2/21/78 [2]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Zbigniew Brzezinski to Pres. Carter, 4 pp., re:Weekly Defense Report	2/21/78	A
Memo	Brzezinski to Pres. Carter, 7 pp., re:Foriegn Aid 4 pp. declassed per RAC NLC-126-11-24-2-1 and NLC-126-11-24-1-2, 3/27/13	2/21/78	A
Cabinet Summaries	~~Andrew Young to Pres. Carter, 1 pg., re:UN activity~~ opened per RAC NLC-126-11-24-3-0, 3/27/13	2/17/78	A
Letter	Robert Small to Charles Kirbo, 4 pp., re:Textile imports	1/30/78	C

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File, 2/21/78 [2] Box 73

RESTRICTION CODES

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(B) Closed by statute or by the agency which originated the document.
(C) Closed in accordance with restrictions contained in the donor's deed of gift.

905

THE WHITE HOUSE
WASHINGTON

February 21, 1978

Hamilton Jordan

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

Rick Hutcheson

cc: Jody Powell
Tim Kraft
Fran Voorde

RE: TAPING FOR GRAMMY AWARDS

THE WHITE HOUSE
WASHINGTON

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

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

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

	✓	KRAFT
		LINDER
		MITCHELL
		MOE
		PETERSON
		PETTIGREW
		POSTON
		PRESS
		SCHLESINGER
		SCHNEIDERS
		STRAUSS
	✓	VOORDE
		WARREN

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MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 17, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN HJ.

SUBJECT: Taping for Grammy Awards

I normally bow to Tim and Fran on the specifics of your schedule, but this is a case in which they have requested I make the case directly to you rather than to them.

It concerns the request by the Grammy people to have you tape a brief message for The Grammy Awards Telecast. It is important to Phil Walden and Joe Smith and a number of our good friends in the recording indudstry. They have been supportive, more so than many others, and will continue to be. Your not doing this will not lessen the support, but it would be a nice gesture for people who have worked hard for us before it was fashionable to do so.

Jody has even offered to give up some of his regular time on your schedule in order for you to pre-tape the message. It would not take much of your time, and Jim can work out an appropriate message.

It would need to be done before February 23rd.

Will do taping_____ No ✓

J

THE WHITE HOUSE
WASHINGTON

Fran—
This wouldn't take
much of Pres. time?
If so I do it. I'll
be glad to give up
my time on morning if
necessary— Jack

NATIONAL ACADEMY OF RECORDING ARTS & SCIENCES

4444 RIVERSIDE DRIVE, SUITE 202 • BURBANK, CALIFORNIA 91505 • (213) 843-8233



December 22, 1977

Mr. Hamilton Jordan
The White House
Washington, D. C. 20500

Dear Mr. Jordan:

Joe Smith, Vice President of Elektra Records, asked that I send you a copy of the enclosed letter to President Carter in our hope that you might speak favorably with the President in behalf of his participation on The Grammy Awards Telecast.

The Grammy Award is the most prestigous award in the music industry and the Grammy Awards Telecast has one of the largest viewing audiences of all awards specials on television.

The telecast this year marks the celebration of the 20th Anniversary of the Recording Academy and the Grammy Awards, plus the end of the 100th year since the invention by Edison of the phonograph.

We know of the President's interest in the music industry and believe he would want to take this opportunity to congratulate the Academy and those creative individuals who offer so much of America to the world through their music.

The telecast date is February 23, 1978 from the Shrine Auditorium in Los Angeles on CBS TV. I look forward to hearing from you at your earliest convenience. I may be reached at (615) 255-6535, 39 Music Square East, Nashville, Tennessee 37203.

Warmest regards.

Sincerely,

J. William Denny
National President

D:r

NATIONAL OFFICERS: J. WILLIAM DENNY, President • BERNIE FLEISCHER, First Vice President • SELMA BRODY, VANCE FROST, LEE GRAZIANO, BILL HUIE, KNOX PHILLIPS, Vice Presi
JAY S. LOWY, Secretary-Treasurer

NATIONAL BOARD OF TRUSTEES: SELMA BRODY • JERRY BUTLER • BOB CATO • JAY COOPER • BERNIE FLEISCHER • VOYLE GILMORE • LEE GRAZIANO • JAMES H. HELMS • BILL HUIE • BI
EDDIE LAMBERT • ROBIN McBRIDE • MIKE MELVOIN • TOM MORGAN • DAN MORGENSTERN • ANNE PHILLIPS • GARRY SHERMAN • GLENN SNODDY • ALLAN H. STECKLER • SALLY S
ROGER SOVINE • JOHN STURDIVANT • BOB TAYLOR • SAM WILHOIT • LEE YOUNG

PRESIDENT'S ADVISORY COUNCIL: LOUIS COUTTOLENC • CLIVE DAVIS • STEPHEN DIENER • AHMET ERTEGUN • BERRY GORDY • ART KASS • ALAN LIVINGSTON • MIKE MAITLAND • BHASKAR
ARTIE MOGULL • JERRY MOSS • MO OSTIN • JOSEPH B. SMITH • IRWIN H. STEINBERG • D. H. TOLLER-BOND • WALTER R. YETNIKOFF

NATIONAL EXECUTIVE DIRECTOR: CHRISTINE M. FARNON SPECIAL CONSULTANT: GEORGE T. SIMON LEGAL COUNSEL: ROYAL E. BL

NATIONAL ACADEMY OF RECORDING ARTS & SCIENCES

4444 RIVERSIDE DRIVE, SUITE 202 • BURBANK, CALIFORNIA 91505 • (213) 843-8233



December 22, 1977

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

Dear President Carter:

The National Academy of Recording Arts & Sciences, which bestows the annual Grammy Awards for excellence in the field of phonograph recordings, is celebrating its 20th Anniversary.

Special mention of our anniversary will be made on the 20th Annual Grammy Awards Telecast next February 23, originating from the Shrine Auditorium in Los Angeles, over the entire CBS TV network from 9:00 to 11:00 PM (8:00 to 10:00 central) throughout the country, as well as to overseas markets.

We know of your interest and attention to the music industry and we would be deeply honored and gratified if you would in some way participate in this telecast event and congratulate the Recording Academy on its 20th Anniversary.

We are an organization of individuals who are the creators (the producers, musicians, vocalists, etc.) and the craftsmen (the engineers, arrangers, etc.) of the recording field. Through our continuing emphasis on artistic and scientific achievements in the field of recording, as exemplified by the Grammy Awards and other cultural activities, the Academy has emerged as a major organization dedicated to recognizing and publicizing the country's unique contributions to the international world of music and recording.

During its twenty years, the Academy has developed into a truly national organization with over 5,000 members from all the recording field's creative areas, and its annual Grammy Awards are now accepted everywhere as the most respected and sought-after symbols of artistic achievement within the entire world of recording. You might wish to express your pride and delight in honoring the Academy for its achievements on behalf of the country's citizenry of musical creators and just plain listeners.

We would be delighted to have you appear on the Grammy Awards Show in person or we would be pleased to arrange to pre-tape your appearance

NATIONAL OFFICERS: J. WILLIAM DENNY, President • BERNIE FLEISCHER, First Vice President • SELMA BRODY, VANCE FROST, LEE GRAZIANO, BILL HUIE, KNOX PHILLIPS, Vice Pre
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NATIONAL EXECUTIVE DIRECTOR: CHRISTINE M. FARNON SPECIAL CONSULTANT: GEORGE T. SIMON LEGAL COUNSEL: ROYAL E. BI

if this would be more convenient.

Your thoughtful and kind consideration of this request will be appreciated. I may be reached at (615) 255-6535. My address is 39 Music Square East, Nashville, Tennessee 37203

Sincerely yours,

J. William Denny

D:r

Encl.

CC: Mr. Hamilton Jordan ✓
Mr. Tom Beard

906

THE WHITE HOUSE

WASHINGTON

February 21, 1978

Stu Eizenstat
Peter Bourne
Zbig Brzezinski
Charles Schultze
Jim McIntyre

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. Secretary Bergland has also been provided with a copy.

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Bob Lipshutz
Frank Moore
Jody Powell
Jack Watson
Jim Fallows
Jim Gammill

RE: PRESIDENTIAL COMMISSION ON WORLD HUNGER

THE WHITE HOUSE
WASHINGTON

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

cc Bergland

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

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/		BOURNE
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		H. CARTER
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	/	GAMMILL

		KRAFT
		LINDER
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		PETERSON
		PETTIGREW
		POSTON
		PRESS
		SCHLESINGER
		SCHNEIDERS
		STRAUSS
		VOORDE
		WARREN

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

February 17, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY BERGLAND
PETER BOURNE P.B.
ZBIGNIEW BRZEZINSKI ZB
STU EIZENSTAT Stu E.I.S.
JIM MCINTYRE J.M.M.
CHARLIE SCHULTZE CLS

SUBJECT: Presidential Commission on World Hunger

BACKGROUND

During the last session, the Congress passed a resolution calling on you to establish a Commission on Domestic and International Hunger and Malnutrition. Passage was unanimous in the Senate and 364 to 38 in the House. At a meeting on February 3 with key Congressional sponsors of the resolutions you announced that you planned to establish such a Commission. Following that meeting, you asked us to prepare an options paper on the subject.

COMMISSION OBJECTIVES

The first and most important step in charting the course of the Commission is to identify its objectives as clearly and completely as possible. Most of the remaining decisions regarding the make-up and operation of the Commission are largely dependent on the task assigned the Commission. Commissions can and are called upon to serve a variety of different purposes ranging from issue definition and basic fact-finding to the promotion of public awareness through public relations activities.

We are persuaded that the Hunger Commission must be designed to pursue several related objectives including:

- o the development of a solid factual base that identifies the causes of the problem, ✓
- o identify existing authorities and programs, public and private, and national and international, and ✓
- o assess the programs to determine which are working, which are not, and why. ✓

These objectives are generally consistent with those in the Congressional resolutions. Such data gathering and analysis has not been done on a comprehensive basis. Until it is, there will be no clear view of the problem nor will we know the magnitude of present world-wide efforts and how the problem can be dealt with more effectively. Before launching an aggressive effort, we must know where we are and how we got here. Much of the analysis has already been done through the World Hunger Working Group, and their report, a summary of which is being sent to you separately today, can serve as a basis for their work. This Commission provides a unique opportunity to assemble free of institutional constraints, a comprehensive and in-depth review in a thorough and integrated way.

Once the factual base is developed, we hope this could be accomplished during the first 6 to 9 months, the Commission would then prepare an options paper on actions to be taken. Any initiatives requiring legislation should be prepared in time for possible inclusion in the Administration's 1979 legislative package. At that point, we would see the Commission turning to the promotion of improved public understanding and awareness of the issue and the role of the United States in helping alleviate the problem.

The key decision then, as we see it, is the extent to which we rely on the Commission to help develop hunger policies and design programs or whether the Commission is used primarily to promote public awareness and generate support. The major argument in favor of using the Commission as a principal means of fashioning policies and programs is that the assembly and assessment task requires concentrated effort by a staff unencumbered by other duties. The central drawback to using the Commission in this capacity is that given its independent status vis-a-vis Presidential control, its conclusions and recommendations will not necessarily correspond with those of the Administration. In fact, to the extent we succeed in obtaining a dynamic, well-balanced membership, one can almost guarantee there will be strong differences of opinion and dissension within the Commission. But this can be useful and requesting an options paper minimizes the risks. We recommend that you look to the Commission as one mechanism for identifying and assessing hunger policies and programs and presenting options for consideration. Certainly it will provide an important information base whether or not you accept all their recommendations.

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Bourne and Brzezinski feel the the emphasis of the Commission should be primarily on building public attention and support for this issue rather than too heavy a focus on conducting additional studies.

