9/4/78 [1]

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Cabinet Summaries	~~Andrew Young to Pres. Carter, 1 pg., re:UN activities~~ opened per RAC NLC-126-14-14-1-0, 6/12/13	8/18/78-9/1/78	A
Cabinet Summaries	~~Andrew Young to Pres. Carter, 1 pg. re:UN activities~~ opened per RAC NLC-126-14-14-1-0 6/12/13	8/18/78	A
Cabinet Summaries	Harold Brown to Pres. Carter, w/attachments 3 pp., re:Defense Summaries	8/18/78	A
~~Memo~~	~~Frank Moore to Pres. Carter, w/attachments 8 pp., re:Legislative report~~ Opened 10/4/96	~~9/1/78~~	~~A~~
~~Memo~~	~~Jack Watson to Pres. Carter, 2 pp., re:weekly Report~~ Opened 10/4/96	~~9/1/78~~	~~A~~

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File, 9/4/78 [1] Box 101

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THE WHITE HOUSE
WASHINGTON

September 4, 1978

Frank Moore

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

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Stu Eizenstat
Jack Watson

~~CONFIDENTIAL~~

DETERMINED TO BE AN ADMINISTRATIVE MARKING BY _____ DATE 10/3/96

Frank C

THE WHITE HOUSE

WASHINGTON

September 1, 1978

~~CONFIDENTIAL~~

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE F.M.

SUBJECT: Legislative Report Covering Period from September 6 - September 8, 1978

DOMESTIC POLICY ISSUES

1. NATIONAL ENERGY ACT

Our working group will continue to meet daily and we will keep you apprised of all information as it is received.

2. REORGANIZATION

Civil Service Reform: My August 31 memo to you summarizes the situation.

--The House will take up the legislation again on Thursday. As has been the case through much of this process, our hopes lie with the negotiating skills of Mo Udall; our problem is Bill Clay. If Udall can craft a Title VII package acceptable to the Administration, the AFL-CIO, Derwinski, Ford and Clay, we will have a House bill by the end of the week. As I indicated in my memo, Scotty Campbell is staying in close touch with Udall and Derwinski.

3. DEPARTMENT OF EDUCATION

The major issues revolve around probable amendments including Senator Roth's anti-busing amendment, Senator Percy's amendment to delete all USDA programs now in the Committee's bill, and Senator Stevens' amendment to prohibit the transfer of BIA Indian programs.

--We are hoping to dissuade Senators Roth and Helms from introducing an anti-busing amendment which if attached to the bill would cause labor and civil rights groups to oppose the legislation actively and may have the effect of precluding House action this year.

DETERMINED TO BE AN ADMINISTRATIVE MARKING BY _____ DATE 10/3/96

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--Negotiations are continuing with Senators Talmadge, Percy and McGovern to try to reach a compromise on the nutrition issue. A meeting has been scheduled with Senator McGovern on September 7. If this effort is not successful, we will lose the entire nutrition transfer.

4. DOD VETO

Our latest tally is:

Good. Don't let it slip.

173	firmly committed to vote to sustain
32	leaning our way
70	undecided
44	Leaning toward voting to override
114	firmly committed to vote to override
433	

--Though the press continues to work the "vetoed the wrong bill" stories, we are confident we will prevent an override if it comes to a vote in the House as Chairman Price's letter seems to indicate it will.

5. ALASKA D-2 LANDS

The Senate Energy and Natural Resources Committee was unable to conclude mark-up before the recess. Mark-up will continue the week of September 5. DOI reports they remain hopeful that a Senate bill can still be crafted, but see no way of avoiding a conference should Senate passage be realized.

--Interior is continuing to pursue the various administrative steps that may be necessary to protect Alaska lands until passage of the legislation is accomplished should lack of congressional action this year make such steps necessary.

--Interior has requested that you release a statement indicating your willingness to take administrative steps if there is no legislation. WHCL, DPS and OMB will review Interior's proposed statement and suggest a course of action shortly after you return from Camp David.

ok

6. URBAN POLICY

Labor Intensive Public Works/Local Public Works: The Senate Committee on Environment and Public Works met August 22 and agreed to schedule a subcommittee mark-up following the Labor Day recess.

--Subcommittee Chairman Burdick now says the subcommittee cannot mark-up the legislation until September 15 due to Senator

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Stafford's absence. Commerce is pushing to change this date to insure that LIPW will reach the Senate floor before adjournment.

--As a result of the Administration's decision to provide $30 million in support of Senator Bentsen's $45 million proposal for local school construction along the Texas-Mexico border, Senator Bentsen is now supporting LIPW. We now have a one-vote margin to carry LIPW in both the subcommittee and the full Committee.

--However, with Senator Muskie and the Republican Membership strongly opposing LIPW on inflationary grounds and for lack of budget authority, it is important that the $1 billion authorized for LIPW in the first FY 79 Budget Resolution be included in the Senate's second Budget Resolution during Senate floor action on September 6.

--In the House, the Committee on Public Works and Transportation plans to mark-up H.R. 11610, the combination Local Public Works/ Labor Intensive Public Works bill, the week of September 4.

Supplementary Fiscal Assistance: Treasury has targeted 300 House Members for special work on this issue. Each is being contacted and is receiving data on the amount of assistance their districts would receive under the bill. Public interest groups have also been supplied with the information.

--Treasury is anxious to schedule the bill as soon as possible for Senate floor action so they can concentrate their efforts on the House.

7. SURFACE TRANSPORTATION

The Senate completed consideration of the highway and highway safety titles of the highway/transit bill on August 21. These Administration-backed titles remained essentially unchanged from the bills reported by the Senate Public Works and Commerce Committees. The Senate did, however, add $75 million to the highway title for the Bridge Program; this increase is less than the Administration-opposed Culver-Heinz Amendment that would have added $150 million.

--The other major effort to add funds was defeated when the Senate voted 37-51 against the Randolph-Huddleston Amendment for a new coal road program.

--The transit title was not considered before the recess because we asked that it be postponed until after consideration of Civil Service Reform.

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--DOT reports that Brooke's amendment to the bill providing for Federal financing of 50 percent of the operating deficits of all transit systems, which has been vigorously lobbied against by the Administration, appears to be in serious trouble.

Veto is a strong possibility

--When the transit title is taken up (probably during the week of September 11), Senator Morgan (D-N.C.) will offer an amendment to be supported by Senators Proxmire, Muskie and Bayh which would strike approximately $1 billion from the bill. This would still be $1.3 billion over our budget over four years.

--OMB, WHCL and DOT CL met on Thursday to discuss strategy for both the House and Senate bills. We asked DOT to continue to search for sponsors of amendments to bring the bills closer to your budget.

8. FOREIGN INTELLIGENCE SURVEILLANCE ACT

The Foreign Intelligence Surveillance Act is scheduled for House consideration on Wednesday. This is the Justice Department bill which requires judicial approval for proposed electronic surveillance for foreign intelligence purposes within the United States. Justice reports it will encounter substantial opposition from Republicans and conservatives who claim that the bill will hinder intelligence activities.

--Final action on the bill is expected on Thursday following the DOD veto override attempt.

9. SENATE SECOND CONCURRENT BUDGET RESOLUTION

The Senate Second Concurrent Budget Resolution is scheduled for Wednesday, September 6.

--The committee report recommends a total of $489.5 billion, which is approximately $1 billion less than our recommended second resolution total. OMB's strategy is to support the total, but not the functional allocations as defined by the committee. OMB believes that these functional allocations are not binding, and that any substantial effort on the floor to modify them would bring about severe criticism and substantial difficulty from the Senate Budget Committee, especially Senator Muskie.

--Consideration of the resolution should take a day-and-a-half. We expect it to pass and the conference to meet and get it out of the way quickly since there are no major differences between the House and Senate.

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10. APPROPRIATIONS

In Conference:

Agriculture: Over Administration Budget - House - $410 M; Senate - $276 M

Interior: Over Administration Budget - House - $459 M; Senate - $381 M

Jim McIntyre is sending letters to the conferees on both of the above. He will outline the problems that we have with each bill and will recommend specific corrective action.

Ready for Senate Floor Action:

Labor-HEW: This bill is below the House-passed version and also below the Administration's request, mostly due to a cut of $1 billion from the BEOGS program. Much of this will be restored in the conference. Nevertheless, it gives Senator Magnuson a strong bargaining position.

Tuition tax credit = veto

--In the full committee mark-up a number of important cuts were made. The most significant is in impact aid, which is now $57 billion below our budget request and, of course, below the House-passed version. The National Institutes of Health is above the House version, but is below what the subcommittee recommended.

--After Senate action, HEW and OMB will send letters to the conferees urging final passage of this important appropriations bill at an acceptable level of spending. We feel that this will continue to be troublesome and will follow it closely.

In Committee:

Defense: As you know, the Senate Appropriations Committee suspended mark-up of the Defense appropriations bill after the veto of the Defense authorization bill. It will be taken up again after resolution of the authorization bill. OMB reports there is a good probability that the Department of Defense will have to operate on a continuing resolution for a period of time in FY 79.

Second Supplemental Appropriations: The Senate passed the second supplemental by a vote of 67 to 11 just before it went into recess. OMB reports it is important that you

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sign this upon receipt since some Departments are likely to run into financial difficulty very early in September.

MISCELLANEOUS

--The Administration realized a victory on the floor of the Senate in the debate on impact aid during consideration of the Elementary and Secondary Education Act amendments. Senator Magnuson did a magnificent job on leading an aggressive effort to roll back this entitlement program and establish funding ceiling and won a final vote (62-22).

--Another amendment by Senators Javits and Bellmon passed which would bring impact aid under the appropriations process in the future. This amendment, however, does not stand a very good chance of being kept in conference, but is certainly desirable. This was an instance where constant pressure by the Administration to change an entitlement program that has been in existence for many years -- and that all Presidents in the past 20 years have failed to change -- was successful.

--Former Congressman Jerry Waldie (a 1974 candidate for Governor of California) was confirmed by the Senate as Chairman of the Federal Mine Health and Safety Commission on August 25.

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FLOOR ACTIVITIES, WEEK OF SEPTEMBER 4

House

Monday and Tuesday - Not in session.

Wednesday

H.R. 12432, Civil Rights Commission Authorization

H.J. Res. 1088, NYC financial aid appropriations

H.R. 7308, Foreign Intelligence Surveillance Act

Thursday

H.R. 10929, Department of Defense authorization FY 79 (The House will meet at 10:00 a.m. to consider overriding the veto)

The House will also complete action on:

H.R. 7308, Foreign Intelligence Surveillance Act

H.R. 11280, Civil Service Reform

Friday

S.J. Res. 4, Hawaiian Native Claims Settlement Commission

H.R. 11711, Adjustment Assistance Reform Improvements

H.R. 11622, Fuels Transportation Safety

Senate

Monday and Tuesday - Not in session.

Wednesday through Friday: The Senate will consider the second budget resolution FY 79. The conference report on the natural gas pricing bill (S. Rept. 95-1126) may be called up early in the week of September 11th.

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~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

September 1, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON

SUBJECT: WEEKLY REPORT

NGA Conference in Boston

As you know, the Governors' meeting was successful. In addition to the report provided in your briefing materials for Wednesday's White House meeting with the Governors, there are several other developments about which you should be aware.

- In a private lunch, Gene Eidenberg and I were advised by Julian Carroll of his intention to seek a new Executive Director for NGA.

  Julian has consulted widely with other Governors and on the Hill and has concluded that the NGA is not effective as a lobbying force. He wants to forge the NGA into a real political force on the Hill. While no final decision has been made, Julian will be looking for a new Director with proven political judgment and stature. We will be consulted by Julian on this important decision.

- Jim Hunt of North Carolina was selected as Chair of the Democratic Governors' Caucus and Ella Grasso as Vice Chair. This decision was made in consultation with Tim, Anne and me.

  Jim wants to work very closely with us on high-priority Administration initiatives. He and Julian will make an effective team.

  Jim has sent a letter, which we drafted, to each Democratic Governor asking for his/her active support for civil service reform. I delivered your own letter on this subject to each of the Governors at the Boston meeting.

"DETERMINED TO BE AN ADMINISTRATIVE MARKING
CANCELLED PER E.O. 12356, SEC. 1.3 AND
ARCHIVIST'S MEMO OF MARCH 15, 1983"

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Your Meeting with Governors

Julian reported that your meeting with the Governors could not have gone better. He said that your taking the time to have lunch with them was a masterstroke and very much appreciated.

The weekly reports from the Cabinet for the week ending September 1 are attached.

cc: The Vice President

THE PRESIDENT'S SCHEDULE

Monday - September 4, 1978

8:30 a.m.	Dr. Brzezinski - The Oval Office
9:00 a.m.	Frank Moore - The Oval Office
9:30 a.m. (15 min.)	Hispanic Taping - (Jerry Rafshoon) The Roosevelt Room
10:00 a.m. (15 min.)	Ed Sanders - The Oval Office
12:00 noon	Depart for Camp David

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THE WHITE HOUSE

WASHINGTON

9/4/78

To Jim McIntyre

I want the executive order re regulatory reform carried out. This is an OMB responsibility.

Give me a status report when I return from Camp David.

I need a series of substantive "sunset announcements. Work with Cabinet. Jerry & Stu will help.

Jimmy

cc Jerry, Stu

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C

THE WHITE HOUSE

WASHINGTON

September 2, 1978

ADMINISTRATIVELY CONFIDENTIAL - DO NOT CIRCULATE

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT

SUBJECT: Regulatory Reform Enforcement

Prior to writing this memo to you on a confidential basis, my staff and I have discussed the issue with Jim McIntyre and his staff numerous times over the past year.

The problem I see is a serious lack of resources devoted by OMB to oversight of agency compliance with the Executive Order on Improving Government Regulations which you signed March 23 of this year. At present, OMB appears to be devoting no more than the equivalent of one full-time employee to this project.

The Executive Order assigns OMB responsibility for supervising agency compliance. When you signed the Order, you wrote to Jim: "Devote top effort to enforcement. I will help you personally."

Strong OMB leadership, backed by adequate staff resources, is essential for making this Order the basis for an effective, high-visibility, on-going program, rather than a one-shot announcement. This need is especially great with respect to the most promising feature of the Order -- its requirement that agencies select out-dated regulations for sunset review. To assure that agencies select genuinely important regulations, and to assure that their reviews are handled in a manner which maximizes public credit for you, a substantial EOP supervisory effort is needed.

The importance of EOP supervision is illustrated by last year's regulatory sunset record, when our reliance was exclusively on the agencies to initiate their own programs. By far the most important announcement was OSHA's bold initiative to discard 1100 "nit-picking" safety regulations. This announcement came as a surprise to the White House;

with pre-planning and oversight, it would have been made with your direct involvement. Moreover, recent press reports disclosed that OSHA was on the verge of succumbing to labor union pressure to retain all but a comparative few of the regulations originally slated for elimination. After discussions between my staff and Ray Marshall's staff, the Labor Department reaffirmed its commitment to go through with the sunset program.

EOP oversight is needed. The new Executive Order provides a mandate for filling this need. But so far as we can determine, no significant effort has been made to evaluate the regulations chosen by the agencies when they published for public comment their proposed compliance plans on May 23, nor to begin mapping plans for a dramatic series of regulatory sunset announcements for the balance of 1978 and 1979. The OSHA announcement -- still not fulfilled -- is the only sunset step proposed. No one in the EOP complex or at OMB is pressing the agencies and departments to do more.

