTE: The introduction will be in Spanish.

12:22 p.m. — PRESIDENTIAL REMARKS.

FULL PRESS COVERAGE

12:47 p.m. — Remarks conclude. You return to your seat.

12:48 p.m. — Ambassador Gomez-Pradilla concludes the meeting.

12:50 p.m. — Escorted by Ambassadors Orfila and McGee, you depart dais en route motorcade for boarding.

12:25 p.m. — Motorcade departs Pan American Union en route South Grounds.

12:57 p.m. — Arrive South Grounds.

# # # # # #

THE WHITE HOUSE

WASHINGTON

April 12, 1977

BRIEF MEETING WITH JOHN C. WEST, FORMER GOVERNOR OF SOUTH CAROLINA AND CHAIRMAN OF THE TASK FORCE ON RESPONSIBLE DECISIONS ABOUT ALCOHOL, AND MEMBERS OF THE TASK FORCE

Thursday, April 14, 1977
2:00 P.M. (10 minutes)
The Cabinet Room

From: Lee Dogoloff

I. PURPOSE

To receive the Task Force's final report on alcoholism, alcohol abuse and alcohol related problems.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background:

John C. West has served for 3 years as Chairman of the Task Force on Responsible Decisions About Alcohol. This task force is a joint effort of the Education Commission of the States and HEW's National Institute on Alcohol and Alcohol Abuse (NIAAA) and is composed of representatives of many different groups - church, legislative, research, alcohol industry, etc. Governor West will present the final report of the task force.

There is some question about the technical quality of the report, but the process of involving all sorts of public and private groups has been valuable. The project will not be refunded.

You served together with John West at one of the beginning panel sessions of the task force in December 1974 at the San Francisco meeting of the North American Congress on Alcohol and Drug Problems. This meeting was memorable because you had announced yourself as a Presidential candidate just a few days previously, and your candidacy received most of the attention at the press conference following the meeting.

B. Participants: See attached list.

C. Press Plan: To be coordinated by Rex Granum.

III. TALKING POINTS

- o Welcome and commend them on their commitment to finding ways to help the problems associated with alcohol misuse.

- o It would be nice if the Federal Government could solve these problems, but it can't. Only through community and public involvement can we begin to address the problems of alcohol misuse. All of us need a better understanding of drinking and what alcohol can do. We need to develop an awareness of the problems, a compassion for the casualties, and a commitment to finding ways to prevent these problems.

- o Highlight the severity of the problems associated with the misuse of alcohol in this country:

  - 10 million Americans have serious problems with alcohol, and they bring pain and hurt to 40 million additional people primarily friends, relatives and co-workers.

  - 35,000 people die accidentally each year, on our highways, at home or at work, and these accidents involve alcohol.

  - 1/3 of all suicides and 1/2 of all murders are alcohol related.

  - 2 1/2 million arrests every year are related to alcohol.

  - the misuse of alcohol costs us over $30 billion a year, and to this must be added the incalculable cost in human suffering, broken homes, ruined career, and lives lost to hopelessness and defeat.

CC: Tim Smith
Nell Yates
Rick Hutcheson
Hamilton Jordan
Jody Powell
Rex Granum
Stuart Eizenstat
Cynthia Wilkes
Pat Yarham
Jack Watson
Jane Fenderson
Penny Miller
Fran Voorde
Helen Donaldson

THE WHITE HOUSE

WASHINGTON

April 13, 1977

MEMORANDUM FOR: The President

FROM: Jack Watson Jack

SUBJECT: Your meeting with Governor Dolph Briscoe (D-Tex.)
5:45 - 6:00 p.m.
Thursday, April 14, 1977

Governor Briscoe will have heard you and Jim Schlesinger talk about the Energy Plan earlier in the day. He will probably want to explore some of the specific impacts on Texas, such as:

1. Natural Gas Prices

Briscoe has advocated publicly for deregulation of natural gas, but there is now emerging in Texas some view that complete deregulation would have an adverse impact on prices to Texas consumers. It is conceivable that some attempt would be made by the Texas legislature to put a ceiling on gas prices.