Collate studies already done

DECISION

_____ Focus primarily on conducting study and policy formulation.

__✓__ Focus primarily on building public support with policy formulation secondary.

As described in the Resolutions, the Commission would focus on hunger in the United States as well as internationally. We question the advisability of attempting to deal with the fundamentally different issues of domestic and world hunger within the confines of a single commission. For this reason, we recommend that the Commission concentrate on world hunger, but that domestic policies and programs be assessed so this experience can, where applicable, be brought to bear. Some of us feel (Bourne and Brzezinski) that the Commission should informally broaden its scope to serve as a vehicle for building support for foreign assistance in general, consistent with your decision memo on that subject, and the evolving program to gain public support in this area. This broad approach might not be acceptable to some of the Congressional sponsors, if it was explicit. However, the choice of chairman can be an important factor in the focus the commission adopts.

DECISION

__✓__ Emphasis on world hunger (Bergland, Eizenstat, Schultze)

_____ International and Domestic Hunger

Will obviously have to include a) domestic food & hunger plus b) assistance

_____ World Hunger and General Foreign Assistance (Bourne, Brzezinski)

MECHANISM FOR ESTABLISHING THE COMMISSION

Two choices exist for establishing the Commission

(1) Executive Order

A Commission authorized by Executive Order can be initiated immediately with a prescribed membership; be given carefully prescribed responsibilities; and operate under a statutory base for agency funding and manpower sharing. This approach would clearly define Presidential interest, allow more direct

control over the Commission by the White House; and provide a test of public reaction and interest before the Administration modifies programs or requests legislation. Such authorization, however, would still require an appropriation from the Congress. To enable the Commission to be established immediately, some money could be allocated from the President's Discretionary Account while an appropriation was being sought.

(2) Executive Order Accompanied by a Message on World Hunger to the Congress

This variation of the Executive Order mechanism offers the advantage of option (1), but also provides an opportunity to communicate the recommendations of the World Hunger Working Group, to broaden the framework within which the Commission will conduct its work and offers an opportunity to make near-term changes in existing programs. Perhaps most important it provides a very appropriate opportunity to layout your overall world hunger policy, without having to wait until the Commission completes its report. To wait that long without any major statement from you might be too long. Such a message could also contain a request for an appropriation for the Commission.

DECISION

_____ Executive Order Only

__✓__ Executive Order and Message to Congress

BUDGET

We recommend a budget of $2 to 2.5 million per year for each year of the Commission's operation. There are three options for funding:

(1) Funding by the Agencies

Utilizing funds from agency budgets is difficult because most funds are already committed. In addition, present interagency conflicts might be aggravated as the agency contributing the bulk of the support could feel it had a preemptive right over the work of the Commission. A small amount of funds from the agencies might, however, be added in the early months to those from the Presidential Discretionary account to allow the rapid implementation of the Commission.

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(2) Congressional Appropriation

Members of Congress who have sponsored the resolutions could be asked to sponsor legislation to provide funds for the Commission. However, this would open the opportunity for Congress to specify the form and operation of the Commission more narrowly than we prefer.

(3) Supplemental Appropriation Submitted by the Administration

This option is favored by OMB. While it might be slower than option (2), it would allow us to maintain control over the Commission as a Presidential initiative. We recommend this option with a funding level at $2 to 2.5 million per year for 2 years. Approximately $100,000 would be sought from the Presidential Discretionary Account and from existing agency budgets to allow the Commission to begin operating until Congressional action is completed.

seems high

DECISION

_____ Funding by the Agencies

_____ Congressional Appropriations

__✓__ Supplemental Appropriations (recommended)

DURATION OF THE COMMISSION

The Congressional resolutions call for the Commission to have a life of two years. This is probably reasonable. A shorter period of time would make it difficult to staff-up and carry out the kind of activities planned.

DECISION

__✓__ 2 years (recommended)

_____ 1 year

_____ Other

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SIZE AND MAKE-UP OF THE COMMISSION

The Congressional resolution recommends that "the Commission shall be a balanced membership composed of fifteen persons appointed by the President from individuals who represent diverse background." You are free, however, to create a Commission of any size, selected on any basis, and with or without Congressional representation.

We recommend a Commission of twenty people selected to represent a broad cross-section of interests including business, humanitarian groups, technical experts, entertainers with demonstrated interest in world hunger, with appropriate ethnic and geographic diversity. Because of the intense Congressional interest in this Commission, we recommend that inclusion of four Congressional members (two from each House and party).

Given the widespread interest in this issue and the many groups that would like to be represented on the Commission a careful selection process is required. This is particularly true with regard to the chairmanship of the Commission. Since the members depend upon the objectives of the Commission, they cannot now be selected. We suggest that the signers of this memo serve as a nominating committee and that we provide you with a list of candidates within 7 days. ok

DECISION

___✓___ Approve I prefer 15

_____ Disapprove

907

THE WHITE HOUSE

WASHINGTON

February 21, 1978

Jim Fallows

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

Rick Hutcheson

LETTER FROM JOHN WHITE

Electrostatic Copy Made
for Preservation Purposes

DEMOCRATIC
NATIONAL COMMITTEE 1625 Massachusetts Ave., N.W. Washington, D.C. 20036 (202) 797-5900

John C. White
Chairman

February 21, 1978

Fallows
I

Dear

When I accepted the Chairmanship of the Democratic National Committee, President Carter asked me to do all I could to serve the Democratic majority in the Congress during the 1978 campaign. I pledged to him that I would, and I pledge to you that I will.

Perhaps the most useful service that the DNC can perform at this moment in time is to supply Democrats with chapter and verse on the accomplishments of the Democratic partnership -- represented by the Administration and the Congress.

These accomplishments have been many and substantial. But all too often, they have been ignored outside of Washington. Newspaper stories, dwelling as they often do on conflicts, frequently emphasize the areas in which the Administration and Congress do not agree. Reading such stories, it is easy to forget that just two years ago, the Republican Executive and the Democratic Legislative Branches were almost at war -- with the Executive seeking to frustrate not only the will of Congress, but its ability to find out what was going on behind the White House walls. It is easy to forget that a Republican President was thwarting the will of Congress by an almost endless series of vetoes.

It is easy to miss the main story of 1977-78: This Democratic President and this Democratic Congress are working together with a common purpose far more often and in a far more significant way than is generally reported. There is no rancor, no bitterness between them. Just a solid record of joint accomplishment.

To be sure, several vital elements of the Administration's program are still being debated, including a comprehensive energy program and the Panama Canal Treaties. President Carter's proposals for tax cuts and tax reform have only recently been forwarded to Congress.

Many of these issues engage deeply held convictions. Many of them affect large economic interests -- those of consumers, of business, and of the government. It is understandable that debates on such matters as energy pricing, production, and conservation, welfare law revision, and a new relationship with Panama would reflect, in their length and intensity, the high stakes involved.

THE WHITE HOUSE
WASHINGTON

February 21, 1978

Barry Jagoda

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

Rick Hutcheson

RE: RED CROSS VIDEOTAPING - REMARKS FOR TELEPROMPTER

THE WHITE HOUSE
WASHINGTON

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

Jagoda's office will pick up

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		McINTYRE
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	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

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	BOURNE
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	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
✓	JAGODA
	GAMMILL

	KRAFT
	LINDER
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	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

ok
J

February 16, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: BARRY JAGODA B.J.

SUBJECT: Red Cross Videotaping--
Remarks for Teleprompter

Please approve and/or revise the attached two scripts for your Red Cross public service announcement taping, scheduled for Tuesday, February 21.

Fallows concurs.

Electrostatic Copy Made for Preservation Purposes

TV SPOT - 60 SECONDS
PRESIDENT CARTER
RED CROSS MONTH 1978

MCU PRESIDENT

President Carter

Through the years, Red Cross Services has provided more and better ~~have grown and diversified~~. But the purpose of the Red Cross remains unchanged: To relieve human suffering. Also unchanged is its voluntary nature. It is the Red Cross volunteer who eases the suffering of disaster victims -- who teaches first aid and water safety and the proper care of the ill and injured -- who collects and donates blood -- who brings aid and comfort to the men and women of the armed forces, to veterans and to their families -- and it is the Red Cross volunteer who helps young people develop qualities of leadership and concern that mean a great deal to our nation. March is Red Cross Month. We all count on the Red Cross in time of emergency and suffering. The Red Cross counts on us for our volunteer time, money and blood.

Let's support the Red Cross.

TV SPOT - 30 SECONDS
PRESIDENT CARTER
RED CROSS MONTH 1978

MCU PRESIDENT CARTER

PRESIDENT CARTER

For nearly 100 years, the Red Cross has been a source of strength and comfort to the American people in time of emergency. Red Cross volunteers are always on the scene to ease the suffering of disaster victims. Voluntary blood donations are of growing importance to our health; and Red Cross volunteers provide many other services in our communities. March is Red Cross Month. I urge all of you to support your local chapter generously.

TO: President Carter
THROUGH: Rick Hutcheson
FROM: USUN - Ambassador Young
SUBJECT: U.S. Mission to the United Nations Activities, Feb. 9 - 16

February 17, 1978

C

1. SECURITY COUNCIL - CHAD/LIBYA: The Council has met twice in informal consultations on the Chad/Libya dispute. A formal session has been scheduled for the afternoon of February 16. We expect speeches by Chad and Libya, and hopefully, a constructive resolution urging the parties to cooperate with the OAU mediation effort.

2. HORN: USUN, in concert with the other Western Five members of the Council, has been sounding out other Council delegations on the possibility of formal session of the Horn which could lead to positive steps toward a settlement. At the moment, there is still doubt that African members, conscious of their own OAU mediation effort on the Horn, will agree to Council action on the dispute. African reaction is key since non-aligned members of the Council and China will follow the African lead.

3. RHODESIA: USUN awaits further details on the "internal settlement" reportedly reached in Salisbury. There is a good chance that the African Group will call for renewed Security Council action on Rhodesia in reaction to the news from Salisbury.

4. NAMIBIA: February 11 and 12 Secretary Vance and the Foreign Minister of Canada, France, the Federal Republic of Germany and the United Kingdom jointly held concurrent talks in New York with representatives of the principal parties concerned with a Namibian settlement: SWAPO President Sam Nujoma, South African Foreign Minister Botha, UN Secretary General Waldhein and representatives of the Frontline States and the African members of the Security Council. The talks were successful in achieving significant substantive progress, with both South Africa and SWAPO, and in re-establishing the public perception of momentum in our initiative.

5. ECONOMIC AND SOCIAL COUNCIL: Commission for Human Rights discussed situation in Israel and Southern Africa. A resolution condemning Israeli settlements was passed by concensus. The Committee of the Whole (Overview Mechanism on the North/South Dialogue) established at the 32nd General Assembly began its organizational session on February 13. US candidate for Chairman, Congressman Charles Whalen (Delegate to the 32nd GA), was endorsed by the industrialized nations but withdrew in favor of G-77 candidate (Jazairi of Algeria) after we received satisfactory assurances that the principle of rotation would be applied at next election for chairmanship.

The Intergovernmental Working Group on the Code of Conduct for Transnational Corporations held a surprisingly conciliatory and cooperative session but came up with only minor substantive progress on a code to supervise relations between TNC's and their host countries.

6. AMBASSADOR YOUNG'S OTHER MEETINGS: Frank Ferrari, African-American Institute 2/9; Soviet Ambassador Troyanovsky to discuss the situation in the Horn and other UN items, 2/14; Ambassador Congdon, US Ambassador to Fiji, 2/14: PRESS; Interview with Jonathan Power, BBC, 2/14; Kathleen Teltsch of the New York Times, 2/14; Claire Deners, Interview Magazine, 2/14.

DECLASSIFIED
Per; Rac Project
ESDN; NLC-126-1-24-30.
BY LCS NARA, DATE 3/26/18

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THE PRESIDENT HAS SEEN:

THE WHITE HOUSE

WASHINGTON

February 21, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE
STU EIZENSTAT

SUPPLEMENTAL COAL TALKING POINTS

1. We had an interesting development yesterday, the P&M (Pittsburg and Midway Coal Company, a wholly-owned subsidiary of Gulf Oil Corporation) agreement was approved by the Bargaining Council.