Failure to realize the potential of this program is unfortunate, because it could be a central feature of our general effort to demonstrate fulfillment of your commitment to discipline the bureaucracy. Jerry Rafshoon is commendably taking the lead in structuring plans for engineering a steady stream of government reform achievements. None of these hopes can be realized, however, without strong EOP leadership.

I recommend that you directly raise this with Jim McIntyre, ask him to put more resources on it, and to achieve some visible result, and to work with Jerry Rafshoon in insuring adequate publicity. The fact that one of the two positive press pieces attached to Jim's memorandum is a seven-month-old article is indicative of the absence of success with implementation of E.O. 12044.

THE WHITE HOUSE
WASHINGTON

September 4, 1978

Hamilton Jordan
Frank Moore

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

Rick Hutcheson

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Good
J

THE WHITE HOUSE

WASHINGTON

September 4, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE F.M.
HAMILTON JORDAN H.J.

SUBJECT: HARTFORD CIVIL CENTER GRANT ANNOUNCEMENT

You asked about the HUD and Commerce grant for the Hartford Civil Center.

The grant announcement is one which was coordinated by the White House. For over a year we have had a problem with Congressman Bill Cotter from Hartford. He wouldn't talk to any Administration official. When it became apparent several months ago that a UDA grant was going to Hartford, Frank called Senator Ribicoff, told him of our problem, and he agreed to help by allowing the Congressman to announce the UDA grant, and he would announce the Civil Center roof repair grant, which, unlike the UDA grant, was expected, but also much bigger news for Hartford.

This is one instance where everything has worked perfectly as far as making the grant announcement is concerned.

cc Ham - We could have really used this politically.

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

August 18, 1978

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

SUBJECT: Weekly Report of Major Departmental Activities

New Regulations Formalize Relations Between HUD, Federal National Mortgage Association. The regulations, implementing the Secretary's authority over the conduct of FNMA's secondary market operations, will help assure that FNMA carries out its public purposes, including more support for housing for low and moderate income families and assistance in distributing mortgage funds from credit-strong to credit-weak areas. Among the major provisions of the regulations are: setting of goals for FNMA in the purchase of conventional mortgages for low and moderate income families and in central cities, annual or specific audits of FNMA books and financial transactions, the submission by FNMA of regular reports on its activities, and a requirement that FNMA and its contractors and vendors abide by equal employment opportunity requirements. In a press release issued only hours after the regulations were announced, Oakley Hunter, Chairman of the Board and President of FNMA, expressed general satisfaction with the regulations. Senator Proxmire, in a statement released the day of the announcement, supported the Department's regulations as fulfillment of Congressional intent. Later the Mortgage Bankers also issued a release approving the regulations.

Department Contracts for Independent Review of Claims for Structural Defects in FHA-Insured Homes. Owners of homes purchased with FHA-insured mortgages between August, 1968, and August, 1976, who say their homes have structural defects will have their claims reviewed by the American Institute of Architects. This independent review will be a check of internal HUD procedures and should help determine areas where adjustments may be needed.

Changes in Government National Mortgage Association Could Speed Up Construction. Low and moderate income families and distressed cities may benefit from a change in procedures for getting GNMA mortgage purchase commitments under the Section 8 Tandem and Targeted Tandem programs. Developers now have only thirty days after they qualify for FHA insurance to apply for a commitment from GNMA to buy loans. Before the change, developers did not have to apply for this commitment within a specific time period. The change not only ensures a more orderly flow of commitments, but is anticipated to have the effect of evening out construction activity over the year.

HUD and Commerce Join to Restore and Expand Hartford's Civic Center. Secretaries Harris and Kreps jointly announced a $10,070,000 commitment to repair the convention and recreation center which was damaged last January when the roof collapsed following a severe winter storm. HUD's Office of Community Planning and Development has awarded $5,070,000 of its disaster discretionary funds towards the project, and the Commerce Department's Economic Development Administration has pledged $5 million. The interagency effort will help continue the downtown revitalization being carried out by the Hartford city government.

Pat

THE WHITE HOUSE
WASHINGTON

September 4, 1978

Jerry Rafshoon

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

Rick Hutcheson

cc: Jody Powell
Fran Voorde
Phil Wise

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION

	ADMIN CONFIDENTIAL
	CONFIDENTIAL
	SECRET
	EYES ONLY

ACTION	FYI	
		VICE PRESIDENT
		JORDAN
		EIZENSTAT
		KRAFT
		LIPSHUTZ
		MOORE
	X	POWELL
X		RAFSHOON
		WATSON
		WEXLER
		BRZEZINSKI
		MCINTYRE
		SCHULTZE
		ADAMS
		ANDRUS
		BELL
		BERGLAND
		BLUMENTHAL
		BROWN
		CALIFANO
		HARRIS
		KREPS
		MARSHALL
		SCHLESINGER
		STRAUSS
		VANCE

		ARAGON
		BUTLER
		H. CARTER
		CLOUGH
		CRUIKSHANK
		FALLOWS
		FIRST LADY
		GAMMILL
		HARDEN
		HUTCHESON
		LINDER
		MARTIN
		MOE
		PETERSON
		PETTIGREW
		PRESS
		SANDERS
	X	VOORDE
		WARREN
	X	WISE

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THE WHITE HOUSE
WASHINGTON

9/1/78

Mr. President:

Jody agrees with Jerry that White House correspondents should not be invited.

Rick

I agree
J

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MEMORANDUM

THE WHITE HOUSE

WASHINGTON

August 25, 1978

Too many - I

MEMORANDUM FOR THE PRESIDENT AND MRS. CARTER

FROM: JERRY RAFSHOON

Attached are my recommendations for media dinners. We have tried to group the executives in some sort of order; however, they can be rearranged if you desire. I would suggest that you have the Los Angeles TIMES and Bill Moyers at one of the first dinners.

Having the executives from the Associated Press and United Press International is fine with me. You should, however, keep in mind that Helen Thomas and Frank Cormier are White House correspondents and that we have not had any other White House correspondents in the past. Inviting them would necessiate our considering other White House working press members (i.e. from networks, major newspapers, etc.)

I am sending a copy of this memo to Jody for his comments as well.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Dinner I	Otis Chandler, Publisher, CEO, LA Times Tom Johnson, President, LA Times William F. Thomas, Editor, LA Times Dennis Britton, National Editor, LA Times Jack Nelson, Washington Bureau Chief, LA Times Bill Moyers, PBS
Dinner II	Frederick Taylor, Executive Editor, Wall Street Journa Warren Philips, President, Wall Street Journal Laurence O'Donnell, Managing Editor, Wall Street J. Norman "Mike" Miller, Washington Bureau Chief " Malcolm Forbes, Editor, Forbes Magazine Frank Reynolds, ABC Evening News correspondent
Dinner III	Ed Kosner, Editor, Newsweek Magazine George Will. Columnist, Newsweek Magazine Jack Tarver, Publisher, Atlanta J-C Hal Gulliver, Editor, Atlanta Constitution Durwood McAlister, Editor, Atlanta Journal Bill Shipp, Columnist, Atlanta J-C Andy Glass, Washington Bureau Chief, Cox Newspapers
Dinner IV	Hugh Sidey, Syndicated Columnist Martin Agronsky, Agronsky and Company James Kilpatrick, Syndicated Columnist Liz Drew, Syndicated Columnist Barry Bingham, Editor and Publisher, Louisville C-J Michael Davies, Managing Editor, Louisville C-J Ed Ryan, Washington Bureau Chief, Louisville, C-J
Dinner V	Paul Duke, PBS, Washington Week in Review Haynes Johnson, Columnist, Washington Post Joseph Kraft, Columnist Marshall Field, Publisher, Chicago Sun Times James Hoge, Editor in Chief, Chicago Sun Times Stuart Loory, Managing Editor, Chicago Sun Times Loye Miller, Washington Bureau Chief, Chicago S-T

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Dinner VI	Richard Strout, Syndicated Columnist Max Lerner, Syndicated Columnist Joseph Pulitzer, Publisher & Editor, St. Louis P-D Evarts Graham, Managing Editor, St. Louis P-D Richard Dudman, Washington Correspondent, St. Louis P-D
Dinner VII	Stanton Cook, Chairman & Publisher, Chicago Tribune Clayton Kirkpatrick, Editor, Chicago Tribune Maxwell McCrohon, Managing Editor, Chicago Tribune John McCutcheon, Chief Editorial Writer, Chic. Trib. Aldo Beckman, Washington Bureau Chief, "

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Los Angeles Times	Otis Chandler, Publisher, CEO Tom Johnson, President William F. Thomas, Editor Dennis Britton, National Editor Jack Nelson, Washington Bureau Chief
Wall Street Journal	Frederick Taylor, Executive Editor Warren Philips, President Laurence O'Donnell, Managing Editor Norman "Mike" Miller, Washington Bureau Chie
St. Louis Post-Dispatch	Joseph Pulitzer, Jr., Publisher & Editor Evarts A. Graham, Managing Editor Richard Dudman, Washington Correspondent
Atlanta Journal-Constitution	Jack Tarver, Publisher Hal Gulliver, Editor (Constitution) Durwood McAlister, Editor (Journal) Bill Shipp, Columnist Andy Glass, Washington Bureau Chief
Louisville Courier-Journal	Barry Bingham, Editor & Publisher Michael Davies, Managing Editor Ed Ryan, Washington Bureau Chief
Chicago Tribune	Stanton Cook, Chairman and Publisher Clayton Kirkpatrick, Editor Maxwell McCrohon, Managing Editor John McCutcheon, Chief Editorial Writer Aldo Beckman, Washington Bureau Chief
Chicago Sun-Times	Marshall Field, Publisher James Hoge, Editor in Chief Stuart Loory, Managing Editor Loye Miller, Washington Bureau Chief

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Associated Press	Jack Tarver, Chairman for 1978-79 (This is an honorary position) Keith Fuller, President and General Manager Walter Mears, Washington Bureau Chief Frank Cormier, Chief WH Correspondent
United Press	Roderick Beaton, President and CEO (They do not have comparable honorary Chairman as AP) Grant Dillman, Washington Manager Helen Thomas, Chief WH Correspondent

ID 784551 THE WHITE HOUSE

WASHINGTON

DATE: 29 AUG 78

FOR ACTION: JODY POWELL

Gents - status?

INFO ONLY:

SUBJECT: RAFSHOON MEMO RE MEDIA DINNERS

RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052)
BY: 1200 PM WEDNESDAY 30 AUG 78

ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW:

ID 784551 THE WHITE HOUSE

WASHINGTON

DATE: 29 AUG 78

FOR ACTION: JODY POWELL

INFO ONLY:

SUBJECT: RAFSHOON MEMO RE MEDIA DINNERS

RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052)
BY: 1200 PM WEDNESDAY 30 AUG 78

ACTION REQUESTED:

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

PLEASE NOTE OTHER COMMENTS BELOW:

Jody's response:

I agree about not asking civil service correspondents.

JT

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

August 25, 1978

MEMORANDUM FOR THE PRESIDENT AND MRS. CARTER

FROM: JERRY RAFSHOON

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MEMORANDUM

THE WHITE HOUSE

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Dinner III	Ed Kosner, Editor, Newsweek Magazine George Will. Columnist, Newsweek Magazine Jack Tarver, Publisher, Atlanta J-C Hal Gulliver, Editor, Atlanta Constitution Durwood McAlister, Editor, Atlanta Journal Bill Shipp, Columnist, Atlanta J-C Andy Glass, Washington Bureau Chief, Cox Newspapers
Dinner IV	Hugh Sidey, Syndicated Columnist Martin Agronsky, Agronsky and Company James Kilpatrick, Syndicated Columnist Liz Drew, Syndicated Columnist Barry Bingham, Editor and Publisher, Louisville C-J Michael Davies, Managing Editor, Louisville C-J Ed Ryan, Washington Bureau Chief, Louisville, C-J
Dinner V	Paul Duke, PBS, Washington Week in Review Haynes Johnson, Columnist, Washington Post Joseph Kraft, Columnist Marshall Field, Publisher, Chicago Sun Times James Hoge, Editor in Chief, Chicago Sun Times Stuart Loory, Managing Editor, Chicago Sun Times Loye Miller, Washington Bureau Chief, Chicago S-T

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

Dinner VI	Richard Strout, Syndicated Columnist Max Lerner, Syndicated Columnist Joseph Pulitzer, Publisher & Editor, St. Louis P-D Evarts Graham, Managing Editor, St. Louis P-D Richard Dudman, Washington Correspondent, St. Louis P-D
Dinner VII	Stanton Cook, Chairman & Publisher, Chicago Tribune Clayton Kirkpatrick, Editor, Chicago Tribune Maxwell McCrohon, Managing Editor, Chicago Tribune John McCutcheon, Chief Editorial Writer, Chic. Trib. Aldo Beckman, Washington Bureau Chief, "

THE WHITE HOUSE

WASHINGTON

Los Angeles Times	Otis Chandler, Publisher, CEO Tom Johnson, President William F. Thomas, Editor Dennis Britton, National Editor Jack Nelson, Washington Bureau Chief
Wall Street Journal	Frederick Taylor, Executive Editor Warren Philips, President Laurence O'Donnell, Managing Editor Norman "Mike" Miller, Washington Bureau Ch.
St. Louis Post-Dispatch	Joseph Pulitzer, Jr., Publisher & Editor Evarts A. Graham, Managing Editor Richard Dudman, Washington Correspondent
Atlanta Journal-Constitution	Jack Tarver, Publisher Hal Gulliver, Editor (Constitution) Durwood McAlister, Editor (Journal) Bill Shipp, Columnist Andy Glass, Washington Bureau Chief
Louisville Courier-Journal	Barry Bingham, Editor & Publisher Michael Davies, Managing Editor Ed Ryan, Washington Bureau Chief
Chicago Tribune	Stanton Cook, Chairman and Publisher Clayton Kirkpatrick, Editor Maxwell McCrohon, Managing Editor John McCutcheon, Chief Editorial Writer Aldo Beckman, Washington Bureau Chief
Chicago Sun-Times	Marshall Field, Publisher James Hoge, Editor in Chief Stuart Loory, Managing Editor Loye Miller, Washington Bureau Chief

MEMORANDUM

THE WHITE HOUSE

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Associated Press	Jack Tarver, Chairman for 1978-79 (This is an honorary position) Keith Fuller, President and General Manager Walter Mears, Washington Bureau Chief Frank Cormier, Chief WH Correspondent
United Press	Roderick Beaton, President and CEO (They do not have comparable honorary Chairman as AP) Grant Dillman, Washington Manager Helen Thomas, Chief WH Correspondent

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ESDN; NLC-126-14-14-1-0
BY IKS NARA DATE 6/11/14

~~CONFIDENTIAL~~

C

TO: President Carter
THROUGH: Rick Hutcheson
FROM: Ambassador Young
SUBJECT: U.S. Mission Activities, August 18 - September 1

NAMIBIA

The U.N. Survey Team, headed by Martti Ahtisaari, completed its factfinding visit to Namibia and returned to New York on August 23. Ahtisaari consulted extensively with South African Administrator General Steyn and leaders of the principal Namibian political groups. Some twenty members of Ahtisaari's staff remained in Windhoek.
On Wednesday, August 30, Secretary General Waldheim released a report on the implementation of the Five's settlement proposal. The report, which the Five had seen and commented on in an earlier draft is acceptable and quite well-written. The Security Council will hold an informal consultation on August 31 to discuss the timing of its formal consideration of the report. The Five continue to press for a formal meeting of the Council at the earliest possible date, but a formal session is not likely to occur before Tuesday, September 5, at the earliest.