2. Coal Conversion

Briscoe of course favors the continuing use of natural gas for Texas industries and utilities because of its abundance in Texas.

3. Taxes

Briscoe will probably be critical of oil and gas user taxes on utilities and industry; the stand-by gas tax; and the gas guzzler penalty scheme.

4. Interconnection of Utilities

The Plan authorizes swapping utilities across state lines in emergency situations; Texas has avoided interconnection of its utilities thus far and will be forced to comply.

Governors

Peubin O.'D. Askew, Florida
David L. Boren, Oklahoma
Dolph Briscoe, Texas
Julian M. Carroll, Kentucky
Michael S. Dukakis, Massachusetts
Richard D. Lamm, Colorado
Robert Ray, Iowa
James R. Thompson, Illinois

National Conference of State Legislatures

John D. Caemmerer, New York State Senator
Herschal H. Crow, Jr., Oklahoma State Senator
Mary O'Halloran, Nebraska State Representative

U.S. Conference of Mayors

Kenneth A. Gibson, Newark, N. J., President of Mayors' Conference
John C. Hutchinson, Charleston, W. Va.
Paul L. Lattimore, Auburn, N. J.

National League of Cities

Phyllis Lamphere, Seattle, Wash. Councilmember, President of the League

National Association of Counties

James Hayes, Los Angeles County, Calif.
Harvey Ruvin, Dade County, Fla.
Floyd Linton, Suffolk County, N. Y.

Staff Members

Stephen B. Farber, Director, National Governors' Conference
Edward Helminski, Director of Energy Program, National Governors' Conference
Edmond Rovner, Director of State-Federal Relations, National Governors' Conference
Jerome H. Sohns, Director of State-Federal Relations, National Conference of State Legislatures
Hugh Mields, Assistant Executive Director, U.S. Conference of Mayors
Alan Beals, Executive Director, National League of Cities
William Bertera, Legislative Representative, National Association of Counties

THE WHITE HOUSE

WASHINGTON

April 13, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: Jack Watson

SUBJECT: Energy Briefing for State and Local Officials
3:00 - 4:00 p.m., Cabinet Room
Thursday, April 14, 1977

You are scheduled to drop by at 3:00 p.m. for five minutes. Jim Schlesinger suggests that the best use of this time is for you to demonstrate the intensity of your commitment to the specific proposals which he will outline and to ask for their support in implementing the programs. Jim plans to talk for about fifteen minutes and then respond to questions.

If it is at all possible for you to spend more than five minutes with all these governors, etc., I urge you to do so.

A list of the attendees is attached.

Attachment
CC: J. Schlesinger

THE WHITE HOUSE

WASHINGTON

Date: April 9, 1977

MEMORANDUM

FOR ACTION:

First Lady
Jody Powell
Tim Kraft
Greg Schneiders ✓

FOR INFORMATION:

Hamilton Jordan

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Eizenstat/Jagoda memo on Intellectual and Cultural Activities

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 3 p.m.

DAY: Tuesday

DATE: April 12

ACTION REQUESTED:

____ Your comments

Other: I'd like to see the President's response.

STAFF RESPONSE:

✓ I concur. ____ No comment.

Please note other comments below:

5. Invite distinguished musicians to play at White House events. If you want to do this, which musicians, instruments, and types of music would you prefer?

Approve_____ Disapprove_____

6. Use the public areas of the White House for exhibits of contemporary American art and photography (e.g. an exhibit of Hispanic artists.)

Approve_____ Disapprove_____

7. We are organizing a series of seminars for the White House staff with intellectuals who have ideas about the broad, philosophical implications of governing, as opposed to the day-to-day crises. We will send you the agenda; you might want to attend some.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT
BARRY JAGODA

SUBJECT: Intellectual and Cultural Activities

The memo offers seven options for activities by you which could both:

--encourage intellectual and cultural growth in the country through your exercise of symbolic leadership; and

--be personally rewarding to you.

1. Give a White House dinner to honor this year's Nobel laureates.

Approve_____ Disapprove_____

2. Meet with the heads of the main cultural agencies (e.g. NEH, NEA, Smithsonian, Kennedy Center) to show your support and to indicate your priorities. (For example, you could encourage them to make grants to minority artists.)