2. I will ask Ray Marshall to outline the nature of the agreement and to further outline the problems with the negotiating posture of the parties. I will then ask both Ray Marshall and Jim Schlesinger to give you the factual background on the impact of the strike now and in the foreseeable future.

3. After Ray's and Jim's presentations, you can indicate that Secretary Marshall will make a determination within the next couple of days as to whether the P&M agreement forms the basis upon which negotiations can be resumed. Based on the results of those discussions, we will make a decision as to whether or not the parties should be asked to come back and negotiate.

4. It is important to ask each of the leaders, <u>including</u> the Republican leaders, for their opinions as to your best course of action if it appears that a negotiated settlement is impossible. You might ask Ray to lay out several options, without indicating any preference.

It is important you attempt to get some sense from the Congress on how fast they can move on any action requiring legislation.

You should know that, as a result of our meeting yesterday, both Ray Marshall and Charlie Schultze seem to agree that there is considerable doubt about whether sufficient evidence exists to obtain a Taft-Hartley injunction. Ray stated that his Solicitor's Office, which has had a good deal of experience

in this area, was somewhat pessimistic about our ability to get such an injunction. The further point was made that, if such evidence is unavailable to convince one Federal Judge to issue a Taft-Hartley injunction, it would likewise be difficult to convince the Congress as a whole, especially the Senate, to support the seizure of the industry.

Electrostatic Copy Made for Preservation Purposes

8:00 AM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 20, 1978

CONGRESSIONAL LEADERSHIP BREAKFAST
Tuesday, February 21, 1978
8:00 a.m.
Family Dining Room

From: Frank Moore F.M/pd.

I. PARTICIPANTS

See Attached List

II. PRESS PLAN

White House Photo Only

III. AGENDA

COAL WILL DOMINATE TOMORROW'S BREAKFAST BUT YOU SHOULD ATTEMPT TO GO OVER THE FOLLOWING ITEMS BRIEFLY. FOLLOWING THIS AFTERNOON'S MEETINGS, I WILL SEND YOU A BRIEFING PAPER ON COAL.

1. B-1 Bomber. This will be the first order of business in the House on Wednesday. It is essential that we win. You should ask the Speaker to personally take the well in support of your position. The last time when the Speaker took the well, we won; when he did not, we lost.

2. IMF - Witteveen. Following the B-1 vote, the House will take up the Witteveen facility. The vote will be very close. We are attempting to work out something on human rights prior to the vote on Wednesday.

3. Mid-East Arms Sales. This will be sent to the Hill on Wednesday. You should emphasize that it is a package and that it does not upset the military balance in the Middle East. You should particularly emphasize the need for the Saudi sale.

4. Energy. You might want to briefly discuss the impasse involving Senate conferees. We see a danger in your personal involvement in resolving the Senate impasse since some could argue that the Administration was endorsing the Senate position and this would put the House Conferees at a

disadvantage in the final negotiations. The Senate conferees are making some progress with help from Dr. Schlesinger and your direct involvement will be needed more when the House and Senate conferees reach an impasse. However, we should not let this opportunity pass to encourage Senate Leadership to keep prodding the conferees.

5. Panama. You should emphasize the peripheral nature of the drug issue. You should reconfirm that the Administration has been forthcoming with all relevant material we have been able to find on the Torrijos family alleged involvement in drug traffic. You should express your concern that treaty opponents may attempt to prolong the closed session in order to focus press attention on the drug issue and you should ask Senator Byrd what regulations there are on opponents attempting to do that. You should approach the issue on an upbeat tone. We are daily getting more Senators to support the Treaties. Many undecideds are now leaning in support of the Treaties. You should emphasize that a vote for amendments other than Leadership amendment is a vote against the Treaties.

6. DNC Issue Analysis Paper. I have attached a copy of the 1977-1978 Issue Analysis Paper prepared by the DNC. John White will be prepared to distribute copies of this to the Leadership tomorrow morning unless you have some objection.

Senator Byrd has asked that his long-time chauffeur, Jack Thomas, have the opportunity to have his picture taken with you. I have told Senator Byrd that we can do this right before breakfast. The Senator will introduce Jack to you.

PARTICIPANTS

The President

The Vice President

Secretary Marshall
Secretary Schlesinger

Senator Byrd
Senator Cranston
Senator Inouye
Senator Eastland
Speaker O'Neill
Congressman Wright
Congressman Brademas
Congressman Foley
Congressman Rostenkowski
Congresswoman Chisholm

Dr. Brzezinski
Stu Eizenstat
Frank Moore
Bill Cable
Jim Free
Dan Tate
Bob Thomson
Bill Smith
Jody Powell
John White

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8:00 A.M.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 20, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE F.m./lpd.

ADDENDUM TO CONGRESSIONAL LEADERSHIP BREAKFAST BRIEFING PAPER

Because of the coal situation, we have decided to have tomorrow's leadership breakfast bipartisan. The additional Members who will be attending are as follows:

Senator Baker
Senator Stevens
Senator Curtis
Senator Hansen
Congressman Rhodes
Congressman John Anderson
Congressman Michel
Senator Williams*

*With the death of Senator Humphrey, the Senate Democratic Leadership numbers four. The Senate Republican Leadership legitimately numbers five. With Senator Byrd's approval, we have decided to add one Democratic wild card slot at each future bipartisan breakfast. The Senator chosen to fill this slot will be a key player in one of the issues to be discussed at breakfast. We have invited Senator Williams for tomorrow's breakfast because, as Chairman of the Labor Committee, he is a key player on the coal situation.

Senator Byrd has asked me to let you know that he will have to leave the breakfast early (8:30 a.m.) because the Senate convenes tomorrow at 9:00 a.m.

Because the breakfast is now bipartisan, John White will not attend.

915

THE WHITE HOUSE
WASHINGTON

February 21, 1978

Frank Moore

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

Rick Hutcheson

RE: PHONE CALL TO SEN. CHURCH

THE WHITE HOUSE
WASHINGTON

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

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

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

		KRAFT
		LINDER
		MITCHELL
		MOE
		PETERSON
		PETTIGREW
		POSTON
		PRESS
		SCHLESINGER
		SCHNEIDERS
		STRAUSS
		VOORDE
		WARREN

Electrostatic Copy Made for Preservation Purposes

THE PRESIDENT HAS SEEN.

done
J

THE WHITE HOUSE

WASHINGTON

February 20, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE FM/pd

Senator Frank Church phoned you this morning to express his personal thanks for your selection of Warren Manshel to be Ambassador to Denmark. While this was the sole purpose of the Senator's call to you (my office telephoned him earlier), I recommend that you phone Senator Church for the following reasons:

1. You can tell the Senator that you signed this morning the bill amending the National Forest Timber Sales Act, a bill he vigorously supported.

2. You may also find it helpful to discuss with him the Mid-East arms sales package; he and a majority of Senate Foreign Relations Committee members have sent you a letter opposing the Saudi component.

3. Senator Church is a conferee on natural gas and, thus far, has chosen to let Jackson speak and vote for him. You might want to discuss with him the possibility of his becoming more active but, more importantly, seek his advice as to how we can bring around his colleague from Idaho, Senator McClure, who is also a conferee and who is one of our target Republicans in our efforts to put together a compromise.

4. FYI, Senator Church has requested that you sign the Endangered American Wilderness Act in ceremony (you have until Saturday, February 25 to sign). We are considering this along with several other bills.

~~SECRET~~
GDS

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

FEB 14 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: James T. McIntyre, Jr.

SUBJECT: Egyptian Request for Increased Aid

Secretary Vance has recommended that you approve (1) an increase in the grant portion of U.S. security supporting assistance for Egypt from one-fifth for fiscal year 1978 to two-thirds for 1979; and (2) an increase of $60 million for 1978 in P.L. 480 food aid. The $60 million would provide the 500,000 tons of wheat which the Egyptians have requested.

I support Secretary Vance's recommendation that the grant portion of U.S. aid be increased. Not only is the shift consistent with Egypt's development needs, but it would align Egypt's aid terms with those given Israel. Although this would increase the grant portion of our FY 78 aid from $144M to $500M, the real cost of such a shift is minimal because of the long-term, low-interest nature of the present U.S. aid loans to Egypt.

I have reservations, however, about the desirability of providing Egypt with the additional food aid.

-- The request is part of the steady ratcheting upward of the level of U.S. aid to Egypt. Last year at this time the U.S. increased P.L. 480 wheat shipments from 1 million tons to 1.5 million in response to the Cairo food riots. State argued in this year's budget review that the increased level should become this year's base. The current request will raise this base level again -- to 2 million tons -- a doubling in a little more than a year. To the extent that we wish to provide a further increment following a peace settlement, we should seek to keep the base from rising too far.

-- Changes in our aid program now should be made with some consideration to the type of program that will be needed in any post-settlement period. While the large-scale balance of payments support provided by P.L. 480 is politically appropriate now, it may over the longer run be a disincentive for the kinds of reforms that Egypt must make to develop a more self sufficient economy.

DECLASSIFIED
Per: Rac Project
ESDN: NLC-126-11-24-2-1
BY LKS NARA, DATE 3/26/13

~~SECRET~~
GDS

-- There is some question as to whether Egypt will be able to absorb all of the wheat requested. Our best information indicates that Egypt's near-term wheat supply is already adequately assured, but little is known of food import requirements for the second half of 1978. Further, extreme overcrowding in Egyptian ports may make delivery of the wheat a practical impossibility until after June. It may be necessary, therefore, to work out another commodity mix.

Despite these reservations, if it is your judgment that the U.S. should go ahead, I believe that we should do it within the existing P.L. 480 program level. We have unallocated Title I funds of almost $60 million. While there are some potential claims on it other than Egypt, we can best review the overall level and country allocation when Secretary Bergland submits his planned request for an increase in the 1978 program.

Decision

1. Increase the grant component of security supporting assistance from one-fifth to two-thirds.

   Approve ✓

   Disapprove _____

2. Provide $60 million in additional P.L. 480 for Egypt.

   Approve, with corresponding increase in P.L. 480 ceiling _____

   Approve, with no increase in P.L. 480 ceiling at this time _____

   Disapprove ✓

7802913

822

THE SECRETARY OF STATE

WASHINGTON

February 11, 1978

SECRET

MEMORANDUM FOR: THE PRESIDENT

FROM: Cyrus Vance CRV

SUBJECT: Egyptian Request for Increased Aid

Prior to President Sadat's recent visit to Washington, the Egyptian Government asked us for an increase in our economic assistance programs. Specifically, they asked us for an additional $558 million in 1978 and at least a comparable increase in FY 1979. The request includes increases in project assistance, commodity import financing and PL-480 Title I.

Before Sadat's visit, in our discussions with GOE officials we did not encourage them to expect a favorable response to the request of additional economic assistance funds while noting an increase in PL-480 would require a supplemental appropriation request. During Sadat's visit, the increased aid request was raised in Sadat's meetings with Secretary Bergland and Treasury Under Secretary Solomon.

We do not feel that either our own budgetary constraints or Egypt's absorptive capacity could effectively accommodate an increase in the order of magnitude requested. Nor are we convinced that Sadat believes this magnitude of increase is vital to his need to reassure his domestic constituency.

Nevertheless, we do believe that, within the realistic capabilities of our two countries, a positive response is essential to demonstrate our continued support for Sadat in recognition of his recognized needs.

SECRET
GDS

DECLASSIFIED
Per; Rac Project
ESDN; NLC-126-11-24-1-3
BY KS NARA, DATE 3/26/12

After careful review of the options available for responding to the Egyptian request, I have concluded that in addition to making certain adjustments in our current program, we should try to satisfy Egypt's concern for a larger grant component in our AID program and for additional PL-480.