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COMMITTEE OF 24 (DECOLONIZATION)

The Committee of 24 (C-24) opened its debate on Puerto Rico at the United Nations on Monday, August 28. In his speech, Governor Carlos Romero Barcelo of Puerto Rico advocated statehood for the island by saying that Puerto Ricans are free either to declare themselves independent or to choose to incorporate the island into the 51st state of the U.S. He denounced the independence movement and Cuba. The Cuban Ambassador (Roa-Kouri) in reply said"Romero embodies anti-patriot policies in Latin America... He says he is a Latin American while in reality he is a Yankee."

LAW OF THE SEA

The Law of the Sea Conference resumed on August 21. The meeting is a four week extension of the longer session held in Geneva this Spring. The first week of the conference seemed off to a satisfactory start as substantive discussion began in the major negotiating groups. The First Committee groups are examining the seabed regime, financial arrangements and the organs of the authority. The Third Committee reviewed pollution amendments presented in Geneva. NG-7 recommenced its dispute settlement work.

AMBASSADOR YOUNG'S OTHER MEETINGS

8/22, FRG Minister of State von Dohananyi; 8/22, Cong. Fauntroy, Vernon Jordan, Ben Hooks, Carl Holman, Tom Skinner, Barbara Williams, 8/23, Dr. Korey & Dr. Schonberg (B'Nai B'rith), Amb. Djoudi, OAU Asst. Sec. Gen., Karl Ackerman, Deputy Asst. Secretary for Security, Ruth Morgenthau, 8/24, Olaf Palme, Socialist Dem. Party of Sweden, 8/28-9/1 in Kenya for funeral of President Kenyatta.

~~CONFIDENTIAL~~

August 18, 1978

MEMORANDUM

C/

TO: President Carter
THROUGH: Rick Hutcheson
FROM: USUN - Ambassador Young
SUBJECT: U.S. Mission to the United Nations Activities
August 11 - August 18

NAMIBIA

The UN Survey Team, headed by Martti Ahtisaari, is planning to return to New York, Wednesday, August 23. Ahtissari hopes to present his report to the Secretary General on Saturday, August 26.

LAW OF THE SEA

The resumed Seventh Session of the Law of the Sea Conference will officially open at the United Nations headquarters on August 21. The session will continue until September 15. Ambassador Richardson will head the U.S. delegation.

AMBASSADOR YOUNG'S OTHER MEETINGS

In the Dominican Republic for Presidential inauguration.

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THE WHITE HOUSE

WASHINGTON

September 1, 1978

PUBLIC SERVICE RADIO SCRIPT FOR THE SPANISH

INFORMATION SERVICE

September 4, 1978
Time undecided
Roosevelt Room

FROM: Jerry Rafshoon

I. PURPOSE

This is the first in a short series of radio messages for the Spanish Information Service, a network of Spanish-speaking stations based in Texas. The messages will also be heard in Los Angeles, New York, Chicago, Miami, Denver, and New Orleans. The purpose of the broadcast is to communicate the Administration's Hispanic programs and opportunities to the Hispanic-American public.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

This concept was agreed to by you and the First Lady earlier and was announced on your trip to Texas.

The script has been approved by Rick Hernandez, Joe Aragon and myself. It was translated by Jose Molina.

Anne Edwards, Kathy Espinoza (who speaks Spanish), and Glen Arnett from WHCA will be present at the recording.

No press plan.

III. TALKING POINTS

Transcript (in English and Spanish) is attached. Rosalynn will record her statement on Tuesday.

RADIO SCRIPT FOR SPANISH INFORMATION SERVICE
DRAFT #7
8/21/78

THE PRESIDENT: Hello. This is President Jimmy Carter. I am very glad that my wife Rosalynn and I have this opportunity to talk with you.

I have proclaimed this week National Hispanic Heritage Week. It's a time to recognize the countless contributions Hispanics have made to our country.

This is the first in a series of broadcasts I'll be making on this station. Each one will be a brief message of special interest to Hispanic Americans. I'll discuss job opportunities, human rights, and education, among other topics.

These are some of the same issues I have discussed over the past 18 months with Hispanic leaders from all parts of the country. Vice President Mondale has also met with Hispanic leaders from many of your Hispanic organizations.

We know that jobs are a great problem. Since I have been in office, the nation's unemployment rate has gone down by about one and one-half percentage points. And I am improving employment opportunities for Hispanic people in both government and private enterprise.

I have proposed to the Congress changes in Civil Service laws, which will open more federal jobs for Hispanics.

We need more Hispanics in every level of government. And I have already named more than 110 Hispanic persons to high level positions -- many more than in any past administration.

They include: Joseph Aragon, a Special Assistant to me with broad responsibilities; Gloria Molina, in my Personnel office; Richard Hernandez, my Deputy Assistant; Patrick Apodaca, my Associate Counsel; William Medina, an Assistant Secretary of Housing and Urban Development; Arabella Martinez, an Assistant Secretary who handles crucial social service programs; Dr. Blandina Cardenas, in charge of this country's pre-school and child care programs; Leonel Castillo, in charge of Immigration and Naturalization Services; Graciela Olivarez, who heads the government's anti-poverty efforts; and Gilbert Pompa and John Huerta in the Justice Department.

I plan to continue this progress in top positions which are important to all Hispanics...particularly in our judicial system.

My wife, Rosalynn, is here with me, and she would like to share some of her experiences with you.

THE FIRST LADY: It is a pleasure, and an honor, to share in this broadcast. Jimmy has mentioned some of his domestic programs. We are also working on an international level with many other nations in the Western Hemisphere.

For example, our first state visitor after we moved into the White House was President Lopez Portillo of Mexico. I had attended his inauguration shortly before I attended Jimmy's.

Last year I also visited seven Latin American countries. There I found great friendship for the people of the United

States. And what I learned in Latin America has been of great help to Jimmy.

THE PRESIDENT: Even though we have made great progress, there are still problems we must solve.

In future programs, I'll talk about human rights, and what we are doing to prevent police mistreatment of Hispanic-Americans. This is an issue of particular concern to me.

I'll also tell you about the bilingual educational programs I've proposed for your local schools. And the actions we are taking to increase federal contracts and purchases to help businesses owned by Hispanic-Americans.

In the coming months, I will continue to meet with spokesmen of your communities. Working together, we can improve the quality of life of Hispanic-Americans.

Rosalynn and I both thank you for this opportunity to speak to you.

THE FIRST LADY: Yes, thank you, and goodbye.

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AQUÍ LES HABLA EL PRESIDENTE JIMMY CARTER. ESTOY MUY CONTENTO DE QUE MI ESPOSA ROSALYNN Y YO TENGAMOS LA OPORTUNIDAD DE HABLARLES.

ESTA SEMANA LA HE PROCLAMADO COMO LA SEMANA DE LA HERENCIA HISPÁNICA. YA ES HORA DE RECONOCER LAS INCONTABLES CONTRIBUCIONES HISPÁNICAS HECHAS A NUESTRO PAÍS.

ESTE ES EL PRIMER PROGRAMA DE UNA SERIE A TRANSMITIRSE POR ESTA ESTACIÓN EN LOS CUALES PARTICIPARÉ.

CADA UNO SERÁ UN MENSAJE BREVE DE INTERÉS ESPECIAL PARA LA COMUNIDAD DE HABLA HISPÁNA. ENTRE OTROS TÓPICOS, HABLARÉ DE OPORTUNIDADES DE TRABAJO, DE DERECHOS HUMANOS, Y DE EDUCACIÓN.

EN LOS ÚLTIMOS dieciocho MESES HE DISCUTIDO ALGUNOS DE ESTOS TEMAS CON LÍDERES HISPAÑOS DE TODAS PARTES DEL PAÍS.

EL VICE PRESIDENTE MONDALE SE HA REUNIDO TAMBIÉN CON LOS LÍDERES HISPANOS DE VARIAS DE VUESTRAS ORGANIZACIONES.

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NOSOTROS NOS DAMOS CUENTA QUE EL PROBLEMA DE LA FALTA DE EMPLEO ES MUY SERIO.

DESDE QUE LLEGUÉ A LA PRESIDENCIA LA TASA DE DESEMPLEO HA DISMINUIDO COMO dos puntos UN PUNTO Y MEDIO POR CIENTO.

Y ESTOY MEJORANDO LAS OPORTUNIDADES DE EMPLEO EN EL GOBIERNO Y EN EL SECTOR PRIVADO PARA LOS MIEMBROS DE LA COMUNIDAD HISPANA.

LE HE PROPUESTO AL CONGRESO QUE MODIFIQUE LAS LEYES DEL SERVICIO CIVIL, LOS QUE ABRIRÁ MAS OPORTUNIDADES DE TRABAJO FEDERAL PARA LOS HISPANOS.

NECESITAMOS MÁS HISPANOS EN TODOS LOS NIVELES DEL GOBIERNO Y YA HE NOMBRADO A MÁS DE 100 HISPANOHABLANTES A POSICIONES DE ALTO NIVEL.

ES DECIR QUE, EN ESTOS MOMENTOS HAY MÁS HISPANOS EN EL GOBIERNO QUE EN CUALQUIERA DE LAS ADMINISTRACIONES ANTERIORES.

ENTRE ELLOS ESTÁN: JOSEPH ARAGÓN, MI ASISTENTE ESPECIAL EN LA CASA BLANCA CON UN AMPLIO CAMPO DE RESPONSABILIDADES; GLORIA MOLINA, ~~como~~ MIEMBRO DEL PERSONAL DE MI OFICINA; RICHARD HERNÁNDEZ, COMO ASISTENTE ADJUNTO en mi oficina; PATRICK APODOCA, MI

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CONSEJERO ASOCIADO; WILLIAM MEDINA, ~~COMO~~ SUB-SECRETARIO DE VIVIENDA Y DESARROLLO URBANO; ARABELLA MARTÍNEZ, ~~COMO~~ SUB-SECRETARIA QUIEN TIENE A SU CARGO LOS PROGRAMAS MÁS IMPORTANTES DEL SERVICIO SOCIAL; DOCTORA DRA. BLANDINA CÁRDENAS, ENCARGADA DE LOS PROGRAMAS PRE-ESCOLARES Y DE LOS DEL CUIDADO DEL NIÑO PARA TODO EL PAÍS; LEONEL CASTILLO, ENCARGADO DEL SERVICIO DE INMIGRACIÓN Y NATURALIZACIÓN; GRACIELA OLIVÁREZ, QUIEN ENCABEZA LOS ESFUERZOS GUBERNAMENTALES CONTRA LA POBREZA; Y GILBERTO POMPA Y JOHN HUERTA, AMBOS EN EL DEPARTAMENTO DE JUSTICIA.

PIENSO CONTINUAR CON ESTE PROGRESO EN DESIGNACIONES DE ALTA JERARQUÍA PUESTO QUE TIENEN IMPORTANCIA PARA TODOS LOS HISPANOS ------ EN PARTICULAR EN NUESTRO SISTEMA JUDICIAL.

MI ESPOSA ROSALYNN ESTÁ AQUÍ CONMIGO Y A ELLA LE GUSTARÍA COMPARTIR ALGUNAS DE SUS EXPERIENCIAS CON USTEDES.

(ROSALYNN SPEAKS)

AUNQUE HEMOS HECHO UN GRAN PROGRESO, TODAVÍA EXISTEN PROBLEMAS QUE DEBEMOS RESOLVER.

EN LOS FUTUROS PROGRAMAS HABLARÉ DE DERECHOS HUMANOS Y DE LO QUE ESTAMOS HACIENDO PARA EVITAR EL MALTRATO POLICIAL QUE HAYAN RECIBIDO LOS MIEMBROS DE LA COMUNIDAD HISPANA.

ÉSTE ES UN TEMA QUE ME PREOCUPA EN PARTICULAR.

TAMBIÉN LES HABLARÉ DE LOS PROGRAMAS BILINGÜES EDUCACIONALES QUE HE PROPUESTO PARA LLEVAR A CABO EN SUS PROPIAS ESCUELAS.

Y LAS MEDIDAS QUE ESTAMOS TOMANDO PARA INCREMENTAR COMPRAS Y CONTRATOS FEDERALES.

ESTO ES PARA AYUDAR LOS NEGOCIOS QUE SON DE PROPIEDAD DE HISPANOHABLANTES.

EN LOS MESES VENIDEROS CONTINUARÉ REUNIÉNDOME CON LOS PORTAVOCES DE SUS COMUNIDADES.

TRABAJANDO JUNTOS PODREMOS MEJORAR EL NIVEL DE VIDA DE LOS HISAPNOHABLANTES.

ROSALYNN Y YO LES AGRADECEMOS EL HABERNOS DADO AL OPORTUNIDAD DE HABLARLES.

(ROSALYNN SPEAKS)

THE END

THE WHITE HOUSE
WASHINGTON

September 4, 1978

The Vice President
Hamilton Jordan
Stu Eizenstat
Tim Kraft
Bob Lipshutz
Frank Moore
Jody Powell
Jerry Rafshoon
Jack Watson
Anne Wexler
Jim McIntyre
Hugh Carter

Re: Cabinet Summaries

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

Rick Hutcheson

EYES ONLY

CONFIDENTIAL ATTACHMENT

THE WHITE HOUSE
WASHINGTON

September 4, 1978

Ambassador Strauss

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

Rick Hutcheson

cc: Phil Wise
Fran Voorde

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THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON
20506

C

September 1, 1978

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss RM.

Subject: Weekly Summary

We have had numerous meetings the past two weeks of the various working groups in our effort to develop the next steps to present to you in our anti-inflation program. I urge you to set aside a full hour for Schultze, Eizenstat, and me as soon as the Summit is behind you. The complexity of the issues, both substantive and political, particularly with respect to timing, makes this kind of initial presentation necessary before you start evaluating written option papers. In the long run, an oral discussion will prove timesaving.

On trade, Europe is shut down but we will be meeting with Ushiba and the Japanese Agricultural Minister Nakagawa while you are at Camp David in an effort to complete the agricultural aspects of the MTN with Japan. There are a number of ITC matters that are going to be troublesome and I will get into them with you after Congress adjourns.

I know you are going to have plenty to do the next week so I will go into no more detail on any of these subjects today.

THE WHITE HOUSE
WASHINGTON

September 4, 1978

Secretary Bob Bergland

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

Rick Hutcheson

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To Bob -
I Stu -
info
J

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

August 18, 1978

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

TRAVEL. Secretary Bergland is in Iowa for Congressmen Bedell and Harkin today.

Next week he visits Oregon (Congressman Ullman and Governor Straub) and Montana (Congressman Baucus' Senate campaign).

SUGAR. The House Ways and Means Committee has reported sugar legislation setting a price level of 15 cents per pound (Administration: 14.5 cents; House Agriculture Committee: 16 cents) and includes a cost-of-production escalator clause (averaging 6 percent per year). USDA estimates the impact on consumer prices over the five-year period of the bill would be nearly $3.2 billion.

To high - we must be firm

M. Rupert Cutler

M. RUPERT CUTLER
Acting Secretary

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cc Ham - We could have really used this politically.