Approve_____ Disapprove_____

3. Hold an evening of American folk music and art in the White House. (This could be in conjunction with the annual Folk Life Festival this summer.)

Approve_____ Disapprove_____

4. Send Presidential messages to winners of major awards, such as the Pulitzer Prize.

Approve_____ Disapprove_____

→ Rick H.

THE WHITE HOUSE

WASHINGTON

Date: April 9, 1977 MEMORANDUM

FOR ACTION:
First Lady
Jody Powell
Tim Kraft ✓
Greg Schneiders

FOR INFORMATION:
Hamilton Jordan

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Eizenstat/Jagoda memo on Intellectual and Cultural Activities

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 3 p.m.

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ACTION REQUESTED:

____ Your comments

Other:

STAFF RESPONSE:

____ I concur. ____ No comment.

Please note other comments below:

I feel fairly certain Tim's reaction would be that, on symbolic support of intellectual and cultural growth, the President is already doing an unprecedented amount by his frequent visits to concerts, museums and the like. The suggestions for essentially ceremonial events to honor intellectual and cultural achievement could, as a practical matter, only be accomodated at the expense of higher priority meetings.

TGS

THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
	X	JORDAN
		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

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

		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
		FALLOWS
X		FIRST LADY
		GAMMILL
		HARDEN
		HOYT
		HUTCHESON
		JAGODA
		KING

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

THE WHITE HOUSE

WASHINGTON

Date: April 9, 1977

MEMORANDUM

FOR ACTION:

First Lady
Jody Powell
Tim Kraft
Greg Schneiders

FOR INFORMATION:

Hamilton Jordan

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Eizenstat/Jagoda memo on Intellectual and Cultural Activities

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 3 p.m.

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DATE: April 12

ACTION REQUESTED:

____ **Your comments**

Other:

STAFF RESPONSE:

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

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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

5. Invite distinguished musicians to play at White House events. If you want to do this, which musicians, instruments, and types of music would you prefer?

Approve ✓ Disapprove _____

See Gretchen - she's doing this

6. Use the public areas of the White House for exhibits of contemporary American art and photography (e.g. an exhibit of Hispanic artists.)

Explored idea & rejected it. See Clem

Approve _____ Disapprove ✓

7. We are organizing a series of seminars for the White House staff with intellectuals who have ideas about the broad, philosophical implications of governing, as opposed to the day-to-day crises. We will send you the agenda; you might want to attend some.

ok
J

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[illegible] HAS SEEN.

C

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT
BARRY JAGODA B.J.

SUBJECT: Intellectual and Cultural Activities

The memo offers seven options for activities by you which could both:

--encourage intellectual and cultural growth in the country through your exercise of symbolic leadership; and

--be personally rewarding to you.

1. Give a White House dinner to honor this year's Nobel laureates.

Approve_____ Disapprove ✓

2. Meet with the heads of the main cultural agencies (e.g. NEH, NEA, Smithsonian, Kennedy Center) to show your support and to indicate your priorities. (For example, you could encourage them to make grants to minority artists.)

Approve_____ Disapprove ✓

3. Hold an evening of American folk music and art in the White House. (This could be in conjunction with the annual Folk Life Festival this summer.)

Approve_____ Disapprove ✓

4. Send Presidential messages to winners of major awards, such as the Pulitzer Prize.

Approve_____ Disapprove_____

ok - draft -
I'll sign

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THE WHITE HOUSE
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
X		EIZENSTAT
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		FIRST LADY
		GAMMILL
		HARDEN
		HOYT
		HUTCHESON
X		JAGODA
		KING

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

THE WHITE HOUSE
WASHINGTON

Mr. President:

Greg concurs.

Tim Kraft's office comments that the President is already doing a great deal in this area -- frequent visits to concerts, museums, etc. -- and that the suggested events in the attached memo could only be accomodated at the expense of higher priority meetings.

Rick

THE WHITE HOUSE
WASHINGTON

April 14, 1977

Stu Eizenstat
Barry Jagoda

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

Rick Hutcheson

cc: Tim Kraft
Greg Schneiders

Re: Intellectual & Cultural Activities