Along these lines, I have tentatively approved an increase in the grant component of our $750 million AID program from 1/5 ($144 million) in FY 1978 to 2/3 ($500 million) in FY 1979. This change will bring the grant element of the program for Egypt up to the grant element in the program for Israel.

In addition, I believe we should try to satisfy the request for $60 million more in the FY 1978 PL-480 Title I.

We understand that the Department of Agriculture already has initiated the procedure to request a supplemental budget increase in the PL-480 budget for FY 1978. The Egyptian request can be included.

Recommendation:

That you agree to the change of the grant level of our FY 1979 security supporting assistance for Egypt to 2/3 ($500 million).

Agree ✓ Disagree _____

That you agree at least in principle to an increase of about $60 million in the FY 1978 PL-480 Title I program for Egypt.

Agree _____ Disagree ✓

THE WHITE HOUSE
WASHINGTON

February 21, 1978

Jim McIntyre

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

Rick Hutcheson

cc: The Vice President
Stu Eizenstat
Frank Moore
Jack Watson
Charles Schultze

$250 MILLION POT-HOLE REPAIR PROGRAM

Patti - to show them that the Pres took no action on

THE WHITE HOUSE
WASHINGTON

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

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

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

		KRAFT
		LINDER
		MITCHELL
		MOE
		PETERSON
		PETTIGREW
		POSTON
		PRESS
		SCHLESINGER
		SCHNEIDERS
		STRAUSS
		VOORDE
		WARREN

THE WHITE HOUSE
WASHINGTON

Mr. Presient:

Eizenstat and Schultze concur.

Frank Moore's office recommends that since Cong. Howard will be introducing this in the House tomorrow, Brock Adams should contact Sens. Bensten and Randolph as soon as possible about Administration concerns in order to block this bill in the Senate.

Jack Watson's office talked with Adams who thought there was no point in using "Presidential muscle" at this time. If the bill passes the House, Adams recommends that we negotiate in the Senate and use the bill as leverage for the highway transit bill.

Rick (wds)

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THE PRESIDENT HAS SEEN

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

C

FEB 16 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: Jim McIntyre Jim

SUBJECT: $250 Million Pot-Hole Repair Program

Background

Congressman Jim Howard, Chairman of the House Surface Transportation Subcommittee, first mentioned a one-year pot hole repair program at a February 1 hearing with Secretary Adams. The proposed legislation has been further developed by committee staff in the past two weeks, and we understand that it has the following provisions:

- $250 million in new contract authority from the highway trust fund (not $200 million from unobligated balances as noted in Secretary Adams' memorandum).
- Funds to be used by states on any paved roads.
- Funds must be obligated by no later than June 15, 1978.
- Distribution of funds to be made by formula established by DOT.
- No state matching share required (100% Federal funding).
- Exemption from all routine environmental, planning, equal employment opportunity, and other requirements of the highway statutes.

The bill will be introduced by Biz Johnson, Jim Howard, Bill Harsha and Bud Shuster. An attempt will be made to put it on the House consent calendar within the next week or two. Although the bill is likely to sail through the House, disposition in the Senate is less clear.

OMB View

OMB recommends that the Administration vigorously oppose this legislation for the following reasons:

- The single most important tenet of the Administration's highway/transit bill is the elimination of narrow, categorical programs. This bill would add a new and undesirable category.

- States have always assumed the highway maintenance function. Support of this bill would establish an undesirable precedent for future Federal involvement in routine maintenance. (Staff of the American Association of State Highway and Transportation Officials also report that their member states would probably oppose what they believe is unwarranted Federal involvement in highway maintenance activities).

- Likewise, the lack of any required state matching share establishes a poor precedent for the regular highway construction program. (The Administration is proposing to increase the Federal matching share for non-Interstate highways from 70% to 80%).

- To the degree that the funding distribution formula is based on severity of pot hole problems on a state-by-state basis, those states which have deferred maintenance of their roads in recent years would receive the maximum financial rewards.

- Although exemption from Federal highway planning requirements would usefully avoid delays in obligation of funds, exemption from equal employment opportunity (and other) requirements is inappropriate.

In short, we see little benefit from the proposed bill. If the Administration were to support it, however, we would recommend the following:

- The funding should not be new contract authority. Rather, it should be derived from unobligated balances of existing contract authority.

- The funding should be matched by the states per the current matching requirements.

- Some form of "quid pro quo" should be achieved--from the House, in particular--in terms of support for the Administration's proposed highway/transit bill. Unlike Secretary Adams, it is our perception that the Administration's bill is likely to be revised extensively by the House Public Works Committee. In particular, we fear that the funding levels will be raised substantially, perhaps by $1 billion or more annually.

ID 780882

THE WHITE HOUSE

WASHINGTON

DATE: 20 FEB 78

FOR ACTION: STU EIZENSTAT concur by phone FRANK MOORE (LES) - attached

JACK WATSON ~~Hold for~~ comment from T. Adams attached

INFO ONLY: VICE PRESIDENT BOB LIPSHUTZ

CHARLIE SCHULTZE Concurs by phone

SUBJECT: JIM MCINTYRE MEMO DATED 2/16/78 RE $250 MILLION POT-HOLE REPAIR PROGRAM

++++++++++++++++++++ ++++++++++++++++++++ ++++++++++++++++++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 0100 PM MONDAY 20 FEB 78 +

++++++++++++++++++++ ++++++++++++++++++++ ++++++++++++++++++++

ACTION REQUESTED: YOUR COMMENTS ASAP -- MUST GO TO PRESIDENT TODAY

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON

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

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

		ARAGON
		BOURNE
		BRZEZINSKI
		BUTLER
		CARP
		H. CARTER
		CLOUGH
		FALLOWS
		FIRST LADY
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		HUTCHESON
		JAGODA
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		PETERSON
		PETTIGREW
		POSTON
		PRESS
		SCHLESINGER
		SCHNEIDERS
		STRAUSS
		VOORDE
		WARREN

WASHINGTON

DATE: 20 FEB 78

FOR ACTION: STU EIZENSTAT — FRANK MOORE (LES)

JACK WATSON

IC CABLE
TATE (RF)
FM

INFO ONLY: VICE PRESIDENT — BOB LIPSHUTZ

CHARLIE SCHULTZE

SUBJECT: JIM MCINTYRE MEMO DATED 2/16/78 RE $250 MILLION POT-HOLE REPAIR PROGRAM

++++++++++++++++++++ ++++++++++++++++++++ ++++++++++++++++++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 0100 PM MONDAY 20 FEB 78 +

++++++++++++++++++++ ++++++++++++++++++++ ++++++++++++++++++++

ACTION REQUESTED: YOUR COMMENTS ASAP -- MUST GO TO PRESIDENT TODAY

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

URGENT

Staff recognizes that is sympathetic to Senate Environment & Public Works' our concerns. Suggest immediate secretarial contact with Randolph and Bentsen by letter. Bevill, Chairman of Transportation Appropriations Subcommittee, has introduced similar bill so Adams must provide input on him.

Dan Tate

Long Howard tomorrow; Recommend that Adams contact Bentsen & Randolph to Block on the Senate.

ID 780882

THE WHITE HOUSE

WASHINGTON

DATE: 20 FEB 78

FOR ACTION: STU EIZENSTAT — FRANK MOORE (LES)

JACK WATSON

VC: CABLE
TATE (RF)
FM

INFO ONLY: VICE PRESIDENT — BOB LIPSHUTZ

CHARLIE SCHULTZE

SUBJECT: JIM MCINTYRE MEMO DATED 2/16/78 RE $250 MILLION POT-HOLE REPAIR PROGRAM

++++++++++++++++++++ ++++++++++++++++++++ ++++++++++++++++++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 0100 PM MONDAY 20 FEB 78 +

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ACTION REQUESTED: YOUR COMMENTS ASAP -- MUST GO TO PRESIDENT TODAY

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

URGENT

Jim Howard is very concerned about the President veto - Valerie told him we hoped to be able to work out a compromise

ID 780882 THE WHITE HOUSE

WASHINGTON

DATE: 20 FEB 78

FOR ACTION: STU EIZENSTAT FRANK MOORE (LES)

JACK WATSON

INFO ONLY: VICE PRESIDENT BOB LIPSHUTZ

CHARLIE SCHULTZE

SUBJECT: JIM MCINTYRE MEMO DATED 2/16/78 RE $250 MILLION POT-HOLE REPAIR PROGRAM

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+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: 0100 PM MONDAY 20 FEB 78 +

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ACTION REQUESTED: YOUR COMMENTS ASAP -- MUST GO TO PRESIDENT TODAY

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

JW/J. Frank

We have checked with Brock Adams, who says that there is no point in wasting political and Presidential muscle by getting into the fight at this point. As he stated in his weekly summary several weeks ago, he has informally communicated our concern about the legislation. The bill is controversial because the snow belt states, hard hit by winter storms, will likely get most or all of the money at the expense of the sun belt states. Thus, although it is on the House suspension calendar and cannot be amended, it might not pass. If it does, Brock thinks we are in a good posotion to negotiate in the Senate and to use the bill as leverage for the highway/ transit bill.

Brock says that, per the President's instructions, we contacted Stu and Jim McIntyre about this several weeks ago but has not heard back from them.

THE WHITE HOUSE
WASHINGTON

February 21, 1978

Landon Butler

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

Rick Hutcheson

COAL NEGOTIATIONS AND POLICY OPTIONS

Electrostatic Copy Made for Preservation Purposes

THE PRESIDENT HAS SEEN.

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

February 18, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall

SUBJECT: Coal Negotiations and Policy Options

The dilemma faced by the government is the parties have reached impasse on about 10 real issues. The UMW has reduced their demands from 26 to 10. Management has offered concessions on four of these. While most of the impasse issues are production related (e.g. Sunday production, incentives, ability to change shifts, discharge wildcatters) they change past mining practices and affront the social and cultural milieu in which miners work and live. All the impasse issues were management demanded changes in the contract which had been tentatively agreed to by the UMW negotiating committee but rejected by their bargaining council. Management claims most of the changes are necessary to provide the large wage increases and the pension and health funds guarantees. The miners in the field resent the 1978 changes and have worked themselves into a mind-set that makes collectively bargained trade-offs difficult, especially when the economic realities and the emotional perceptions are inconsistent. For these reasons, the outlook for collective bargaining at this time is not promising.

NON-INTERVENTION

Under this option, the Government would take no further action except: (1) continue to work very closely with the parties to facilitate a settlement, and (2) take all necessary and appropriate steps to assure that existing mining activities and transportion of coal are not disrupted. If an industry-wide impasse continues in the bargaining, this approach would allow for agreements to be reached on a company-by-company basis. The FMCS has been pursuing the possibility of company-wide agreements, and these efforts may have some success.

IN FAVOR

1. Economic and public pressures on the parties may not now be strong enough to bring about a settlement. As the strike continues, however, these pressures can be expected to mount and yield increasingly positive results.

2. This approach is consistent with the policy of minimum intervention in the free collective bargaining process.

3. Other, more activist options may not achieve any greater success in resolving the dispute or assuring that production is resumed.

AGAINST

1. This approach would appear to be indecisive and would seem to be an admission that the Government had failed in its efforts and was powerless to do anything positive about the strike or its adverse effects.

2. The public pressures on the Government and the pressures by those adversely affected by the work stoppage would be enormous.

3. This option could ultimately result in a settlement, possibly through an accumulation of localized settlements which might set a pattern for other settlements. This process may, however, take an unacceptably long period of time to achieve adequate success.

4. Localized settlements could create additional instability within the International union and may greatly contribute to its decline as an effective force. The impact of any such deterioration of the International on national energy policy is uncertain.

5. Localized settlements would increase the potential for violent clashes between working and non-working miners and such violence could interfere with the transportation of coal which was produced.

TIMING

This option could be implemented immediately, but a considerable time may be necessary before it achieves positive results.