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

August 18, 1978

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

SUBJECT: Weekly Report of Major Departmental Activities

New Regulations Formalize Relations Between HUD, Federal National Mortgage Association. The regulations, implementing the Secretary's authority over the conduct of FNMA's secondary market operations, will help assure that FNMA carries out its public purposes, including more support for housing for low and moderate income families and assistance in distributing mortgage funds from credit-strong to credit-weak areas. Among the major provisions of the regulations are: setting of goals for FNMA in the purchase of conventional mortgages for low and moderate income families and in central cities, annual or specific audits of FNMA books and financial transactions, the submission by FNMA of regular reports on its activities, and a requirement that FNMA and its contractors and vendors abide by equal employment opportunity requirements. In a press release issued only hours after the regulations were announced, Oakley Hunter, Chairman of the Board and President of FNMA, expressed general satisfaction with the regulations. Senator Proxmire, in a statement released the day of the announcement, supported the Department's regulations as fulfillment of Congressional intent. Later the Mortgage Bankers also issued a release approving the regulations.

Department Contracts for Independent Review of Claims for Structural Defects in FHA-Insured Homes. Owners of homes purchased with FHA-insured mortgages between August, 1968, and August, 1976, who say their homes have structural defects will have their claims reviewed by the American Institute of Architects. This independent review will be a check of internal HUD procedures and should help determine areas where adjustments may be needed.

Changes in Government National Mortgage Association Could Speed Up Construction. Low and moderate income families and distressed cities may benefit from a change in procedures for getting GNMA mortgage purchase commitments under the Section 8 Tandem and Targeted Tandem programs. Developers now have only thirty days after they qualify for FHA insurance to apply for a commitment from GNMA to buy loans. Before the change, developers did not have to apply for this commitment within a specific time period. The change not only ensures a more orderly flow of commitments, but is anticipated to have the effect of evening out construction activity over the year.

HUD and Commerce Join to Restore and Expand Hartford's Civic Center. Secretaries Harris and Kreps jointly announced a $10,070,000 commitment to repair the convention and recreation center which was damaged last January when the roof collapsed following a severe winter storm. HUD's Office of Community Planning and Development has awarded $5,070,000 of its disaster discretionary funds towards the project, and the Commerce Department's Economic Development Administration has pledged $5 million. The interagency effort will help continue the downtown revitalization being carried out by the Hartford city government.

Pat

Patricia Roberts Harris

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

August 18, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall for

SUBJECT: Major Departmental Activities - August 12-18

CETA BILL

We expect that the CETA bill will be on the Senate Floor this week with a more positive result than in the House.

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

August 18, 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:

- Tuition Tax Credit: As you know, in addition to passing your middle income student assistance proposals, the Senate, unlike the House, omitted tax credits for elementary and secondary education. It should be a strange Conference, however: With the line up of Senate conferees (Long, Ribicoff, Moynihan, Bentsen, Packwood, Dole, and Roth), one can predict a rush to recede to the House position. At the same time, the House conferees (from Ways and Means, but not yet named) have traditionally opposed tuition tax credits and are likely to want to recede to the Senate and omit tax credits for private elementary and secondary education.

- Flu Immunization: We have now won a scaled-down flu immunization program. The House accepted the Conference Report on the FY 1978 supplemental appropriation, which provides $8.2 million for a State operated immunization program for the elderly and chronically ill. We were able to turn around an earlier 2-1 adverse vote by the House.

- Contempt Proceeding: The dispute between the Administration and John Moss' Oversight and Investigations Subcommittee of the House Commerce Committee turns solely on the interpretation of a provision of the Food, Drug, and Cosmetic Act. No issue of separation of powers or executive privilege is involved. The Subcommittee recommended that I be cited for contempt because I relied on a Justice Department opinion that concluded I would commit a criminal offense if I turned over to the Subcommittee certain trade secret data. Needless to say, the Subcommittee interprets the statute differently. A vote on contempt is scheduled for September 12 in the full committee. Underlying the legal maneuvering is the Subcommittee's concern about the drug companies' practice of secretly marketing generic drugs as more expensive brand name products. We, too, are deeply concerned about this practice and are seeking to curtail it. I did partially comply with the Subcommittee's subpoena and did

turn over data -- not covered by the statute in question -- that detailed the names of particular generic drugs, the generic manufacturers and the brand name company that was marketing those drugs secretly under the more expensive label.

- Cost Containment : The Talmadge Medicare-Medicaid legislation will be going to the floor soon. Although victory is a long-shot, we are gearing up an intensive effort in support of the Nelson amendments. Our preliminary, crude count shows about two-thirds of the Senate leaning toward Nelson or undecided. Needless to say, the industry lobbyists will descend on the Senate in full force in the next few days.

- Smallpox: As a result of world-wide smallpox eradication, U.S. and foreign travellers entering this country will no longer need proof of a smallpox vaccination.

Joseph A. Califano, Jr.

Joseph A. Califano, Jr.

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THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

August 18, 1978 FYI

REPORT TO THE PRESIDENT

Economic data released by the Department this week suggest that the economy began the third quarter at a somewhat faster pace than expected.

- The real growth rate for GNP in the second quarter was revised up from 7.4 percent to 8.0 percent at an annual rate.

- Growth in personal income took a sizeable jump in July, reflecting a cost-of-living adjustment in social security benefits and California's property tax reduction, both of which became effective on July 1. In addition, wage and salary income rose somewhat faster in July than in May and June. Although the first two factors will not be repeated in the coming months, these July income gains will help to bolster retail sales, which actually declined for the past three months after adjustment for inflation.

- Housing starts continued in July at a surprisingly high annual rate of over 2 million. This will mean strong residential construction activity throughout the current quarter.

- Business inventory accumulation slowed in June, reflecting a quick response by firms to the recent slowing in sales. Inventories generally are now in good balance with sales.

- Corporate profits rebounded sharply in the second quarter with a gain in before-tax book profits of 17 percent over the first quarter.

- The Federal Reserve Board also reported that industrial production rose by a respectable 0.5 percent in July; particularly encouraging was a pickup in output of business equipment which increased in July by 0.9 percent.

The July data outlined above suggest that the third quarter's real growth rate may be somewhat better than previously expected. This could influence Congressional views on the appropriate size of the tax cut. However, I continue to see a clear need for substantial income tax relief early next year to offset the impact of higher social security taxes scheduled for January and the "bracket effect" of inflation. In addition, a business tax cut is essential to spur investment and productivity. Therefore, a substantial tax cut is required to maintain a satisfactory pace of economic growth in 1979. This should contribute to improvement in the inflation outlook by increasing productivity and curbing pressure for large increases in wages and salaries.

Juanita

Juanita M. Kreps

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THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

C

August 18, 1978

MEMORANDUM FOR THE PRESIDENT

ATTENTION: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

SUBJECT: Significant Issues for the Week of August 14

Inflation - I have sent a letter to all of our grant recipients ~~(copy attached)~~ stressing this issue and emphasizing that high priority should be given to programs and methods which use our existing transportation systems more efficiently, especially our highway network, and to reduce costs by using more efficient construction techniques. This is especially urgent in light of the 17% increase in the highway bid price index in the last quarter. Additionally, last week Mort Downey, Assistant Secretary for Budget and Programs, led a session at the Conference of State DOTs on controlling inflation and government spending.

Hartford, Connecticut, Bus Service Civil Rights Violation - On August 15, DOT ruled that bus service in Hartford, Conn., and its suburbs violates Title VI of the 1964 Civil Rights Act by providing better service for predominantly white suburban areas than for residents of poor and minority neighborhoods in the inner city.

The Connecticut Department of Transportation promptly responded that it would take corrective action by September 15. The decision will be examined closely by other cities because of its implication relating to equity of transit service for inner city residents.

Mrs. Mondale and the Arts - This morning I travelled to Baltimore with Joan Mondale to launch an "Arts in Transportation" program in Baltimore's historic Pennsylvania Railroad Station. We announced a series of grants for art in transportation facilities in Baltimore; Atlanta; Cambridge, Mass.; Philadelphia and Wilmington.

Attachment

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THE SECRETARY OF THE TREASURY
WASHINGTON 20220

F.Y.I.

August 18, 1978

C

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. EPG

The EPG met Friday to hammer out a reformulated anti-inflation program. We reached agreement on the key elements, which we will present to you right after the Begin-Sadat Summit:

- announcement of a numerical "cap" on wages for 1979 -- either 7 percent (most favor this) or 8 percent (favored by Ray Marshall)
- announcement of a prices cap keyed to the wage figure
- use of Federal procurement (and several other tools) as a sanction to "enforce" these caps.

We are thinking about a mid-September announcement date. The EPG is also constructing a legislative anti-inflation package for January.

2. THE DOLLAR

By the end of the week -- as a result of our statements Wednesday and Thursday, and of the Natural Gas Compromise and Fed action on the discount rate Friday -- the dollar had temporarily revived from Monday's sharp decline. However, trading remains nervous and uncertain. This is at best a respite, and we must watch the markets very closely day by day for the foreseeable future.

3. TAX BILL

During my Thursday testimony, the Senate Finance Committee seemed open to working with the Administration to produce a bill with a more equitable distribution of tax benefits among income classes than the House bill. The Committee is particularly interested in the Administration's posture on the

business and capital gains cuts. I think we are well positioned now to secure improvements in the bill or, if need be, to step back and disapprove the ultimate result.

4. VACATION

I'll be on vacation beginning August 21 through September 3. Deputy Secretary Bob Carswell will be in charge but I shall closely monitor the study group on the dollar and the foreign exchange market developments.

Mike

W. Michael Blumenthal

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

Principal Activities of the Department of Justice
for the week of August 14 through August 18

1. Meetings and Events

On Wednesday, August 16, the Attorney General testified before a Senate Judiciary Subcommittee on the LEAA reauthorization legislation. That same day the Attorney General, the Deputy Attorney General, and the Associate Attorney General presided over the final Department budget review and appeals session for the 1980 budget. On Thursday, August 17, the Attorney General met with black leaders from Philadelphia regarding allegations of police brutality and lack of police responsiveness in Philadelphia. The Attorney General told the group and since has asked the Philadelphia U. S. Attorney to assess the overall situation concerning allegations of police brutalities in Philadelphia and make recommendations to the Attorney General.

2. Terrorism

On Wednesday, August 16, Deputy Attorney General Civiletti testified before a House Judiciary Subcommittee on the threat of terrorism in the United States and the federal capability of responding to terrorism. On Thursday, two Croatian nationalists entered a West German consulate, taking several hostages and demanding the release of a prisoner in West Germany. Because foreign officials were involved, the FBI took the lead with and support and assistance from the Chicago police. The two Croatians eventually gave themselves up with no injury to the hostages.

3. Espionage

On Friday, the FBI arrested William Kampiles, a former CIA watch officer, on charges of passing classified information to a Soviet representative. The arrest was made with CIA cooperation and assistance.

4. Wiretap Bill

The Wiretap bill is scheduled for debate in the House on Wednesday, September 6. Considerable progress has been made over the past few days with Democrats who have been listed previously as uncommitted. Although most Republicans likely will vote against the bill, efforts are being made to persuade them as well, including phone calls by former Attorney General Levi and contacts from high ranking career people in the intelligence community to convey their support of the bill.

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COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

CHARLES L. SCHULTZE, CHAIRMAN
LYLE E. GRAMLEY
WILLIAM D. NORDHAUS

August 18, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Bill Nordhaus WDN

SUBJECT: CEA Weekly Report

Cost Containment. Charlie testified this afternoon before Senator Gaylord Nelson's Select Committee on Small Business on the need for hospital cost containment legislation. His reception from the Committee was cordial.

Anti-Inflation Program. CEA staff has been working with other agencies to develop possible new anti-inflation program actions for your consideration. The EPG met today to discuss these proposals. We expect to get a memo to you on this subject in early September.

Nitrite Ban. CEA met this week with representatives from USDA and HEW to discuss the implications of the recent finding that nitrite causes cancer in rats. Under the law, as a result of these findings FDA and USDA must ban nitrites from foods. They intend, however, to proceed with caution and to permit a phase-out period. In general, we concur with their approach. The phase out may, however, be illegal, in which case an immediate ban would be required. There are no known substitutes for nitrites in all uses. Since meat products without nitrites carry considerable risk of botulism, an immediate ban could be a significant public health problem. In addition, an immediate ban would wrench many parts of the food and food distribution network.

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

August 18, 1978

The Administrator

REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

The State of Illinois, under an agreement I signed early this month, has become the first state to be delegated responsibility for managing Federal grant funds under the sewage facilities construction program. Under the terms of the agreement, Illinois will receive $4.7 million to cover the costs of managing the program within the State during the next 27 months. It is expected to involve Federal funds of over $200 million yearly over the next 5 years.

This action furthers the goal, established early in your Administration, of giving states an increasing role in the management of Federal funds.

Illinois has an established record of professionalism in administering its own, state-funded grants program. And the State has been instrumental in helping us develop national policy, especially in regard to addressing the problems of small communities.

We are negotiating with other states that have demonstrated they are capable of assuming greater responsibility for management of the program. Among these, five are expected to receive this authority within the next three months: Georgia, Texas, New York, Alaska, and Idaho.

We will continue to oversee the programs in these states, but we will be relieved of day-by-day, project-by-project review. Our role will be one of selective audit and annual review of performance. The agreements, along with the assistance we are getting from the Corps of Engineers, will free EPA personnel for other priority efforts. We will be able to concentrate on problem states and devote more resources to our rapidly growing responsibilities under the Resource and Conservation Recovery Act and the Toxic Substances Control Act.

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Community Services Administration

WASHINGTON, D.C. 20506

MEMORANDUM TO THE PRESIDENT

August 18, 1978

Attention: Rick Hutcheson, Staff Secretary

FROM: Graciela (Grace) Olivarez, Director
Community Services Administration

SUBJECT: Weekly Report of Significant Agency Activities
(August 14 - 18, 1978)

Small Farms Conference

The CSA/USDA Midwest Small Farms Conference took place in Des Moines, Iowa, Tuesday and Wednesday, with 120 family farmers from 11 states participating in the conference. Alex Mercure of USDA, William Allison of CSA, and Lynn Daft of your staff also attended the conference, which was described by more than 90 percent of the farmer delegates as the most important step in the last 30 years to bring together family farmers and the government agencies serving them.

The CSA/USDA Northwest Small Farms Conference will be conducted next Tuesday and Wednesday in LaGrande, Oregon. Secretary Bergland, Congressman Ulman, Sam Brown and myself will attend the session.

Coop Bank

I have requested that CSA be seated on the Bank Board of Directors. CSA is prepared to play a major role in development of Bank policies and practices, especially to help coordinate and integrate Bank resources with other federal, state, local and private resources.

Community Development Credit Union Program

Agreement has been reached between Larry Connell, Administrator of the National Credit Union Administration (NCUA), and myself on the role of NCUA and CSA in implementing the President's proposed $12 million Community Development Credit Union Program. Under this program, each credit union would receive approximately $200,000 as seed money. The credit unions would be part of the community's total effort at revitalization and economic development by providing capital not only for small consumer loans but also for loans that foster community growth.

Training for Community Action Agency Staff

CSA's Training Advisory Committee, which is composed of representatives from CSA headquarters and the regional offices, has finalized objectives for training of community action agency boards, executive directors and field staff. In addition, the committee has established a schedule so that training guidance can be completed by next spring.

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THE WHITE HOUSE

WASHINGTON

August 18, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Robert S. Strauss RSS

RE: Weekly Summary

Administration's Anti-Inflation Efforts
August 14 - 18, 1978

REGIONAL FORUMS

We are continuing to go forward with plans for regional meetings in St. Louis and Hartford. We are presently planning a September 28th date in St. Louis.

Your calls to St. Louis business leaders were most instrumental in the preparation of a St. Louis meeting.

BUSINESS

We are beginning to receive responses to the Fortune 1000 leading corporations. As I stated before, responses continue to be mixed. This week we did, however, receive more definite commitments to decelerate and are a little more encouraged by the incoming results.

After several meetings with CWPS, Schultze and conversations with me, General Motors, as you may by now be aware, is releasing today its pricing, which on an overall basis meets the Administration's deceleration goals. This should be well received.

The EPG will meet today to review more substantive measures, particularly the question of standards and sanctions. Hopefully, something more definite will come out of this meeting.

July 25 we had asked various Cabinet level officers to write letters to their constituent groups requesting support of the deceleration program. To date only Secretary Adams has made any efforts in this direction. (Secretary Blumenthal had already done this.)

PUBLIC OUTREACH

We are going to be expanding the speakers bureau to reach into the county as far as possible.

Esther Peterson is continuing to appear on public platforms and media shows, discussing certain items along with the anti-inflation program. She continues to be most helpful.

BUDGET

OMB is continuing its briefings in the Federal Regional Headquarters cities on the FY 80 budget and Administrative efforts to fight inflation.

CONCLUSION

I continue to feel that we must have a more substantive program. Along with the more substantive program, we must announce some additional Government actions.

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ADMINISTRATIVELY CONFIDENTIAL

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

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August 18, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Jim McIntyre Jim

SUBJECT: Weekly Report

I. I think the decision process that led to your decision to veto the Defense Authorization bill was excellent. We began early enough to hold meetings with the right people to thoroughly present issues and to vigorously debate areas of disagreement. When White House, OMB, and department (DOD in this instance) principals and staffs work in this fashion, it leads to good decisions which can be confidently announced and implemented. Establishing the project group to ensure that the veto is sustained represents an important measure, which I hope we will use more in the future.

2. The House Government Operations Committee completed mark up of the Department of Education Organization Act on August 15. I called Chairman Brooks and Representative Frank Horton to personally thank them for their strong support. Democrats who deserve recognition for moving the bill through committee include Representatives John Moss, Bill Moorhead, Don Fuqua, Father Drinan, Andy Maguire, John Jenrette and Michael Blouin.

3. The House passed the Second Budget Resolution for 1979 by a vote of 217 to 178 -- a large margin for a resolution vote in the House. The House set receipts at $450.0 billion, outlays at $489.8 billion and the deficit at $39.8 billion. The Congressional Budget Office estimates of outlays for your request is $491.1 billion. Excluding energy rebates (which have no impact on the deficit), the CBO estimate of your requested 1979 outlay level is $489.7 billion -- virtually the same as the House resolution. Obviously, there are differences in the pieces, and it is still true that the House assumes outlay increases for a variety of domestic programs -- notably transportation, energy, natural resources and benefit entitlements. These increases are offset by cuts in the pay increase (higher absorption), in defense spending (in 1979 but probably not in the outyears), in the urban initiative and an arbitrary undistributed $1 billion cut for reduction of HEW "waste and fraud."

4. The full Senate Appropriations Committee--completing its mark up of the Labor-HEW bill last Tuesday--accepted the subcommittee's recommendations with the following major modifications:

   - The committee did not provide the additional $1 billion recently requested for middle income student assistance, since the members feared that both the tax credit and grant program would be enacted.

   - The committee reduced the appropriation for impact aid by $57.3 million, following Chairman Magnuson's lead. A DeConcini proposal deleted $100 million of the subcommittee's $120 million add-on for the work incentives program. A Bellmon amendment to reduce funding for the National Cancer Institute by $25 million was accepted.

   - The committee followed the House's action in providing an unrequested $37 million to construct a new Child Health Building at NIH.

   The committee has included objectionable language in the bill that provides specific staffing levels for each of the health programs.

   I had met with a number of Senators to support amendments to reduce funding for impact aid, the work incentives program, and the cancer institute, and we are pleased that the committee supported these reductions to the bill. I will work with Senator Magnuson as the bill progresses toward conference and urge him to continue to reduce discretionary increases to this bill.

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Community Services Administration
WASHINGTON, D.C. 20506

MEMORANDUM TO THE PRESIDENT

August 25, 1978

Attention: Rick Hutcheson, Staff Secretary

FROM: Graciela (Grace) Olivarez, Director
Community Services Administration

SUBJECT: Weekly Report of Significant Agency Activities
(August 21-25, 1978)

Meeting with Vice President

I met with Vice President Mondale on Monday, August 21, to discuss the future of the President's Reorganization Project involving CSA and ACTION and to request an exemption from any hiring freeze. In addition, I shared with him a list of congressional districts that have Democratic incumbents and more than 5 per cent Hispanic registered voters. I offered to provide political support for Democratic incumbents and candidates, wherever necessary.

Small Farms Conference

The CSA/USDA Midwest Small Farms Conference took place in La Grande, Oregon, Tuesday and Wednesday, with 85 family farmers from 8 states participating in the conference. Secretary Bergland, Congressman Ullman, William Allison of CSA and Sam Brown of ACTION participated in the conference, which was as successful as the prior two.

The CSA/USDA Southwest Small Farms Conference will be conducted on September 6 and 7, in Albuquerque, New Mexico. Alex Mercure of USDA and I will attend the session.

Region VIII CAA Conference

Deputy Director William Allison and Regional Operations Director Laird Harris this week attended the Region VIII Community Action Agency Conference in Billings, Montana. They discussed with the conference participants the changes which have occurred as a result of CSA reorganization at the national and regional levels.

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Department of Energy
Washington, D.C. 20585

September 1, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: JIM SCHLESINGER

SUBJECT: Weekly Activity Report
August 19 - September 1, 1978

1. Natural Gas Bill. You are familiar with our efforts to secure support for the Natural Gas Compromise, including recent sessions with Senators and their staffs and meetings at the White House with representatives from various groups including agricultural, textile and financial interests, Labor, the steel industry, a broad range of users of natural gas, including the Business Round Table, as well as Governors.

2. Decrease in primary motor gasoline stocks. We have been monitoring a situation in which a net reduction of approximately 500,000 barrels per day of gasoline was being depleted from gasoline stocks. The most recent figures, however, indicate that stocks may be stabilizing. The depletion of stocks appears to be caused by increasingly high demand. At the rate of decline, which continued for several months until the latest weekly figures (August 25), spot shortages possibly could occur some time in the middle of September; it is conceivable that mild shortages could occur over Labor Day weekend. Demand should decrease, however, after Labor Day weekend. I have been telephoning the largest domestic motor gasoline producers to urge them to maintain or increase gasoline production and imports at the highest economically feasible levels for the short term. We are continuing to monitor the situation carefully. It is indeed troubling that gasoline demand continues at an all time high of about 8 million barrels per day and places pressure on a necessary working stock of about 200 million barrels.

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THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

September 1, 1978

MEMORANDUM FOR THE PRESIDENT

ATTENTION: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

SUBJECT: Significant Issues for the Weeks of August 21 and 28

Rail Financing - The Department recently received an application from the Chicago and North Western Railroad (C&NW) for $532 in loan guarantee financing to rebuild its rail line from the Midwest to the South Powder River (Wyoming) coal fields. In view of the implication of this project for energy production and the significance of so large a debt burden for the C&NW's financial position, I am giving this very serious consideration. Our analysis should be completed by March 1st, and a decision made about a month later. If approved, construction could start in June, providing several thousand temporary jobs and over a thousand permanent ones.

Deepwater Port License - On August 23 the Department received an amended application from the State of Texas for a transfer of the deepwater port license offer made to Seadock, Inc., a consortium of nine oil and chemical companies, in January, 1977. Seadock notified us on February 17, 1978, that unless we change the conditions made in the original license they would not proceed with the project; and the State of Texas, through the Texas Deepwater Port Authority, in March, 1978, asked that I permit a transfer of the license offer. I agreed to consider such an application. The amended application represents Texas' formal request for a transfer of the Seadock license offer.

I will proceed to review the Texas document in accordance with the provisions of the Deepwater Port Act of 1974.

The facility being proposed by the Texas Deepwater Port Authority provides for a port to be constructed in deep water in the Gulf of Mexico, some 26 miles south of Freeport. The port would be connected to storage tanks at Freeport by pipeline and would cost those building it over $1.0 billion.

New Appointees - This past week we were able to obtain the necessary clearances to bring three people into the Department to fill critical vacancies. Dr. James Palmer was sworn in as Administrator of the Research and Special Program Administration. His responsibility includes the monitoring of hazardous material and other safety programs. The Deputy Highway Administrator Karl Bowers took over as the Federal Highway Administrator and John Hassell, formerly with the Georgia DOT and recently

with the Policy Section of the Federal Highway Administration here in Washington, D. C., was approved as the Deputy Administrator.

These appointments will greatly help the Administration's legislative efforts on the Highway/Transit bill and legislation in the critical area of hazardous material transportation.

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THE SECRETARY OF THE TREASURY
WASHINGTON 20220

September 1, 1978

C

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. EPG

The EPG meeting on Thursday made further progress on a reformulation of the anti-inflation program. We agreed to prepare a memorandum for you by next weekend outlining the program for your consideration. We also agreed that we would like to meet with you to review the program before your final signoff.

2. THE DOLLAR

The dollar has remained near the levels it reached following the sharp depreciation earlier this week when our $3 billion July trade deficit was announced. Markets have been thin and uncertain.

3. TAX BILL

The Senate Finance Committee will begin mark-up of the House tax bill on September 7. Chairman Long expects to complete the mark-up the following week by September 15 and go to the floor shortly thereafter. We expect to be working very closely with the Chairman and members of the Committee to achieve an improvement in the House bill.

4. SUPPLEMENTARY FISCAL ASSISTANCE

The Senate Finance Committee intends to report the targeted fiscal assistance bill which it had earlier approved next Thursday. Our staff has been working closely with the Committee staff to make the bill as similar to our original SFA proposal as possible. We will coordinate with Frank Moore on the difficult question of scheduling floor action. The Senate is likely to pass the bill, but we are running out of time and need to get the bill to the House as soon as possible.

5. FOREIGN ASSETS CONTROL BLOCKING

On August 30, after coordinating with State and NSC, Treasury blocked a $40 million bank account held in this country by Svenska Handelsbanken, a Swedish bank. The action was taken based on evidence supplied to the Treasury which suggested that, acting for the Vietnamese, the Swedish bank had brought U.S. currency in amounts aggregating $40 million into the United States so that it could be used by the Vietnamese. This was in violation of our Foreign Assets Control laws. Members of Congress and the Swedish Government were informed of the action and told that it did not represent a change in our policy towards Vietnam or Sweden.

Mike is returning from vacation this weekend.

Bob Carswell

Robert Carswell
Acting Secretary

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THE WHITE HOUSE

WASHINGTON

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September 1, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Robert S. Strauss

RE: Weekly Summary

Administration's Anti-Inflation Efforts
August 26 - September 1, 1978

PROGRAM

The EPG met on Thursday to review the staff recommendations for standards and countermeasures. We are working to have a decision memorandum to you shortly after the Camp David Summit.

While there is general agreement on the thrust of the changes, there are numerous technical and administrative problems which must be worked out.

REGIONAL FORUMS

We are now definite on the dates of September 28th in St. Louis and October 6th in Hartford. We are asking Secretaries Marshall and Blumenthal, Charlie Schultze, and Esther Peterson to participate with Congressional, state, and local leaders.

We have invited the panel members who will lead the discussion to a breakfast at the White House on September 13th. We hope that you will be able to drop by for just a few minutes to demonstrate your personal support for this effort. We have been in touch with Phil Wise on this.

Lee Kling and Jerry Rafshoon have also been talking about the possibility of your speaking by phone to the St. Louis Forum for a few minutes. This would dramatize the leadership you are giving to anti-inflation efforts.

BUSINESS

The response to our request of corporations on the Fortune 1000 list for commitments to decelerate prices and executive compensation has been encouraging. To date, over 100 major corporations have pledged to take actions supportive of our deceleration goals.

Full commitments on prices and compensation have come from companies such as Uniroyal, General Mills, Allied Chemical, U.S. Gypsum, Merck and Company, and others. Uniroyal, for instance, pledged to limit salary increases to 5 percent for all mid and top management employees (about 1,000 people) as well as decelerating prices.

These responses continue to come in each day.

PUBLIC OUTREACH

We are working hard to get a functioning speakers bureau into place.

We have circulated our briefing book on inflation to major trade groups and corporate and labor leaders.

Esther Peterson's office has finalized their consumer booklet on anti-inflation "tips" and it is being circulated.

BUDGET

At the direction of the EPG Working Group on Efficiency and Cost Reduction, the OMB Program Associate Directors have held meetings with the Cabinet Secretaries and agency heads to discuss with them areas in their FY 1979 budgets that can be further tightened.

CONCLUSION

I continue to believe that we must push ahead with efforts to develop more carrots and sticks in our program. At the same time, we must do a better job of communicating our actions and goals.

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

September 1, 1978

C

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:

- Cost Containment: A meeting is being scheduled with your staff this week to plan a joint maximum effort on the Kennedy and Nelson amendments awaiting Senate consideration. The scheduling of floor action, however, depends on consideration of the natural gas pricing bill.

- Collection of Defaulted Student Loans: As you know, our first effort to collect defaulted student loans was aimed at HEW employees. We have made substantial progress in getting these people on repayment schedules. We have now identified 6,600 (out of 2.65 million) federal civilian employees who are in default. Last week I sent a letter to the heads of agencies asking for their support in locating these individuals and urging them to voluntarily repay their debts. In the near future, we will complete the screening of federal employees by matching our default file against the military payroll. Our overall level of collections stands at $12.3 million for the first nine months of FY 1978, an increase of 60% over the same period in FY 1977.

- International Year of the Child: In an August 7 memorandum to me, you asked that we assume responsibility for the legislation authorizing a National Commission for the International Year of the Child.

To get the legislation passed quickly, we chose to add it as an amendment to the Elementary and Secondary Education Act reauthorization legislation, which had already passed the House. Offered by Senator McGovern, the amendment passed the Senate by voice vote. It will now be considered in Conference, where the House participants will be members of the Education and Labor Committee, which has jurisdiction over IYC legislation. We expect Carl Perkins to introduce the bill in the House, so that the Conference Committee would be in a position to accept the amendment.

For FY 1978, $450,000 has been transferred from State, Justice, and HEW for the Commission. For FY 1979, we will work to secure a $1 million appropriation after the authorizing legislation is passed.

- Black Colleges: Hale Champion and an HEW team will meet Tuesday with representatives of the group you saw just before your Western trip. They will work out the details on how to follow through on your commitments at that meeting. You will have a draft of the promised statement to agency heads on the subject of black colleges by the end of the week.

Joseph A. Califano, Jr.

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

September 1, 1978

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

SUBJECT: Weekly Report of Major Departmental Activities

Significant Increase in Single Family FHA Mortgage Applications. More than 30,000 applications for conditional commitments were received during the first half of August, representing a 19 percent increase over the same period last year.