GOVERNMENT PROPOSED SETTLEMENT

Under this option, the Government would recommend to the parties specific terms and conditions to resolve the dispute. Such recommendations might be made either by Government officials or by a Presidentially appointed Board of experts. A variation of this option would be a recommendation by the President that the dispute be voluntarily submitted to binding arbitration.

IN FAVOR

1. This approach would involve a minimum compromise of the free collective bargaining process.

2. It is the easiest and most immediate positive action which can be taken. It is more positive than option 1, and would show the Government is making a final and constructive effort to facilitate a settlement.

3. If current efforts to achieve local settlements are successful, any local settlements reached can be used as a basis for broader Government settlement recommendations.

4. If the settlement was recommended by an independent Presidentially-appointed panel, there would be less hostility to the Government by the parties. Accordingly, the Government would be in a better position to facilitate a settlement if the recommended settlement is not adopted.

AGAINST

1. There is a strong likelihood that any recommended settlement would be rejected by all parties.

2. This option is likely to be seen as insufficiently decisive action by the Federal Government.

TIMING

This option could be implemented immediately. While the possibility of positive results is uncertain, if the option is successful, results could be achieved relatively quickly.

PRESIDENTIAL REQUEST FOR VOLUNTARY RESUMPTION OF PRODUCTION

Under this approach, the President would request the parties to voluntarily resume production immediately for a limited period of time. During this period, the Government would continue its intensive efforts to bring about a settlement. This option could be combined with recommendations to resolve the dispute by the Government or a Presidentially appointed Board.

IN FAVOR

1. This option is more decisive than the first two options and less coercive than the options to follow.

2. Without the controversy surrounding the invocation of Taft-Hartley, the miners may be more willing to return to work on a voluntary basis.

3. This option could buy time to achieve a settlement.

AGAINST

1. The Union and the employers may be unwilling to give up the economic pressures of a work stoppage.

2. If this approach doesn't work or is only partially successful, Presidential authority could be undermined.

TIMING

This option could be implemented immediately.

TAFT-HARTLEY 80-DAY INJUNCTION

IN FAVOR

1. Since the procedure has already been established, it could be initiated and completed relatively quickly.

2. The mechanism is a Congressionally-approved method for dealing with emergency labor disputes.

3. Compared to other options, it would be considerably less complex.

4. Invocation of Taft-Hartley would provide a basis for additional Federal presence in the area should violence exist.

AGAINST

1. There would be widespread disobedience of a back-to-work order and probably even violence. In two previous Taft-Hartley situations, involving coal mining, there has been defiance of the injunctions by union officials or miners. It is estimated that approximately 86,000 miners, or 65 percent of the BCOA workforce, would not honor an injunction. The reactions of the remaining 35 percent are uncertain.

2. Widespread disobedience of the injunction would severely limit the additional production that could be achieved through an injunction. At the present time, 30 percent of all coal production is unaffected by the strike. It is estimated that full production would be restored in only the two Districts including Missouri and Oklahoma, where only a small percentage of the coal is mined. Disruptions in the other areas could severely limit production, even if a substantial number of workers were willing to return to work. Therefore an injunction may increase overall production by as little as an additional 10 percent.

3. This option is not even-handed. It impacts upon workers but not on employers.

4. Invocation of Taft-Hartley would be inflammatory to the miners and might impede a final resolution of the dispute.

5. In order to obtain an injunction, it would be necessary to prove to a court that the national health or safety is imperiled. The evidence necessary to support such a finding is greater than that which would constitutionally support seizure legislation.

6. It is true that Taft-Hartley would provide an additional basis for a Federal presence in the area to enforce peaceful production. Even without an injunction, however, there exists a substantial legal basis for a Federal presence should there be violence as a result of the dispute. The Hobbs Act and other laws prohibit certain threats or violence which obstruct interstate commerce. There are Federal laws prohibiting transportation of firearms in the furtherance of civil disorders, destruction of

property in possession of railroads and other carriers, and destruction of motor vehicles. Moreover, it is our understanding that the NLRB is now seeking injunctive action in the area. Should an injunction be issued under other provisions of Taft-Hartley, Federal action could be taken to assure compliance.

TIMING

The preparation of the case proving that the national health or safety is imperiled is the most time-consuming phase of the process of seeking a Taft-Hartley Emergency Disputes injunction. The issuance of an Executive Order declaring that the national health or safety is imperiled and all of the Board procedures establishing a Board of Inquiry could probably be completed in about 2 days.

After the President receives the Board of Inquiry's report, he can direct the Attorney General to seek the injunction. It is at this time that the Government's case demonstrating that the national health or safety is imperiled would be examined outside the Administration and by the district court where the injunction is sought. For this reason, it would be useful if convincing proof of impact be fully developed before the appointment of the Board of Inquiry lest the President be subjected to criticism that the Taft-Hartley procedures were initiated without proof that the national health or safety is imperiled.

At the present time, appropriate agencies of the government have been contacted and are in the process of developing information showing the national health or safety is endangered. The most critical data is currently being developed by the Department of Energy in conjunction with the Council of Economic Advisers and a number of representatives from other agencies and we have been informed that the Department of Energy's data will be available by the end of the day, Saturday, February 18. Other agencies are awaiting this data for use in the preparation of their affidavits. The limited information presently available does not appear to provide a sufficiently strong basis for immediate court action.

It is expected that the development of the case, including the preparation and perfection of these affidavits would take approximately one week, a week from today.

GOVERNMENT IMPOSED SETTLEMENT

A second option which should be considered is legislation to impose a Governmentally determined settlement on the parties. There are a variety of methods by which this could be achieved. These include compulsory arbitration by a Presidentially appointed Board or legislation of the contract terms by the Congress. The latter approach would present special difficulties because the resolution of difficult contract issues by the Congress would interfere with speedy enactment of the legislation. The following arguments are based on the "compulsory arbitration" approach.

IN FAVOR

1. Unlike Taft-Hartley or the seizure option discussed below, it provides a mechanism which is expressly designed to bring about a final resolution of the contract terms by the Government.

2. It is more even-handed than Taft-Hartley, because it puts pressure on both management and labor.

3. It is a less complex option than seizure, since the Government would not be involved in issues related to the operation and financial management of the mines. Complex issues relating to acquisition, operations and divestiture would be avoided.

4. Depending on the settlement achieved, workers may be more willing to return to work than if Taft-Hartley were imposed.

AGAINST

1. This approach would involve the greatest intrusion on the free collective bargaining process. Unlike either Taft-Hartley or seizure, this option would require that the Government mandate a final settlement.

2. Organized labor has strongly and traditionally opposed compulsory arbitration. This option would be seen as setting an undesirable precedent for future disputes. The controversy surrounding this issue could interfere with the prompt enactment of enabling legislation.

3. This approach could also create such antagonism among the mine workers that they would be unwilling to abide voluntarily by any settlement reached.

4. This option would involve greater delays than Taft-Hartley or seizure before achieving positive results:

a. Unlike Taft-Hartley, enactment of new legislation would be necessary.

b. Unlike Taft-Hartley or seizure, some time may be necessary for the arbitrator to fashion a final settlement.

c. Pending a satisfactory settlement, mine workers may be unwilling to return to work for the mine operators voluntarily under the old contract or the first negotiated agreement.

TIMING

Enactment of special legislation would take at least a week. It would affect the Senate's present consideration of the Panama Canal treaties and its proposed consideration of Labor Law Reform. It could be anticipated that not only would the introduction of special legislation on the mine strike delay the consideration of these measures, but it may have a serious adverse effect on their chances for passage.

Seizure

Any seizure legislation should be fashioned to achieve maximum protection for the interests of both management and labor. There are a variety of approaches which could be taken. It is clear, however, that such legislation should include provisions for: (1) just compensation for mine owners; (2) a mechanism to assure fair wages and employment conditions during the period of seizure; and (3) a mechanism to facilitate a resolution of the dispute by the parties.

Presidential seizure and temporary operation of industrial property has occurred 71 times in labor disputes, the first seizure occurring during the Civil War and the

most recent seizure taking place in 1952. The vast majority of seizures have taken place during wartime, particularly during World War II.

The purpose of these seizures has been to suppress physical violence, enforce the continuance of industrial production, or mediate a settlement in industries deemed essential for governmental or private use. In most cases, they have been used as a last resort. The median duration of the seizures has been 95 days, with 48 seizures of individual firms and 23 of groups of firms. The coal mines have been seized 6 times (1943, 1943-45, 1945, 1945-46, 1946-47). It is not well-settled that a presidential seizure must be based on legislation expressly authorizing its use in particular situations.

There has often been some resistance to the assertion of presidential authority. In 46 of the 71 seizures, some or all of either labor or management resisted the President's authority, usually at the beginning of the seizure operations. In 40 cases, the emergency disputes were fully settled during the period of Government control.

IN FAVOR

1. Seizure is more even-handed than Taft-Hartley because it puts pressure on both management and labor.

2. Seizure is considerably less intrusive on the free collective bargaining process than compulsory arbitration. Although the Government could fix temporary terms and conditions of employment, seizure would not impose a governmentally determined final settlement. Seizure could be accompanied by special mechanisms to mediate a settlement. While these mechanisms were operating, seizure would impose pressures on both parties to reach a reasonable final agreement.

3. The seizure option is less subject to intense opposition by organized labor than either Taft-Hartley or compulsory arbitration.

4. Seizure is the option most likely to encourage a voluntary back-to-work movement by the mine workers. It is also likely to minimize the potential for violence.

a. The Government, rather than the mine-operators, would be the temporary employer.

b. Seizure would be seen as involving a compromise of employer as well as labor interests.

c. The Government would have discretion to make some temporary adjustment of the terms and conditions of employment.

5. In the event that a large Federal presence was needed to protect against the possibility of violence at mine sites, this presence would be less obtrusive and controversial if the mines were under Government operation.

6. Because the seizure option presents greater uncertainties for both parties than either of the other options, a credible threat that the Government has adopted this option may create the greatest pressures for voluntary resolution of the dispute. It will be noted that in March of 1950, after a Taft-Hartley injunction failed to end the work-stoppage, President Truman requested authority from the Congress to seize the bituminous coal mines because of the pending labor dispute. The dispute was settled two days later.

AGAINST

1. The seizure option would take longer to implement than Taft-Hartley. New legislation would be required.

2. The Government may be subjected to criticism for not immediately using available remedies.

3. Seizure may set an undesirable precedent for future emergency disputes and may undermine the existing emergency dispute mechanisms.

4. Seizure would be more complex than either of the other options. It would involve the Government in difficult operational, financial, and legal issues.

TIMING

Enactment of special legislation would take at least a week. It would affect the Senate's present consideration of the Panama Canal Treaties and its proposed consideration of Labor Law Reform. It could be anticipated that not only would the introduction of special legislation on the mine strike delay the consideration of these measures but it may have a serious adverse effect on their chances for passage.

PROPOSED SHORT-RUN STRATEGY

I. Presidential Action

Over the weekend you would announce the following two-pronged strategy to bring an end to the coal dispute:

A. Government efforts to break the impasse

B. Monday meeting with Congressional leadership.

The details of these two initiatives will be spelled out below.

II. Government Attempts to Break Impasse

--On Sunday, I would outline the terms of a government-proposed settlement in letters to Arnold Miller and the chief executive officers of the coal companies.

--Letter would request that both sides take these changes through the contract ratification process.

--Letter would give both sides no more than 72 hours to consider and act on these proposals.

--Every effort would be made within those 72 hours to put pressure on both sides to agree to the government proposals.

--The terms of the agreement would include all of the items that the parties have agreed to, both during the negotiations and mediation process. Submission of the remaining unresolved issues--first to a mediation panel and then to arbitration.

III. Stimultaneous Congressional Initiatives

In announcing that you have asked for a Monday meeting with Congressional leadership, you would stress that it would be to review our options if the government-proposed settlement strategy fails. In this announcement you should specifically mention that these options include the Taft-Hartley injunction, compulsory arbitration and seizure.

--At the Monday meeting, you would outline the available options if negotiations fail:

a). Taft-Hartley Act 80-day cooling-off period.

b). Compulsory arbitration legislation.

c). Legislation for government seizure of mines.

IV. Optional Additional Presidential Step

--If you feel that stronger Presidential action is needed, you could publicly discuss the option of asking for seizure legislation. Such statements from you would only intensify the mounting pressures.

--Even stronger action could involve submitting seizure legislation to Congress during the 72-hour period while both parties were considering the government-proposed settlement.

V. Justification for Strategy

--Active, not passive, strategy. Underlines that government is continuing to push for end to strike.

--The 72-hour deadline allows time for additional pressure to build.

--Effort toward government-proposed settlement avoids, for the moment, problems involved in legislative options. Indications are that quick Congressional action on legislative options might be difficult. Legislative solutions run the risk of disrupting Senate debate on Panama Canal Treaties.

--A proposed government settlement allows us to build on what progress has been made in collective bargaining in the last few days.

--Monday meeting with Congressional leadership brings Congress into the process. If you decide on a legislative option, this kind of consultation would be needed. Meeting

also underscores your determination to take firm action if government-proposed settlement is rejected.

--This two-pronged strategy avoids the appearance of precipitous action. Lays the ground-work for legislative options, without irrevocably commiting you to them.

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THE PRESIDENT HAS SEEN.

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STATUS REPORT ON THE COLLECTION INFORMATION CONCERNING THE IMPACT OF THE COAL STRIKE

Gathering information on the impact of the coal miners strike is vital not only to the Taft-Hartley option but also to any effort to obtain special legislation to deal with the dispute. Despite continuous efforts to obtain information including contacts at the highest levels, we do not now have adequate information to prove that the national health or safety is imperiled. The following is a detailed list of the status of information collection on an agency-by-agency basis:

1. The Department of Energy and central economic agencies.

DOE in conjunction with CEA and representatives from a number of agencies dealing with economic policy are preparing estimates of the economic impact of the strike. They have agreed upon a methodology and are fitting the data into the methodology. DOE has promised it to us by the end of the day. Each affected agency will then be required to re-work their information to take into account this data.

2. Department of Commerce

Prepared first draft, but it does not fully develop the economic impact. It is currently being revised.

We have been advised that their affidavit will not be sent to us before noon on Tuesday.

3. Department of Treasury.

Submitted an affidavit but it is not sufficient to support injunction. Revisions will be required when new data is received from DOE.

4. Department of Defense.

Submitted partial information which does not support an injunction. Defense has been requested to re-examine the indirect effects on Defense suppliers and effects on a possible mobilization effort. DOE information will probably require a re-evaluation of their conclusions.

5. DOT, HUD, and ICC.

Have submitted information which is supportive does not deal with an impact of a substantial magnitude.

6. Department of State

Promised a draft affidavit before 5:00p.m. today dealing with effect on U.S. prestige in dealing with energy problems and reliance on oil imports.

7. TVA.

Basic information submitted supports an injunction but will need more recent re-evaluation before converting to an affidavit.

8. GSA

Submitted an affidavit on Emergency Preparedness which strongly supports an injunction but doesn't contain much specific data.

9. Department of Agriculture

Submitted information which is generally supportive but conclusory. More supporting data is required. Information being developed by DOE may be helpful.

PREPARATION OF SEIZURE LEGISLATION

Preliminary steps have been commenced to draft Seizure Legislation. It is estimated that it would take about two days to draft such proposed legislation.

900

THE WHITE HOUSE

WASHINGTON

February 21, 1978

Midge Costanza
Stu Eizenstat
Hamilton Jordan
Bob Lipshutz
Frank Moore
Jody Powell
Jack Watson
Hugh Cater

Re: Cabinet Summaries

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

Rick Hutcheson

EYES ONLY

CONFIDENTIAL ATTACHMENT

eyes only

THE WHITE HOUSE
WASHINGTON

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

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

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

		KRAFT
		LINDER
		MITCHELL
		MOE
		PETERSON
		PETTIGREW
		POSTON
		PRESS
		SCHLESINGER
		SCHNEIDERS
		STRAUSS
		VOORDE
		WARREN

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THE WHITE HOUSE

WASHINGTON

February 18, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Jack Watson

SUBJECT: CABINET WEEKLY SUMMARIES

Attached are weekly summaries from Members of the Cabinet for the week ended Friday, February 17th.

cc: The Vice President

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

February 17, 1978

MEMORANDUM FOR: The President
Attention: Rick Hutcheson, Staff Secretary

SUBJECT: Weekly Report of Major Departmental Activities

New Targeted Tandem Program. On Monday I am announcing the details of the new $500 million "targeted" Tandem program to provide for a 7-1/2 percent interest rate for targeted multifamily housing production. Assistance through this shallow interest subsidy program will be limited to projects located in approximately 320 metropolitan cities which meet the quantitative needs thresholds for the Urban Development Action Grant program. We expect that this mortgage purchase program will support the production of approximately 17,000 new and substantially rehabilitated units for middle income families. Commitments under this program will be available on a first come, first served basis beginning March 8.

Graduated Payment Mortgage Program. Activity in the program has increased significantly. As of the end of January we had processed nearly 1,400 cases under the program, 50 percent of which were received between the middle of December and the end of January. The Graduated Payment Mortgage program enables young people to purchase homes with reduced mortgage payments in the early years of the mortgage. Mortgage payments increase as income increases.

Foreign Zone in Georgia. The Shenandoah, Georgia new community held ceremonies dedicating the State's first foreign trade zone. To be eligible, the community had to be within 50 miles of a port (in this case, Atlanta International Airport). The benefits: Industry in Shenandoah's trade zone can import raw materials, manufacture goods, and sell the products abroad, all duty free. Among those present at today's dedication were General Carlos Humberto Romero, President of El Salvador, State officials, and representatives of EDA and HUD.

Meeting Disaster Needs. Since October 1, HUD has provided temporary housing for 6,571 families. The past week's floods in California damaged as many as 3,000 housing units, but it appears that fewer than 500 families will require HUD's help. In the eight-county Massachusetts disaster area, however, it appears that 3,500 families will require temporary housing.

Because of the severity of the winter, I have asked OMB to approve an additional $100 million above the $150 million supplemental already requested.

Pat

Patricia Roberts Harris

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

February 17, 1978

Re: Principal Activities of the Department of Justice for the Week of February 13 through 17

1. Meetings and Events

The Attorney General has been in New Orleans participating in the Midyear Meeting of the American Bar Association. On Sunday, he appeared on "Issues and Answers" in a broadcast from New Orleans. He spoke on Monday before the House of Delegates and held a general press conference on Tuesday.

2. Snepp Suit Filed

On behalf of the CIA, the Department on Wednesday filed a civil action in federal court in Virginia for breach of contract against Frank Snepp, a former CIA employee, who wrote and published a book, Decent Interval. The suit contends that Mr. Snepp did not submit his manuscript to the CIA for review as expressly provided for in an agreement Mr. Snepp signed at the time he became a CIA employee.

3. Legislation

- o Department bills concerning diversity jurisdiction, magistrates, and arbitration are at important stages in Congressman Kastenmeier's House subcommittee.
- o Six weeks of hearings on the criminal code recodification legislation will begin before Congressman Mann's subcommittee in late February.
- o Hearings have been scheduled for mid-March before the full Senate Judiciary Committee on the Administration's Undocumented Alien legislation. House hearings have not as yet been scheduled. Senate staffers and the legislation's proponents are concerned that the House not wait until the bill is actually sent to it by the Senate.

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THE UNDER SECRETARY OF COMMERCE
Washington, D.C. 20230

February 17, 1978

REPORT TO THE PRESIDENT "FYI"

The Interagency Council for Minority Business Enterprise held its third meeting this week to set specific agency goals for maximizing the effectiveness of Federal procurement efforts oriented to minority businesses. Our minimum goal is to double FY 1977's procurements of $1.1 billion by the end of FY 1979. Initiatives under development include: a revitalized bank deposit program; a plan for developing spin-off programs of new minority business enterprises by large majority firms; the expansion of successful minority business enterprises; and a minority business procurement program for Federally supported construction which builds upon the Department's Local Public Works experience. I am preparing a detailed report on IAC activities for submission to you in early March.

Industrial production, housing starts, and retail sales all took a nosedive in January. Widespread cold weather, snow and rain explain the major part of the drop. The coal strike also cut industrial production. While a dip in auto sales is partly attributable to the bad weather, it also reflects consumer reaction to new models and their higher prices. Because of weather and other factors, the February economic data may show little improvement; a strong rebound in March is more likely.

Recent publicity about extremely large judgments against automobile manufacturers has focused public attention on product liability. Under the direction of Commerce, an interagency task force has produced the most comprehensive analysis of product liability problems ever published. The Department is now completing an options paper for OMB and the Domestic Policy Staff, recommending both short-range and long-range solutions to this exceptionally complicated problem.

The Department's urban policy submission, forwarded this week to Stu Eizenstat, stressed the new and concerted uses we are making of existing Commerce programs in behalf of cities, as well as the need to focus Federal attention on the underlying economic problems affecting people, places and firms. Recommendations include: expanding the efforts of the Economic Development Administration; creating a National Development Bank; strengthening minority business opportunities; and providing new incentives for states to assume more responsibility for urban problems.

Sidney Harman
Acting Secretary

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THE SECRETARY OF THE INTERIOR

WASHINGTON

C

February 17, 1978

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Week of February 13

I am meeting with Western Governors today for our final meeting on water policy review. It is tough, but they are responding. With the exception of Dick Lamm, they are trying to be reasonable.

Our FY-78 budget for the Office of Surface Mining is still tied up with the B-1 Bomber. If it isn't released next week, I will request your help with a separation of the legislation.

Budget hearings before the Congressional Committees are going well with few attempts to increase your requests. The Public Works Committee hearing is next week on water projects and that will be the tough one.

Senator Burdick is still holding out, but next week is the time for you to meet with him. Frank Moore will set a time that is convenient.

Cecil D. Andrus

CECIL D. ANDRUS

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

February 17, 1978

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

TRAVEL. Tuesday and Wednesday I will be going to Amarillo, Wichita, Lincoln, Sioux Falls and Fargo to "sell" participation in the Farm Bill.

PRICES. The seasonally adjusted Wholesale Price Index for farm products was up 1.7 percent in December, the fifth straight increase.

WILDS. A formal signing ceremony for the Endangered American Wilderness Act would underline your environmental message.

AID. Six counties in Massachusetts and the entire State of Rhode Island have begun providing emergency food stamps for storm victims. The States are provided additional workers to speed up service.

EXPLOSIONS. Continental Grain Company, OSHA and EPA are being sued by some survivors of the recent grain explosion victims. USDA has not yet been named in any of the suits but may be.

REORGANIZATION. We have implemented a new Office of Operations and Finance to centralize and streamline our management functions, especially in our computer and procurement programs.

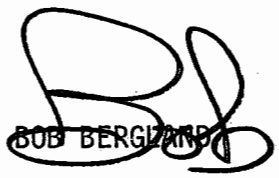
EPA. USDA and EPA are jointly sponsoring symposiums on the use of herbicides in forestry. The cooperation between the two agencies under your Administration makes the chemical companies nervous; the possibility that any herbicides may be used in National Forests makes the environmentalists uneasy.

HEARINGS. We spent eight hours before the House Agriculture Appropriations Subcommittee this week. They still are unuse to ZBB. This approach has maintained the same funding level for research but has eliminated research in some traditional areas such as tobacco production, watershed planning and new watershed starts (we have a six-year backlog of the latter). It

seemed to upset the individual members that many of their pet projects couldn't stand the test.

WHEAT. Wheat talks in Geneva were limited to procedural matters this week. We were able to get the EEC to agree to have separate subgroups for wheat and feed grains.