HUD Funds in Minority Banks Reaches All Time High. Third quarter figures show an average daily balance of HUD funds on deposit in minority banks nationwide of nearly $90 million. This figure does not include monies placed in accounts by HUD Area Offices. HUD continues to lead all Federal Agencies and Departments in minority bank deposits.

Reporting Burden on Public Reduced. HUD has adopted an "original copy only" policy for reporting forms used by the public in dealings with HUD. The duplicating burden will be handled through extensive use of carbonless or multiple carbon sets. About 95 percent of HUD's public use forms will be accommodated by the new policy.

Court Clears Way for Albuquerque Reorganization. The U. S. District Court in New Mexico has dissolved a Temporary Restraining Order and ruled in favor of HUD. The Court held that the reorganization of HUD's Albuquerque field office was not a major Federal action significantly affecting the human environment requiring preparation by the Department of an Environmental Impact Statement under the National Environmental Policy Act of 1969.

A Program to Stabilize Property Values in Integrated Chicago Suburb. The program in Oak Park, Illinois, will be watched with high interest by Departmental planners and strategists. Funded out of village tax revenues, the program will reimburse homeowners for up to 80 percent of any losses incurred in the sale of their home after 5 years. The racially integrated community borders on a predominantly black neighborhood. Cost to applicants is $90, which pays for home appraisal and administrative costs.

Denver Approves Bond Issue for Home Mortgage Loans. Under the plan, a local savings and loan association will sponsor issuance of $50 million worth of bonds with revenues going to make home mortgage loans to applicants with annual salaries between $12,000 and $20,000. The loans, at interest rates about two percent below conventional rates, will be available only on homes within Denver city limits. The program will enable many families who could not qualify for home loans in the past to become eligible for loans and to become homeowners and will strengthen the central city.

Pat

Patricia Roberts Harris

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

September 1, 1978

Principal Activities of the Department of Justice
for the period August 21 through September 1

1. Meetings and Events

During the past two weeks the Attorney General has met from outside the Department with, Gerald Rafshoon, two separate groups from Philadelphia concerning the problem of police brutality, the Juvenile Justice Coordinating Council, a group of attorneys and businessmen concerning alteration to an anti-trust consent decree, Secretary Brock Adams, Ambassador David Newsome, Washington Governor Dixie Lee Ray, and a group of federal judges participating as instructors in the Attorney General's Advocacy Institute. On Friday, September 1, the Attorney General hosted a luncheon in honor of the Attorney General of Australia, who is in Washington and at the Department conducting a series of negotiations concerning antitrust enforcement. The Attorney General has also met with a number of key Senators and Congressmen concerning various aspects of the Department's legislative agenda.

2. Cuba

The Attorney General announced on Thursday that FBI and I&NS officials will shortly commence screening in Cuba 48 persons previously imprisoned in Cuba for crimes of a political nature against the state and who are now seeking entry into the United States, as well as 30 members of their families. He consulted with key members of Congress prior to the announcement.

3. Foreign Intelligence Surveillance Act

The wiretap bill is scheduled for a House vote on Wednesday, September 6. Efforts to ensure House passage have been intensified. It is anticipated that Republican opponents of the bill will offer numerous amendments but, as a result of the delicate balance among competing interests the bill in its present form has achieved, every effort will be made to defeat all such amendments. President Ford, as

the Attorney General has informed the President in a separate memo, has written a letter to Congressman Ed Boland restating his support for the wiretap legislation.

4. Drug Enforcement

The Attorney General has recently reviewed the status of our drug law enforcement and asked that the President be advised of the progress which has been made. Although the traffic in a number of illicit substances continues, the situation with regard to heroin, the number one drug enforcement priority, is particularly favorable. According to the system of indicators maintained by the Drug Enforcement Administration (DEA), the retail purity of the drug has decreased to an all-time low of 4.9 percent. This means that supplies are so scarce that traffickers are sharply diluting them to meet illicit consumer demands which in and of themselves are significantly reduced. As a consequence, the number of reported overdose deaths has decreased by over 60 percent from what it was in early 1976. Moreover, there is less of the drug available for use by new users who might subsequently develop new addictions. Preliminary indicators reflect a drop in the number of heroin users by a significant degree. The DEA believes this shortage to have resulted largely from two measures: the success of the Mexican government's opium poppy eradication program, and the concentration of the agency on apprehending high level traffickers instead of larger numbers of lesser drug dealers. These are both measures which your Administration has encouraged and supported. If they are continued, and the Mexican government's program is particularly critical in this regard, then there is every reason to expect this favorable situation will be maintained.

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

C

September 1, 1978

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

COTTON. Insect and dry weather conditions in U.S. cotton growing areas could significantly reduce supplies. Demand remains steady, but ending stocks by next summer will still reach 3.5 million bales.

COFFEE. Recent cold weather in Brazil did minimal damage to the coffee crop and supplies should remain as high as last year.

RICE. Rough rice stocks are down 37 percent from last year, milled rice is down 16 percent.

SMALL. Three of five scheduled regional small farm conferences have been held with good response and participation. Eight "official" delegates from each state attend along with the general public. The purpose is to identify, rank and suggest solutions to the problems of small-scale farmers.

ZIGGY. Dr. Brzezinski did an excellent job -- on the TODAY show -- in emphasizing the Administration's team efforts and the inability of the press to correctly analyze our decisionmaking process.

BOB BERGLAND

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VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420

September 1, 1978

C

TO : The President

THRU: Rick Hutcheson, Staff Secretary

FROM: Administrator of Veterans Affairs

VA Presidential Update

Budget Resolution - Senate floor action on Second Concurrent Budget Resolution for FY 1979 is set for Sept. 6. Amount recommended for VA by Senate Budget Committee is $400 million less in budget authority and $600 million less in outlays than amounts in Congress' First Resolution. Second Resolution passed by House Aug. 16, was down $200 million in budget authority, and $87 million in outlays from amounts in First Resolution. First Resolution called for $21.3 billion budget authority ($2.2 billion over your budget) and $21.0 billion in outlays ($1.7 billion over your budget).

Cash Management - A push to get the most out of the time value of money VA collects, holds and disburses has netted $714,000 in interest savings to Treasury in FY 1978. A saving of $842,000 is projected for FY 1979. In addition, VA and Treasury administrative costs have been cut almost $1 million by use of Treasury's Direct Deposit/Electronic Funds Transfer system, and VA's summation of multiple vouchers in single checks to vendors. Your Reorganization Project Staff has commended VA for this endeavor.

Calverton - I will participate Sept. 10 in dedication of our new Calverton National Cemetery on Long Island. Some 38 acres of this cemetery will be opened for burials the following day. Of the 5 new national cemeteries now under development, Calverton will be the first ready for interments. When work is completed on the entire 902 acres at Calverton it will become the largest cemetery in the nation.

New Chief Medical Director - Dr. James C. Crutcher will take oath of office and begin duties Sept. 11. On Aug. 30, I officially announced my appointment of Dr. Crutcher to head VA medical program, succeeding Dr. John D. Chase, who retired 7/28/78. Advance notice of appointment was relayed to Congressional, veterans organization and VA affiliated medical leaders. I personally informed directors of all 172 VA hospitals simultaneously on Aug. 29, as I inaugurated a just-completed hotline communications system. Dr. Crutcher has served 26 years at the Atlanta VA Hospital, 20 years as Chief of Medicine. He has also been on the Emory University faculty since 1954 and is currently a professor in the School of Medicine.

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

John C. White
Chairman

MEMORANDUM
September 1, 1978

TO: PRESIDENT CARTER

THROUGH: RICK HUTCHESON

FROM: JOHN C. WHITE John C. White

RE: WEEKLY STATUS REPORT ON DNC OPERATIONS

GOVERNORS CONFERENCE

Tim Kraft and I shared breakfast with the Democratic Governors Caucus on Monday. Governors Shapp and Lamm were quarrelsome; but led by Askew, Hunt, O'Callaghan, Carroll and Rockefeller others were positively supportive of you and the Party. I will continue to build a relationship with these leaders. It will be important at the midterm conference to involve them in high profile roles.

ENERGY

The Committee machinery is in gear to help on energy votes in the same manner as it did with the Panama Canal issue.

RIGHT WING LETTER

Several weeks ago, I made a direct mail solicitation for funds in a letter we called the "right wing letter". It was an attack on the Vigurie direct mail operation and its effect on political life in this country.

359,000 letters were mailed and we received only one complaint as far as content -- this was from Ben Wattenberg. He is using his reply as an excuse to generate publicity (i.e. Bill Safire column) that I am criticizing people like Senator Jackson and Moynihan. This is absolutely untrue.

The solicitation letter is attached if you care to read it.

A copy of our report is filed with the Federal Election Commission and is available for purchase from the Federal Election Commision, Washington, D.C.

The Democratic National Committee
1625 Massachusetts Avenue, N.W.
Washington, D.C. 20036

John White, *Chairman*

Dear Friend and Contributor,

I am writing you this special letter because I am worried about the rise of the "radical right" in our nation's political process.

Just look at the amounts they raised in 1977 alone:

National Conservative Political Action Committee	$1,002,778
Committee for the Survival of a Free Congress	757,559
Citizens for the Republic (Reagan's committee)	664,206
Fund for a Conservative Majority	278,877
Conservative Victory Fund	199,050
Committee for Responsible Youth Politics	55,117
TOTAL	$2,957,587

Not since the heyday of the House Un-American Activities Committee, blacklisting and the late Senator Joseph McCarthy, have the ultra-conservatives organized across the country with as much intensity and vehemence as they are doing right now.

And -- quite frankly -- not since that period have they had as great an impact on public affairs as they are having right now.

Here's what the leading moderate and progressive political action committees raised:

National Committee for an Effective Congress	$229,825
Council for a Livable World	161,858
League of Conservation Voters	28,346
TOTAL	$420,029

And these figures only tell part of the story. The reports filed last fall indicated that, all together, radical right and Republican political groups had some $8,000,000 on hand for the 1978 campaigns...and Democratic groups had only about $400,000 ready to go. That ratio is 20:1.

You have contributed generously to the Democratic Party in the past. But now, more than ever, we need your contribution to the Democratic Party's Special 1978 Emergency Appeal. Without your contribution our candidates will be crippled. Why? What do the figures above mean?

THIS APPEAL IS SPONSORED BY THE DEMOCRATIC NATIONAL COMMITTEE. A COPY OF OUR REPORT IS FILED WITH THE FEDERAL ELECTION COMMISSION AND IS AVAILABLE FOR PURCHASE FROM THE FEDERAL ELECTION COMMISSION, WASHINGTON, D.C.

Fundamentally, they mean that those Congressmen and Senators who have had the courage to stand up to the right-wing rhetoric will be under unprecedented challenge at the polls this year.

The right-wingers have already chosen their targets: they will concentrate on Democrats from traditionally-Republican and conservative areas (including many who were first elected in the post-Watergate elections of 1974 and 1976). In these districts and states, the ultra-conservative contributions are already providing right-wing candidates with extensive research materials, background studies on their Democratic opponents, the services of a trained field organizing staff and expert advice in such areas as use of the media and polling.

If the right-wingers succeed -- even if they come too close in a number of the races -- the impact will be felt by all of us. Politicians with their "fingers to the wind" will respond accordingly... and these reactionary conservatives will move closer to their goals.

That's why I'm concerned...and that's why I seek your help. There is much we can do to change things; but first, let's review some of the issues involved.

Much of the right-wing effort is directed toward American foreign policy...particularly our efforts to conclude a Strategic Arms Limitation Treaty (SALT-II) with the Soviet Union. President Carter and his advisors (while never hesitating to speak out against Russian human rights violations) have dedicated themselves to negotiating an agreement which will slow down the arms race and reduce the possibilities of a nuclear confrontation -- without endangering our national security. Such an agreement can be achieved. But the ultra-right will do everything in its power to subvert arms limitations. The fact is, it has already begun.

The right-wing extremists are challenging other new directions in foreign policy as well. They waged a massive campaign against the ratification of the Panama Canal Treaties, despite the position of many responsible conservatives -- such as William Buckley -- in favor of them. And they've opposed the efforts of President Carter, Secretary of State Vance and United Nations Ambassador Andrew Young to develop an African policy based on the traditional American values of independence and self-determination.

In other words, these ultra-conservatives want nothing less than to turn the clock back -- and recreate many of the attitudes and policies which led to America's involvement in the Vietnam War.

And let's not kid ourselves, they could succeed.

The right-wing challenge on the domestic scene is just as severe as it is in the international arena.

The key issues involve civil rights and civil liberties. During the past decade, black Americans, Hispanic Americans, women and other groups have fought hard for guarantees of equal rights and equal opportunities. During that same period, there have been substantial changes in American lifestyles and social attitudes. Much of this change has been accompanied by traditional American open-mindedness and tolerance. But let's face it: change frightens people.

The ultra-right is determined to play on those fears. Their allies are working day and night -- and playing the media effectively -- to convince Americans that the ratification of the Equal Rights Amendment will lead to unisex toilets, Lesbian marriages and the destruction of the American family.

The ultra-conservatives' successes in these areas have led many commentators and analysts to report on a "swing to the right" in the United States. It's certainly true that there is more political activity on the far right than ever before, but such reports can be deceiving. Polls show that the majority of Americans are -- as they almost always have been -- in the progressive center on most issues.

But the vast majority of Americans are also -- as they usually have been -- relatively quiet. Thus, the minority that is mobilized -- that knows how to influence the political process and use the media -- can have an impact far beyond its numbers. And that is precisely what the right-wing extremists are doing today.

Their primary tool is direct mail...bluntly speaking, letters such as this one.

Through the mails, they've been able to raise millions of dollars. They've poured those dollars into more direct mail --

and into the campaign treasuries of reactionary conservative candidates for the United States Senate and House of Representatives.

America can't afford that. Our children and grandchildren can't afford that. And that's why we can't afford to sit still any longer.

There are plenty of excuses for inaction. Sure, many progressives are "tired" from the battles to end the war in Vietnam and guarantee civil rights in America. Sure, it's hard to build passion behind campaigns to protect people already in office. Sure, we don't all agree with all of the policies of Democratic office-holders. But excuses aren't reasons...the stakes are too high to let the right-wing stop us.

And so I am writing to ask you to renew your past support, to join me in a major national effort to change things...

...to show that progressives, Americans who support peace initiatives abroad and humane policies at home, care enough to help those who are on the firing line for them;

...to guarantee that threats of right-wing dollars and organizers won't dissuade elected officials from voting in the best interests of their country;

...to provide the muscle behind the drive to re-elect progressive Democrats to the Senate and the House of Representatives in 1978.

It won't be easy. Important things seldom are. But it's not impossible either.

Will you help? Will you send just $15, $25, $30, $50 or whatever you can to the Democratic National Committee's Special 1978 Emergency Appeal to provide our candidates with the help they need?

If you do, I'm certain we can turn the tide.

That's why I am counting on you.

Sincerely yours,

John White
Chairman

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

September 1, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall

SUBJECT: Major Departmental Activities, August 25 - September 1

Discussions with labor leaders to get support for natural gas deregulation. On Wednesday Jim Schlesinger and I met with Bob Georgine and the building trades unions. The meeting went well and I believe that we will have their support. Next Wednesday Jim and I will meet again with the AFL-CIO representatives and expect that this will be more difficult.