FERTILIZER. Supplies of fertilizer are up, prices down. Georgia is the only area where credit problems -- unpaid bills from last year and lack of financing for this year -- exist. Strong demand contradicts claims that planting will be cut back as a result of the strike.



BOB BERGLAND

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F.Y.I.

THE SECRETARY OF THE TREASURY

WASHINGTON

February 17, 1978

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

Mike Blumenthal is presently on a three-day swing across the country, making speeches and holding news conferences in South Bend, Indiana (at the request of Congressman Brademas), Minneapolis, Seattle and San Francisco. He is emphasizing the need for support of your tax reform package, the Panama Canal Treaty, the Witteveen Facility and a strong economy.

The dollar depreciated sharply this week on speculative selling arising primarily from the market's impression that the U.S. had tried -- and failed -- to persuade the Germans to increase their 1978 growth target. By mid-day Friday, the Treasury and Federal Reserve had sold a total of $344 million of German marks (in addition, the Federal Reserve sold relatively small amounts of Swiss francs). Foreign intervention has been moderate. The market remains quite unsettled, and the dollar is trading near its early January lows.

The Witteveen Facility is now scheduled to be considered on the floor of the House on Wednesday. We are continuing our meetings with Members to impress upon them the importance of this legislation to the stability of the world economy. Mike stressed the importance of the facility in his press conference on Tuesday.

Congressman Charles Wilson of Texas, one of our major supporters on foreign aid last year, has informed both Secretary Vance and Treasury that he plans to mobilize opposition to this year's entire aid program because of "inconsistent application of human rights policy." His particular focus will be the development banks, where he will push for no funding increase -- and hence a $1.6 billion reduction in our request. We are mounting an inter-agency effort both to answer Wilson's attack and to limit his success with other members.

Chairman Ullman is still planning to start tax reform hearings early in March and is making an effort to adhere to our agreed

upon time schedule of completing House floor action no later than the end of May, presuming there are no intervening diversions.

Robert H. Mundheim
Acting Secretary

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Community Services Administration
WASHINGTON, D.C. 20506

MEMORANDUM TO THE PRESIDENT

Attention: Rick Hutcheson, Staff Secretary

FROM: Grace Olivarez
Director
Community Services Administration

SUBJECT: Weekly Report of Significant Agency Activities
(February 13 - February 17, 1978)

Testimony Before HEW and Labor Appropriations Subcommittee

Community Services Administration testified before the House Appropriation's Subcommittee on February 15.

CSA's Management Design System

Development of a Management Information System is well under way. A first run of a comprehensive data systems and proposed management design have been submitted to OMB.

CSA is working with the South Bronx Committee to develop the role of community-based organizations with particular focus on commitment to technical assistance.

Urban Initiatives

CSA has provided the Domestic Council with three proposals for the President's urban initiatives; a 120 million dollar comprehensive outreach program; (Access America) a national program to hire the poor to remove architectural barriers; and a 10 million dollar pilot project to hire unemployed youth for housing rehabilitation projects.

Winter Crisis Intervention

CSA has made available an additional $900,000 to Community Action Agencies for blankets, food and other emergency supplies for low income families.

Transfer of Weatherization to the Department of Energy

The Director of CSA met with the Assistant Secretary of the Department of Energy on February 15 to begin preparation for the transfer of CSA's weatherization program to the Department of Energy and to discuss methods of improving CSA's Emergency Energy Assistance Program.

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United States
Environmental Protection Agency
Washington, D.C. 20460

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The Administrator

February 17, 1978

WEEKLY REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

There are no items to bring to your attention this week.

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United States of America
General Services Administration
Washington, D.C. 20405

Administrator

February 17, 1978

MEMORANDUM FOR THE PRESIDENT

THRU: Rick Hutcheson

SUBJECT: Weekly Report of GSA Activities

Emergency Assistance in Boston

Following last week's record snowfall in Boston, our Hingham Supply Distribution Facility finally reopened on February 13. The manager, using his Government credentials to pass through police roadblocks, was able to get in on Friday and Saturday to respond to an emergency request for 20 desks to establish offices for the Federal Disaster Assistance Administration.

Other storm related assistance was provided by our Office of Automated Data and Telecommunications which sent emergency communications coordinators to Providence, Rhode Island; Manchester, New Hampshire; and Boston, Massachusetts.

Coal Strike

GSA's Federal Preparedness Agency has been working with the Department of Energy (DOE) as coal stockpiles of some electric power stations approach critically low levels. Emergency coal shipments for hospitals and other critical facilities are continuing.

Management Help

Ordered by a Court to refund some $165 million in license fees to 11.3 million citizen band radio operators and commercial broadcasters, the Federal Communications Commission has turned to the National Archives Office of Records Management for technical aid on how the immense project can be most expeditiously and economically completed. The refunds were mandated on the basis the FCC did not have proper authority to charge the fees.

JAY SOLOMON
Administrator

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THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON

February 17, 1978

MEMORANDUM TO THE PRESIDENT

FROM: Ambassador Strauss RBS

SUBJECT: Weekly Summary

A Japanese purchasing mission is due in this country in March and I have talked by phone with Ushiba and in person with Ambassador Togo, keeping the pressure on them to see that the buying mission spreads all across the country and that orders are placed within 60 to 90 days following the exploratory trip. We are working very closely with the Commerce Department -- particularly the Trade Facilitation Committee of Assistant Secretary Frank Weil and the effort is fully cooperative and positive. Hopefully it will produce some meaningful results. It is essential that this mission and the others produce tangible results in the short-term.

Next Tuesday the annual Executive Order making numerous changes in the Generalized System of Preferences (GSP) will be sent to you. GSP provides for duty-free treatment of certain products from specified developing countries. The Trade Act requires the changes to be in effect by March 1 of each year, but the statistics which dictate the changes are only available in mid-February. This quirk in the law gives minimum time for processing the papers and obtaining your approval and signature.

Although most of the changes are mandatory, some are discretionary. The President can withdraw or add items to the duty-free list because of petitions that STR has received or because the statutory limits that eliminated a product last year no longer have that effect. The resulting Executive Order making these changes is, in the case of discretionary changes, the result of interagency discussion in the Trade Policy Committee structure. While not all the recommendations are unanimous, they represent an interagency consensus. A near-final version of the order was given to Stu Eizenstat on February 9, but unfortunately -- or fortunately -- you will have limited time for consideration.

Sunday night, Hamilton, Jody, Frank, Stu, Tim and Phil are coming to my house for steak, a few beers, and several hours of political talk with Bob Keefe, Loyd Hackler and me. I think it will be useful to us all.

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C

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

February 18, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall for

SUBJECT: Events in Coal Dispute in Last 36 Hours

Throughout the last two days my strategy has been to find some sort of middle ground between the two contending parties. To give you some idea of the issues and processes involved, let me outline the events of the last 36 hours:

A. Early Friday morning at the Roosevelt Room in the White House, I met with two of the leaders of the BCOA--Bruce Johnston of U.S. Steel and Bobby Brown of Consolidation Coal. In that meeting, the BCOA leaders offered concessions on four key issues:

1). "Payback" provisions for miners who engage in wild-cat strikes;

2). Cost-of-living adjustments;

3). UMW local members doing mine reclamation work;

4). Starting times of mine shifts.

B. During Friday morning and afternoon, I discussed these four issues with the UMW Negotiating Team and the Bargaining Council. The UMW took a hard-line and indicated that these concessions were not enough. They raised six other issues, as well. However, it was the thinking of some UMW leaders that if they could win a concession on one of these six additional issues ("non-signatory coal") an agreement might be possible.

C. Early Friday evening, I returned to the White House to meet with Johnston and Brown of the BCOA. They said they would have to consult with their superiors on non-signatory coal and would call me.

D. They called later Friday evening and asked for a meeting between me and the six-member BCOA executive committee. This meeting was held in the White House early Saturday morning. They would not yield on "non-signatory coal" and said that some rearrangement of their four earlier concessions represented their final offer.

E. I submitted this offer to the UMW. The Negotiating Team unanimously opposed this offer, but sent it to the Bargaining Council which also unanimously opposed it. Despite their opposition, the Bargaining Council took a vote on submitting the proposed offer to the UMW membership. The motion failed by a two-to-one margin. Participants then recessed for the night.

F. During most of today, I have been meeting with the UMW to discuss the situation. They are taking a hard-line demanding all eleven issues. I have been in contact with the BCOA who state flatly that further major concessions are impossible.

G. Negotiations are currently at a temporary impasse.

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U.S. SMALL BUSINESS ADMINISTRATION
WASHINGTON, D.C. 20416

OFFICE OF THE ADMINISTRATOR

February 17, 1978

TO: THE PRESIDENT

FROM: A. Vernon Weaver
Administrator

Patricia M. Mohuty, Acting

SUBJ: Special Weekly Report Requested
By The President

The internal reorganization study team at SBA has developed a plan to realign Agency resources and place more personnel in the "front line" district (field) offices. I am reviewing the reorganization plan and will implement appropriate recommendations as soon as possible.

The study team also recommended that SBA be used as a primary vehicle for economic stimulus and job creation on the premise that "it is better to lend than to spend." The SBA transition team made a similar recommendation.

Arguments for:

1. Loan funds would be used rather than grants, which are budget outlays.

2. Jobs created would be more permanent than public service and public works jobs.

3. The impact of the budget would be minimal since only the repurchase reserve (now 15%) appears initially as an outlay.

4. Small business is more labor intensive than big business.

5. SBA programs represent a direct injection into the economic mainstream. Approximately 3 months are required for SBA loan funds to enter the economy.

6. A recent SBA study indicated that for every $10,000 in loan funds expanded, 1 job is created, and that the net result, all factors considered, is a plus financially for the Federal government.

Arguments Against (By OMB):

1. The SBA sample used in the special study is incomplete due primarily to the fact that only 1% of SBA borrowers were considered.

2. Cost of job creation by SBA study would be unreliable due to the fact that those loans which are targeted to economically depressed areas would contain a large number of marginal small businesses. This could mean a higher loss rate.

3. Many business loans would be expanded beyond the market requirements.

Conclusion:

1. The reorganization study team feels this is an idea whose time has come. The economic and political advantages will be substantial. Why feed the budget deficit with outlays when job creations can be achieved with loan funds and a minimal impact on the budget.

2. There is Congressional sentiment for the program, especially in the Rural Caucus.

3. The study team feels that the advantages far outweigh any disadvantages.

Please note that this is one of a possible series of options that SBA could take. However, there needs to be more discussion and analysis. We will keep you informed if it is something we can pursue.

THE WHITE HOUSE
WASHINGTON

February 21, 1978

Secretary Califano

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

Rick Hutcheson

MANAGEMENT OF STUDEN ASSISTANCE PROGRAMS
FLU IMMUNIZATION

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

Joe
JC

February 17, 1978

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is my weekly report on significant activities in the Department of Health, Education, and Welfare:

- Management of Student Assistance Programs. On Thursday I announced a series of measures to ensure that the three largest student assistance programs in HEW -- the Basic Educational Opportunity Grant program, the Guaranteed Student Loan Program and the National Direct Student Loan Program -- are tightly and responsibly managed, both by the Federal government and by institutions of higher learning. The two loan programs were negligently managed by the previous administration. The initiatives include: use of computerized bill collection and record keeping, clarification and enforcement of procedures that institutions must follow to ensure that loans are being repaid, audits of information supplied by grant applications to protect against fraud and abuse, and much more aggressive collection techniques in the case of defaults. For example, the NDSL program has been operating at a default rate that may be as high as 20 percent: 700,000 students have defaulted on their notes, and there is approximately $600 million in unpaid principal.