Consultations begin with unions on inflation policy. Beginning next week we will meet separately with the AFL-CIO, UAW and Teamsters to review the economic outlook and the general options we have for dealing with inflation. Next week you will receive from the EPG our policy recommendation on inflation. It is very similar to the policy I gave to you earlier. I believe very strongly that you should make your decision as soon as events permit and that you should announce the program as early in September as possible.

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THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

September 1, 1978 FYI

REPORT TO THE PRESIDENT

This week I addressed the American Economic Association in Chicago on the subject of fiscal policy, stressing the importance of the Administration's tax reduction goals for next year to offset social security tax rises and inflation-induced tax increases, and to keep the economy on a path of moderate real economic growth. The six expert forecasters who appeared on the convention's outlook panel were in general agreement that, if net tax reductions for 1979 are near the levels proposed by the Administration, we can expect for 1979: a 2.5-3.5% real growth in GNP; a 6.5-7.5% inflation rate; and a small rise in the unemployment rate. While the predicted GNP growth rate is somewhat below the Administration's target, the panelists expressed confidence that the chances of a recession next year have diminished. July's 0.7% drop in the Index of Leading Economic Indicators, announced yesterday by the Department and reported widely by the media, can be interpreted as consistent with our expectation of more moderate growth in GNP following the second quarter's 8% annual rate. This drop in the Index should certainly not be viewed as a harbinger of recession.

The July trade deficit figures released this week by the Department warrant special comment. Both the July deficit of $3.0 billion and the June deficit of $1.6 billion appear to be aberrations when considered separately. When viewed together, the $2.3 billion average, compared to the January through July average of $2.8 billion, is generally consistent with our expectations for a gradually declining trend in the deficit as the effects of currency value changes, slower economic growth in the U.S., and faster growth abroad all move us toward a more nearly balanced trade account. Even so, it is almost certain that the deficit for 1978 will exceed last year's $26.5 billion. Increased steel and auto imports from Europe were the principal factors in July's $1.1 billion increase in imports, although rising import prices generated by the decline in the dollar also contributed to the increase. It is especially important that we not draw conclusions on month-to-month movements in the deficit, but rather focus on the broader-based trend.

Juanita M. Kreps

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Community Services Administration

WASHINGTON, D.C. 20506

MEMORANDUM TO THE PRESIDENT

September 1, 1978

Attention: Rick Hutcheson, Staff Secretary

FROM: Graciela (Grace) Olivarez, Director
Community Services Administration

SUBJECT: Weekly Report of Significant Agency Activities
(August 28-September 1, 1978)

Weatherization Program in Jeopardy

CETA Director Robert Anderson and CSA Associate Director E. Jerome Storey met yesterday to discuss the pending termination of CETA programs which support CSA's weatherization projects. Of the 1,000 weatherization projects conducted by CSA, about 75 per cent of them would be halted if the CETA programs are not refunded. Another meeting is scheduled next week to discuss CETA's response to the alternative solutions presented by CSA.

Hispanics Support Civil Service Reform

I have secured the endorsement of various Hispanic organizations, including the National Council of La Raza and the Mexican American Legal Defense and Education Fund, for the President's Civil Service Reform legislation. These endorsements were delivered to the White House this week.

CSA Reauthorization

I respectfully request your consideration of a Rose Garden signing ceremony once the CSA reauthorization legislation reaches you. Although conference discussions have not concluded, they are expected to be finished soon after Congress reconvenes.

Public Policy Forum Report

The final report has just been published of the 10 Public Policy Forums sponsored by CSA last fall to elicit the concerns of low income people and assist the agency in its planning processes. A forum was held in each region and testimony was received from more than 600 witnesses. Attached is a copy of the report.

Energy Education

Of the 32 applicants in CSA's 1978 Energy Education Competition, CSA has picked 10 finalists and awarded them grants totaling $230,000 for activities ranging from installing solar greenhouses in public schools to assisting the Louisiana Office of Consumer Affairs hire ombudsmen to help the poor with their utility problems.

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cc V.P.
J

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

September 1, 1978

MEMORANDUM FOR THE PRESIDENT

FROM Charles Warren
Gus Speth
Jane Yarn

SUBJECT Weekly Status Report

1. Executive Order on Environmental Effects Abroad. We understand that as a result of your request to the Vice President, additional information is being gathered regarding possible reactions to the proposed Executive Order. The order frankly does not cover many exports, and will have less than minimal effects on business. The environmental community considers even the CEQ version too weak, and your decisions on the options went with CEQ three times, State two times and the Lipshutz middle-ground two times. The Justice Department has advised that on the issues still under review the CEQ position is the most legally defensible. Finally, it is important that the Administration position be announced soon so that it can be used to defeat the Stevenson Amendment. For all these reasons, the Council strongly urges that the decisions you have made not be reopened and that the Administration proceed now to implement those decisions.

2. Water Resources Policy Legislation. The Conference Committee bill seriously conflicts with Administration policy: for example, six projects terminated last year and 57 non-Administration new starts are included. Working with Anne Wexler, we are meeting with key environmental leaders to enlist their support for Administration actions, to ensure close coordination in lobbying and other joint activities, and to identify dramatic facts and actions which could be used in a veto message.

3. Natural Gas/Clinch River Breeder Reactor. We recognize the urgency of obtaining enactment of the Natural Gas bill. Consistent with this high priority, we hope that you can move the Administration position as far as possible towards our original position on Clinch River and the LMFBR as modified by the Flowers compromise. Recent analyses indicate that the LMFBR will not be able to compete economically with safer and more proliferation resistant nuclear alternatives until several decades into the next century. Moreover, nuclear

power will be a major issue in 1980. The Administration positions on plutonium and the breeder reactor are the strongest points we have with the large segment of the public that is deeply concerned with nuclear power.

4. Solar Energy DPR. Next week the DPR will issue a status report to the public. It will indicate for the first time broad interagency support for the proposition that solar energy can contribute in a very significant way to meeting this century's energy needs. We are particularly pleased because the conclusions are consistent with those CEQ reached last April in its report on solar energy which you referred to in your Sun Day speech.

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THE SECRETARY OF THE INTERIOR
WASHINGTON

Cecil J

September 1, 1978

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Weeks of August 21 and August 28

I had an enjoyable meeting with Mr. Kirbo as you directed. We discussed the Maine situation, and he indicated that he would get back in touch with me. My real concern is that we have stalled the settlement by action of the Federal Government and if the Indian litigation is pushed, the judge is likely to give them a settlement and we will be the villain. If we settle, you and Senator Hathaway can receive the credit and the expense to the Federal Treasury will be, in my opinion, about the same. If you want me to do it, I will, otherwise I'll say no more on the subject.

Use your own judgment

The Alaska Lands Bill (D-2) is still in Jackson's committee due to Stevens talking on every point and forcing some compromises that really have done a great deal of damage. It will probably come out of committee the second week in September. Because of the drastic changes, the House will require a conference committee report. This will create a time problem. Senator Jackson has been trying to expedite, but it just isn't happening. We need to make sure that Jody lists it as one of your priorities when he talks to the press and that we are hopeful to get an acceptable bill this session. He should also say, however, that if we run out of time that you are prepared to direct the Secretary of Interior to protect those critical areas by other means. Such as Antiquities Act and land withdrawals. This is what you told Stevens when we met.

ok

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I will take care of the Teton land acquisition problems that came up last week. Your press on that subject was good.

We are having an Indian fishing problem on the Klamath River in California. I will have to go out next week and personally resolve it, but don't let the California Congressional Delegation draw you into it. Please shove them off on me. We had to close the river to all fishing, in concurrence with the State of California, because they are depleting the resource. Being an election year, some of the politicians are making statements. the

There is a great trout stream in Pennsylvania if you are ever interested. I am

As soon as I can borrow the dollar from Carol, I will pay off our wager. No hurry- let the interest accumulate

Cecil

CECIL D. ANDRUS

The Community Services Administration







Public Policy Forum Report

1978

INTRODUCTION

Despite substantial efforts in past years on the part of the Federal Government to "eliminate poverty in the midst of plenty," there are between 25 and 40 million poor people in the United States today. Although past experiences have taught us to substitute systematic thinking and action for ignorance and confusion, the causes of poverty in America continue to defy solution. While the "War on Poverty" raised the hopes and expectations of millions of poor people, it ironically increased their frustrations with the inabilities and insensitivity of the "system" and its institutions.

Within the Federal Government, the Community Services Administration (CSA) is the central agency for advocating on behalf of the poor and developing, testing, and operating various programs to reduce poverty and its attendant problems in urban and rural areas. CSA came into existence on January 4, 1975, as the legal successor to the Office of Economic Opportunity (OEO). It retains many of the functions and powers which OEO had at that time and currently operates seven basic programs—Community Action, Economic Development, Energy and Weatherization, Senior Opportunities and Services for the Elderly, Community Food and Nutrition, Rural Housing Demonstration, and Summer Youth Recreation.

In addition, and more importantly, CSA supports efforts at the local level to achieve participation of the poor in decision-making processes affecting their lives and is underwriting activities aimed at monitoring federally funded socioeconomic development programs to evaluate their effectiveness in meeting the needs of low-income people.

All of CSA's programs are characterized by grassroots involvement. The agency has sought (1) to establish locally based and operated community organizations, (2) to encourage direct participation of the poor, and (3) to develop cooperative arrangements within and between the government and private sectors to effect changes in the social and economic causes of poverty.

As a result of its program efforts, the CSA has developed a national network of community organizations which provide input to agency policy and implement its initiatives. Nevertheless, the present administration recognized a need to learn of the problems of poverty directly from its constitutents and developed a unique approach to accomplish this. In order to break with the past and reaffirm the agency's "people" orientation, 10 public policy forums were conducted at regional locations. During these forums, CSA leadership spoke directly to program beneficiaries to identify the needs of the latter and to hear how poor people themselves felt their problems could best be solved.

Conduct of the Forums

The overall purpose of the forums was to provide government officials with increased knowledge of the causes and problems of poverty and to identify ways to lessen poverty's impacts. More specifically the goals of the forums were:

- To provide an opportunity for the nation's poor to speak directly to key national policymakers about their needs and wishes.
- To inform these national policymakers about what the government has done, has not done, and should be doing to help poor persons satisfy their needs and realize their wishes.
- To give the poor an opportunity to suggest approaches which can be used by government to solve the problems of poverty.

- To establish a starting point for revitalizing national priorities, plans, and programs for overcoming the causes and conditions of poverty in America.

- To reaffirm CSA's role as the primary public agency committed exclusively to helping the poor and representing their interests at all levels of government.

- To build agency policy from the grassroots up.

The forums were conducted between October 3 and December 3, 1977, at selected locations in each of the 10 Federal regions throughout the United States. Each forum lasted two days and provided an opportunity for contributors to submit verbal and written testimony. The Director, Deputy Director, or Assistant Director of CSA presided over the forums; heard direct testimony from scores of low-income people and their spokespersons; and shared the podium with a multi-representative panel of regional figures known to have provided exceptional leadership on behalf of poor persons. The entire series of forums included participants and audiences as diverse as the President, and members of Congress to hundreds of poor persons. Several distinctive features characterized the forums.

- Most people who spoke were poor, represented only themselves and their immediate families, and had previously never had an opportunity to tell government officials about their needs.

- The individual speakers were not limited to specific topics in expressing concerns and judgments.

- Attempts were made to learn the differences between urban and rural poverty, as well as disparities among regions.

- Participants were asked to suggest solutions to the problems of poverty (that is, what they would do if they were in the government's position) as well as to identify their needs.

The forums produced 7,000 pages of testimony from the 600 persons who were heard.

Summary of Findings and Conclusions

The witnesses heard during the forums placed highest priority on the following need areas:

- Employment
- Education
- Health Care
- Housing
- Energy
- Transportation
- Water and Sewer Facilities
- Food and Nutrition

While priority ranking of needs varied somewhat from region to region, and between rural and urban areas, the general spectrum of problems confronting poor people everywhere remained the same. Differences tended to be in terms of degree. The most striking note to be sounded was not the differences but the similarities of need, as well as the fact that the poor are confronted with a series of interlocking dilemmas, not just one or two isolated problems. Thus, while witnesses from rural areas may have stressed concerns over serious deficiences in transportation and health care, they also cited compelling needs for housing, affordable energy and employment. Conversely, poor people from cities emphasized the crisis of unemployment, but also conveyed their desperation over a lack of adequate housing, health care and decent education.

Testimony also revealed the barriers which were felt to block satisfaction of poor people's needs. Major obstacles identified include the following:

- Insufficient resources and programs.
- Resources and programs that are poorly planned and administered.
- Bureaucratic insensitivity and unresponsiveness.

Finally, the testimony was analyzed to identify needed improvements in, and new approaches for, Federal policy and programs to impact on the problems of poverty. Suggestions were made for (1) revising CSA's policies, practices, and programs as well as those of other agencies and departments; (2) improving relationships between CSA and other Federal agencies; and (3) developing Federal programs in areas not presently or adequately addressed.

The CSA is now using these data to assess its current policies, practices, and activities, and has begun to take action to address the specific concerns of its constituents. In addition, the CSA will be providing other Federal agencies with data and results pertinent to their programs and activities. Thus, the results of the forums provide a framework for constructing national public policy around the people and their concerns, rather than around abstract theories of professional planners.

The remainder of this report presents a detailed discussion of the results of these forums.

GENERAL FINDINGS

The testimony heard during the 10 forums was rich in its variety and confirmed the knowledge that not all poor persons are poor in the same way. Rather than including a preliminary analysis of all the general information that was transmitted and specific summaries of individual testimony, this report concentrates on identifying the significant issues related to the functions and missions of CSA. In this way, the analysis can be used by the agency to formulate coherent policies from which effective program responses could be developed and to focus CSA priorities for 1978 to 1980 relative to its mandated mission. However, it should be stressed that while much of the testimony is of direct concern and interest to CSA, its impact ultimately is germane to the entirety of the public sector dealing with problems of poverty. The findings and recommendations derived from these forums will be augmented in the future by data collected from other sources (additional forums, agency review, etc.) to develop and refine CSA's approaches to solving the problems of poverty, and will be communicated to other Federal agencies, where appropriate, for use in their policy development efforts.

The remainder of this section presents a preliminary analysis of the testimony related to the needs of the poor, problems faced by poor people, and CSA policy and programs.

Needs of the Poor

A significant portion of the testimony presented during the forums was concerned with the individual needs which either are a result of or contribute to conditions of poverty in this country. The needs which were most frequently identified by witnesses included the following:

- Employment
- Health Care
- Energy
- Food and Nutrition
- Education
- Housing
- Transportation

The subsections that follow present a brief discussion of the major issues raised by witnesses. However, a separate discussion of each of these need areas, while necessary, obscures an important point raised by several witnesses: *that the various needs of poor persons in this country are highly interconnected and have at their roots the structural causes of poverty.* For example, one witness made this point in the following way:

> The main problem with most of the poor is no jobs. And even if you're lucky enough to find one, your ADC is cut or in some cases cut completely, plus your food stamps go up so high that you either pay your bills and not get stamps—either way, you lose, because if you pay—if you get your food stamps and not pay your bills plus your utilities, you still don't eat, because you don't have any place to cook.

Employment

> I would like to emphasize to those who are here at the forum that while looking at the entire problem, you're absolutely right that there is one priority for the poor people of this community—jobs—big, loud, and clear and jobs are what they need—jobs to be trained for, jobs to be given an opportunity to fill for themselves and their children and there is no more credible work that we can undertake than supply that component of the war on poverty. I understand very clearly that that is my principal priority.