Pursue collection of loans aggressively - Let me know every 2 - 3 months if progress - J

In my statement, I emphasized that the two programs which were the basis of your proposal to aid middle income families with college expenses -- BEOGs and GSL -- were sound: that we were preventing problems, that we had already begun steps to remedy existing problems and that, by the time the money you requested is available we will have put in place our sophisticated management system. By contrast, I noted that the problems with NDSL were a major reason why we requested no funds in this program.

In a related development, I also established new procedures to assure that all recipients of HEW grants and contracts maintain adequate accounting and other support systems to manage expenditures of Federal funds. Colleges and universities alone will receive $3.2 billion in Fiscal 1978. Last year, HEW auditors found that $13.2 million had been misspent (and should be recovered) and $419 million had not been adequately recorded under Federal rules.

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- Flu Immunization. I hope to announce next week a grant program to encourage the States to establish regular, annual flu immunization programs, and get the flu vaccination problem out of an annual crisis posture. Based on the recommendations of a recently convened conference of the nation's leading experts, and due to the Russian flu, we will try to get the program in place by the next flu season by asking Congress for an immediate supplemental appropriation of $16 million. This immediate action is appropriate because there is a significant chance that Russian flu will be widespread next year, and we should take reasonable steps to reduce its impact among vulnerable groups.

Although we should move now due to the Russian flu (because vaccine manufacturers need substantial lead-time to prepare a new vaccine for the next flu season), this will not be a crisis program. It will focus narrowly on groups at high risk of death if they become sick with the flu. We intend to take no position on liability coverage and leave it to the States to work out with the manufacturers -- a course which extensive consultations with the States, committees on the Hill and the manufacturers indicates will be acceptable if the Federal government keeps a low profile. Unlike the swine flu program this will not be a massive one-shot Federal effort. Rather, it represents a measured and appropriate response to a very real public health threat in high risk groups, and is the beginning of a State-by-State system of flu immunication programs.

Joseph A. Califano, Jr.

THE WHITE HOUSE
WASHINGTON

February 21, 1978

Secretary Adams

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

Rick Hutcheson

RE: CONRAIL
UNION STATION/VISITOR'S CENTER,
WASHINGTON, D.C.

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THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

Brock
F

February 17, 1978

MEMORANDUM FOR THE PRESIDENT

ATTENTION: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

SUBJECT: Significant Issues Pending at the Department of Transportation

ConRail - On February 15, ConRail submitted its five-year business plan to USRA indicating a need for $1.3 billion in additional Federal funds to become profitable. At a press conference on January 15, I stated that we would attempt to assist ConRail through 1979 with existing financial aid programs under the Quad R Act and that I continued to believe in the ConRail concept. I hope we will be able to avoid a major railroad bill this year, but Congress is already proposing additional authorizations for ConRail which I hope we can put over to FY 1980. Congress will hold hearings during the spring and summer of this year which will lay the groundwork for additional authorizations.

Good

As required by Section 216 of the Quad R Act, Secretary Blumenthal and I will notify Congress that ConRail cannot reasonably be expected to attain profitability under the existing plans within the limit of Federal funds now available.

The Special Court in its opinion has stated it wants the Government to try to negotiate a settlement of the case filed by the bankrupt estates who transferred their assets to ConRail. I have met with the Justice Department Assistant Attorney General Michael Egan, Treasury, and OMB representatives, and we have established an Administration Policy Committee and agreed to have Mr. Elliot Cutler be our chief negotiator. Any funds required for a settlement should be included in a railroad package for FY 1980.

Highway Repair Legislation - As I reported in my memorandum to you last week, the House Public Works Committee approved legislation to authorize $250 million in Federal funds to repair pot holes caused by the severe winter weather. OMB has refused to clear approval and I have indicated to the Committee I will not be testifying.

Union Station/Visitor's Center, Washington, D. C. - I have developed with Cece Andrus a recommended program for solving the long-standing

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problems at the Washington Union Station-National Visitor Center complex and am currently scheduled to testify on February 22 before the House Public Works Committee. It is imperative that Secretary Andrus and I both testify together to present a united Administration position.

Our proposal provides that the Department of Transportation will assume the Department of Interior's lease for the Station and reconfigure the Station for joint use by Amtrak and the National Visitor Center. As part of my program, DOT will also complete the unfinished parking garage behind the Station and rehabilitate the old Station building, which is structurally deteriorating. This program will turn the Visitor Center project that has become a political dilemma and a transportation problem into a completed facility that meets the needs of both rail travelers and visitors to the Nation's Capital. Secretary Andrus and I have also agreed to the legislation required to transfer the Station lease from DOI to DOT and to authorize the funds to carry out the construction.

Involve OMB to minimize cost

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EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

C

February 17, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren
Gus Speth

SUBJECT: Weekly Status Report

In Progress with Jody and Tim

CEQ's Annual Report: We have contacted Tim Kraft through Jody asking them to consider a signing ceremony for your issuance of the annual Environmental Quality report. The report will be ready for release during the week of February 27. If arranged, we hope you will also use the occasion to meet with CEQ staff as you have done recently with other Executive Office personnel.

Background: Under Section 201 of the National Environmental Policy Act, the President submits to Congress each year an Environmental Quality report which the Council prepares. Since 1970, the annual Environmental Quality report has come to be regarded as the definitive review of the state of the nation's environment.

Each year CEQ reports on progress toward meeting national clean air and water goals. This year, for example, the report will inform Congress of success in cleaning up over 50 bodies of water around the country. Once seriously polluted, these lakes, rivers, and streams are now clean enough for fishing and swimming.

Argiculture: We are circulating today for interagency review a draft of the Council's report: "Integrated Pest Management: Status and Prospects in the United States." Pursuant to the Environmental Message, the report includes a section on recommended actions which the federal government should take to encourage the development and application of pest management techniques which emphasize the use of natural biological and environmental controls, thereby allowing reduced dependence on chemical pesticides in agriculture, forestry, public health, and urban pest control programs.

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Memo	Zbigniew Brzezinski to Pres. Carter, 4 pp., re:Weekly Defense Report	2/21/78	A
Memo	Brzezinski to Pres. Carter, 7 pp., re:Foriegn Aid	2/21/78	A
Cabinet Summaries	Andrew Young to Pres. Carter, 1 pg., re:UN activity	2/17/78	A
Letter	Robert Small to Charles Kirbo, 4 pp., re:Textile imports	1/30/78	A C

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Rape or incest

THE WHITE HOUSE
WASHINGTON

TUESDAY-FEB. 21, 1978
1:00 P.M.

MR. PRESIDENT

SECRETARY CALIFANO CALLED.
IF POSSIBLE, HE WOULD LIKE
TO SPEAK TO YOU BEFORE
1:45 --WHEN HE GOES BACK
TO TESTIFY.

T.K.

Abortion - Rape or incest + ~~No person~~ danger life of mother - If abused, stricter regs.

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February 20, 1978

MEMO-TO: The Speaker
FROM : Irv Sprague
SUBJECT: Leadership Meeting 8:00 AM Tuesday, White House

POSSIBLE DISCUSSION TOPICS

1. Energy.

2. Panama Canal Treaty.

3. Coal Strike.

4. Ways and Means Committee Logjam. (We need to set priorities.)

a. Debt limit expires March 31. Must be sent to White House by March 22 because of Easter Recess. Committee plans to report February 28 and be on House Floor March 7. This will take extraordinary effort by Secretary Blumenthal and Frank Moore to pass House and keep Senate from loading it with extraneous matters. We often lose on first attempt. Last year: First vote lost 180 to 201; second try 213 to 202. We had just 19 Republicans. The numbers are bigger this year.

b. Welfare Reform completed by Ad Hoc Committee. Referred to Agriculture, Ways and Means and Education. Concern that moving now on this bill would give Ways and Means excuse for not getting to tax reform. Corman is asking to see the President this week. Possible solution: Give tax cuts and reform first priority, with promise by Ullman, Foley and Perkins to move out welfare by the end of May, after taxes. Bill will have to be cut back substantially. Chances of becoming law this year remote... this kind of reform always takes time, i.e., Aime Forand and Cecil King worked years to get us Medicare.

c. Hospital Cost Containment. Rogers' subcommittee finished. Rostenkowski expects to finish in March. Query: When do you go to full Ways and Means...(a) break into tax deliberations right after the Easter recess, or (b) after taxes but before welfare, or (c) after welfare? Rostenkowski and Califano both say they are getting closer together on details, i.e., Rostenkowski voluntary plan triggered into mandatory program if hospitals do not meet their cost goals.

d. Tax Cuts and Reform. Committee inundated with witnesses. Hearings scheduled through mid-April. Markup April 14 to 28. Hope to be on Floor the first week of May. No concensus yet in committee on size or shape of the tax cut. Reforms are all in deep trouble.

e. Social Security. Labor is mounting a move to take $5.4 billion of the tax cuts (half business, half personal) to be used to cut back on social security taxes. They claim to have picked up over 100 Democratic sponsors. Labor leaders in Miami yesterday endorsed the plan and decided on all-out effort, starting with Democratic Caucus.

5. B-1 Bomber. Vote tentatively set for Wednesday. B-1 proponents will probably have their people here.

6. International Monetary Fund. Vote on supplemental financing set Wednesday. Human rights issue. Whip count underway. Tough to pass.

7. Overseas Private Investment Corp. Scheduled Thursday. Pulled previously after crippling amendments adopted.

8. Budget Resolution. Report April 15. Dispute over outlays and deficit and mix between Defense and social programs. It will be very tough to put a package together. Past history: 177, defeated 320 to 84, then passed 213 to 179. 1976, passed 221 to 155. 1975, passed 200 to 196.

9. Postal Reform. Administration to sign off on a compromise this week.

10. Humphrey-Hawkins. Ordered reported. Scheduled first week in March. Jurisdictional problem between Budget Committee and Joint Economic Committee on who will set the goals each year on employment, inflation, debt, etc.

11. In Conference. Outer Continental Shelf, D.C. Appropriations, Energy, FTC Amendments, Age Discrimination, Insecticide Act, Supplemental Appropriations, Redwoods, Judges, Bankruptcy.

12. Expected Soon. D.C. Voting, Campaign Financing, Alaska Lands.

Next Week

Byrd no legis. on TH now
Panama - Crippling amend.
M East arms - 30 day data
after Easter

Tip - 81, IM 7, OPIC
Baker - Coal - Want action
Rhodes
Bellenger - Some coal
mining -
3 mil/ unemp 4/1 → 4/30

incentives
Wildcat strikes

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THE WHITE HOUSE
WASHINGTON

Leadership breakfast 2-21-78

B-1

IMF - Witteveen

Mid East arms

Energy

Panama

Pitts bg & Midday
Taft. Hartley
Econ impact
250 mil pothole - Fed 100% - no EIS
precedent

Mengistu

Begin 3/14-15

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2/21/78

CD- If we ~~[illegible]~~ have to compromise, we can get a much better compromise than that one. I believe we could get agreement to "stockpile the tooling for B-1" at a cost of (say) $30-40M.

HB

No compromise

J

THE WHITE HOUSE
WASHINGTON

2-21-78

To Bob Berglund

Please comment

F.C.

cc: Jack Watson
Lyn Daft

GOLD KIST INC.
MARKETING GROUP
February 8, 1978

Take to Washington
You have expressed some interest in this area - This is a small matter but might give you some idea of what going on in agricultural Dept. (K.

MEMO TO: Roger Hill

FROM: Wayne Sims Wayne

SUBJECT: GOVERNMENT REPORTS

We continually hear on the news media about reducing the amount of reports which the government requires. This appears to be working in reverse. Last year the Peanut Division was required to do four each of MA-100's. This year the same four MA-100's were required and 11 forms CB-50S were added. The additional reports were of the same magnitude in the Oil Products Division.

I am not sure who we should complain to, however, it is taking a great deal of effort and in most instances this effort is required of our management personnel rather than of our clerical personnel. I personally feel that top management should be made aware of this increased load and cost since it takes approximately six hours per report.

pmf

cc: Gaylord Coan
Peter Gibbons
D. W. Sands