This statement, made by Senator Jacob Javits at the Forum held in New York, summarizes a major need area identified by many other witnesses. The basic issue raised during the forums was that there are simply not enough jobs, especially ones which have a future, for minority poor and other ethnic group members. This problem was identified about as often by rural as by urban witnesses. While the causes cited for inadequate employment opportunities for the poor ranged from "general economic conditions" to the "flight of industry from our cities," the impact of unemployment was seen as devastating, both economically and psychologically. This point was dramatically illustrated in the testimony of one witness.

> But then if you can't find a job, and then—like some of the people I know, they've been looking and looking and looking for jobs. And like this one lady, she's on welfare. She's got, what?—six kids, and they give her $116 a month. And she's been looking for jobs, and she just finally decided, said, 'Well, I'm not going to do any better anyway, so what's with it?'

Employment needs were also seen as being particularly important to the young; not just the need for more jobs, but the need for jobs with career potential. For example, one witness reported:

> Employers want experienced people, yet, when it comes to hiring someone under 18, basically the only jobs available are hamburger pushers, baggage clerks, or some other job pushing carts or lifting boxes.

The need for decent jobs and adequate job training is nothing new. Even the casual observer can come to this conclusion immediately. But it is the major problem which still is unresolved and will continue to be until imaginative and bold steps are taken to attack the structural causes of unemployment.

Education and Training

A second need area which was frequently identified during the forums was for education and training opportunities for minorities and poor people. The basic issue that was raised was the need to improve our educational system so that minority children and poor youths are prepared to assume meaningful roles in adult life. As one mother put it:

> Society is afraid of young people and pushes them aside. To be young and poor . . . means gangs, pimps, pushers and impersonal school personnel. You're old and militant to each other by the time you are twenty.

Another witness made the following observation:

> One of the most important enigmas that needs identification is the proper training of youth. Presently, young men and women are not being given a fair deal as far as preparing them for roles as productive adults. Learning institutions or society is not meeting its obligations to young people when it comes to training them at a young enough age so that by the time they reach their eighteenth birthday they are at least half as prepared as their 21-year-old counterpart of eight years ago.

Education and training were also seen as an important method for impacting on many of the other needs of poor persons in this country—both young and old. More and better training were felt to be needed to improve the unemployment situation. To those who are directly involved, many present government employment training programs are considered "dead-end arrangements that provide no real individual communities." A solution to the problem was that jobs program funds "should be (used for) training minds, not used for raking leaves."

Other areas in which basic education and training were felt to be required included nutrition, health care, budgeting, and home maintenance. Finally, witnesses felt that poor persons should be trained to obtain the services and resources already available through government programs, to organize community groups, and to learn how to advocate for themselves—to achieve independence, as it were.

Health Care

Many witnesses identified health care as a leading priority. It was frequently asserted that poverty is the principal cause of ill health for many people, especially as poverty makes medical care, particularly preventive medicine, an unobtainable service for many poor individuals and families.

Health care needs were identified as exceedingly vital by both rural and urban witnesses, but appeared to be of special concern among the rural poor. One rural witness capsulized this sentiment, asserting that:

> Since (government) programs are geared to deal with a lot of people in communities I have found in the lower rural parts of southern Anne Arundel that there are ten or twenty thousand people that have no public health (service). Since CSA deals with people of low standard and poor I feel they should have a great input in helping to bring public health into this lower Anne Arundel County.

Senior citizens also expressed particular fears about lack of health care services available to them. Many elderly witnesses pointed out that Medicare and Medicaid are extremely limited, and that many physicians refuse to take patients under these programs. Others reported that they exist on fixed incomes and that the sky-rocketing costs of medical services prevented them from obtaining proper care. As one witness put it:

> The greatest unmet needs are in the area of health care. It had been brought to my attention that no doctor in our town would take new Medicaid patients and that many older people, as well as children of poor parents, were going without needed medical care.

There was a constant theme stressing the need for health care, especially for the working poor unserved by Medicare or Medicaid. One respondent summed it up well by putting the burden on CSA to require it to:

> Fight on behalf of the poor for preventative medical care that is affordable and accessible.

CSA is, of course, prepared to assume that responsibility. Again, the issues being raised are not necessarily new or surprising. It is just distressing that the problems continue to go unattended.

Housing

Lack of adequate housing, too, was emphasized over and over again as a major dilemma. The issues raised concerning housing were complex. Witnesses from both urban and rural areas pointed out that there is not enough public housing to meet the ever increasing demand. And even when public housing is available, facilities were often said to be poorly and arbitrarily administered, physically deteriorated, vermin infested, and a haven for criminal activity.

The situation did not appear to be any better for poor persons living in their own homes or renting from private homeowners. Witnesses also reported their homes were in poor condition and that money for repairs was unavailable or inadequate to solve their major problems. One witness described the situation this way:

> Then there's the weatherization. This is very good for people with houses that need very little repair. But for the ones who need a new roof because it's raining on them, this is a different story.

As with health care, the elderly appeared to be particularly victimized by a lack of housing. Older witnesses felt there was not adequate public or private housing for them. They also felt that the housing which was available was not specifically designed for the elderly, and thereby increased their hardships and frustrations. This situation was aptly depicted by one witness:

> If you live in the housing project, the high-rises that we have, which I think are an insult to senior citizens anyway—you know, they have a hard time going up and down stairs, going in elevators—some of them have fears about height and we stick them up in these big old high-rises. Half of them don't want to go there—and then there's big waiting lists. Those that live in the housing authority are scared to death to live there. You know, they get mugged, they get robbed, they get broken in, their checks get stolen, this kind of thing.

Finally, the need for emergency housing services was raised by a number of respondents. One summed it up like this:

> One of the questions that I'd like to see this (forum) get into is that so often, I might interview an individual and the individual been out of a job or they just came to town, or—they have all types of problems. I cannot allow an individual to move in without some money. And this agency, hopefully, would formulate some plans in the future date that we would be able to have some monies available that these people might have emergency housing—now, if it's not but 15 days or 30...

Energy

Another major need area which was frequently identified during the forums centered on energy-related issues. Particular concern was expressed about the high costs of energy for heating and transportation, and the differential impact of such costs on poor persons, minorities, and people living on fixed incomes such as the elderly. Several respondents felt that high energy costs force poor people to make difficult, and sometimes impossible, decisions, such as whether to do without heat and suffer the ensuing discomfort and possible health consequences so that more money is available to pay for food and other necessities; or to pay for heat and sacrifice nutrition, mobility, or some other basic necessity. Other witnesses pointed out that poor persons spend a dramatically greater proportion of their incomes for energy than do members of the majority population. Both of these points were raised quite clearly in one witness's statement:

> Utilities are constantly on the rise due to America's energy problem, and this causes (people on) fixed income such as seniors and others to have to spend much more of their income than the allotted portion on utilities, which then deprives them of other needed goods they should not have to do without.

Other energy-related needs identified by witnesses centered on weatherization programs: "People need—in poor communities—need to save energy also, but we can't help it without the assistance of

Federal programs."; emergency assistance to help pay high utility bills: "And daily they call me and daily they say, 'Please help me. My gas is turned off. My lights are turned off. I need something to help.' "; and increased Federal involvement to ease utility costs for poor persons: "Many of the problems, you know—of course, as you know—are the high cost of the utilities." While the energy crisis affects most if not all Americans, it is clear that the principal victims of inflated energy costs by far are the poor. One woman in Wyoming, for example, reported that she subsisted on a public assistance income of $144 per month and used up the major portion of that "stipend" for utilities—and this is the wealthiest nation on earth!

Transportation

The testimony revealed urgent needs for improved and more accessible transportation. Urban and rural witnesses, including representatives from minority, senior citizen, and youth groups, stated that without adequate transportation they could not get to their jobs, health centers, recreational facilities, or other places to conduct normal, everyday affairs.

Differences were noted in transportation needs cited by urban and rural witnesses. While representatives from both of these sectors identified costs as an issue, testimony of rural witnesses concentrated on the lack of transportation services, especially infrastructural underdevelopment, and that of urban witnesses on the inadequacies of available services.

Based on the testimony, it appears that transportation creates a far greater hardship for the elderly than for any other group. The elderly are often not able to take advantage of public transportation because they are sick or handicapped, because major routes are too far from their homes or destinations to walk, especially in bad weather or when carrying packages, or because of inconvenient schedules. Special transportation programs for the elderly were felt to be inadequate, both in terms of the number of people who can be served ("the van that we've got, we can't carry but so many at a time") and the quality of the services provided ("and we try to keep them just as long as we can through the day . . . Some elderly just want to go stay a little bit, maybe for a meal or something. And then they want to go home where they can lie down and rest or something."). Where public transportation is not available, older people stated that they must rely on family or friends—often with little success.

For the elderly, such problems appear to have a direct impact on their health and nutrition, and to increase their feeling of dependency and isolation.

Food and Nutrition

Witnesses at forums also pointed to food and nutrition as a priority need of the poor and minorities ("... we do physicals where I work for children under the ages of 13. Practically five out of every ten have a nutrition problem.") According to the testimony, this need results in part from the lack of money available to poor people to spend on food, and, in part, from insufficient knowledge of proper nutritional habits. Groups which were considered to suffer most from food and nutritional deficiencies included the elderly, people on fixed incomes, pregnant women, and young children. Little difference was noted between the concerns of urban and rural respondents.

Witnesses also expressed the feeling that Federal, state, and local programs related to food and nutrition, such as the Food Stamp Program and Meals on Wheels, are inadequate to meet the needs of their clients. Criticisms addressed the lack of educational components in such programs, lack of outreach efforts ("Why don't the poverty programs try to get in touch with these poor mothers at a point of early—you know, right after conception—and try to get them to have the right food and make it available to them?"), and failure to provide more than "stopgap" assistance. Another criticism of food and nutrition programs was that they are not specifically targeted to reach certain key groups—in particular, pregnant women and very young children. Although actually speaking about the elderly, one woman pinpointed a major dimension of the problem.

> The (poor) are running a losing race with inflation. Rent and utilities costs make food a luxury, never mind clothing.

Barriers to Problem Solving

Aside from the substantive problem areas addressed by CSA constituents, a great deal of time and thought was devoted to obstacles to solving problems. As might be imagined the litany of barriers is long and all too familiar. But in the absence of reforms, it is necessary to repeat once again the difficulties encountered by the poor in their battle for even just a small share of the fruits of society. Four major obstacles to problem-solving fashioned a recurring mosaic:

- Insufficient resources and socioeconomic programs
- Resources and programs which are poorly planned and administered
- Bureaucratic red tape and needlessly complex regulations
- Bureaucratic insensitivity and unresponsiveness

While each of these issues is treated separately for discussion purposes, it is important to bear in mind that they are all generally interconnected, in much the same way that the substantive problems facing the poor are.

Insufficient Resources and Programs

A constantly recurring theme throughout the forums was that Federal, state, and local governments have not created the programs or provided the resources both financial and human that are truly required to overcome poverty in this country. In this regard, deficiencies were noted in efforts related to training and education, legal aid, transportation, health care, housing, and energy, among others. Witnesses explained their views clearly in their own words.

> Maybe by addressing some of these programs, instead of just putting Band-Aids on them—if we could have it a people program, a full people program, and not just a bureaucratic program to satisfy some people's needs.

> It's been a lot of frustrations and I feel like some of these programs are really set up to fail. They're one-handed. On one hand, you say, "Here is an amount of money to fix your house," and the other hand is tied behind you because there's no money to do the work, you know.

> We have now asked the county commissioners to give us two hundred thousand dollars to build low-income (houses). We have purchased the land through the county—the housing authority. We have to fight them to get block grant money to get it implemented. We have a lot of stepping stones.

> The funding process has been a very serious problem of mine for lots of reasons. It seems that the urban areas always get the biggest bulk of the money. That's because they have the manpower, the structure, who knows when the big pots of money are coming down. So when the rural areas know anything about it, you know, you have a just a little bit, and everybody's pulling for it.

> But I also understand that there are some considerations as to using these funds to create possibly new programs, and I certainly hope that prior to the creation of new programs that we properly subsidize these programs that we have.

Clearly poverty is not only an issue of kind but of size as well. In the United States to be poor is not unfortunately a unique condition. As an anti-poverty official from Puerto Rico put it: "The uniqueness is the magnitude." Even if resources are better utilized, the poor are saying it still may not be enough. The problem is so large it may be necessary to direct even more resources at providing solutions.

Resources and Programs That Are Poorly Planned and Administered

In addition to the problems of insufficient programs and resources, witnesses indicated that many existing poverty programs are poorly planned and administered. The observations below bring to light some major difficulties.

- Lack of coordination between and within programs and levels of government. For example:

  Now, what we've got to do—I'm giving you some solutions now. What we've got to do is we've got to coordinate these federal dollars with the local dollars and with the state dollars so that we can get this thing together to be able to do an effective job of alleviating poverty.

- Lack of sufficient funding to accomplish objective. For example:

  A prime example of what I'm speaking of now was last winter when we had funds come in on the energy program. The funds were to be used for insulation—plastic that went around frames in windows—material in general to be used to help insulate these homes. None of these funds, however, was earmarked for salaries. We had extreme difficulty in getting money for the salaries.

- Lack of accountability of staff. For example:

  Okay. I want to say this, probably in conclusion. You need, in terms of allocating the dollars—you need a closer supervision of those people who administer your programs.

- Spending too much money on administration and not enough on providing goods and services to targeted beneficiaries. For example:

  They spent $5 million in administration money and haven't helped one poor person in housing yet.

- Nepotism (providing funds to friends and relatives rather than to people in need). For example:

  Friendship was another one that tore things up. You're on the Board, you've got a friend out here, she's got a little extra time, but yet she got a good job. And you're going to work your friend on this job, too. So she's got two good paying jobs, and here's two or three out here ain't got nothing.

- Failure to consider poor people's needs in locating service centers. For example:

  I think that one of the problems that we have is when a person comes in, we'll tell them, 'Okay. These are the programs available,' but they have to run all over town. Manpower may be here, or their housing might be there, or the food stamps might be there (indicating).

- Improper training of program staff. For example:

  While I was rushing this morning to come here, I got a call from a social worker—probably has a Master's in social work—that wanted to know where she could find emergency food for two of her clients this weekend, you know. I'd be dammed ashamed to take that (salary) and have to call somebody else to tell me where to find what I need for my clients.

- Profiteering/fraud. For example:

  And then down the road, the program got so ineffective and so many people was profiting that didn't need it. See? So much of the money went where it wasn't needed until the poor went to scorning it.

- Duplication of effort. For example:

> And I just think, like I said before, you know, whether it's right or wrong, the upswing should be again for advocacy, people doing kinds of things, instead of so much, you know—you had three programs in San Antonio that were basically overlapped. You had outreach, you had the referral thing, and you had the homemaker service, you know.

Improving the administration and planning of programs stands a better chance within agencies. A great deal of the trouble comes when efforts are made to coordinate among various programs represented by several agencies, both from the standpoint of program planning and implementation. Local communities have to live with the effects of the failure of federal interagency coordination. Fragmented and inadequate funding and inconsistent eligibility requirements lead to inefficiencies at the local and neighborhood levels. One witness put his finger on the problem accurately when he observed that "If we don't coordinate we all lose, especially those who need the services most."

Bureaucratic Red Tape and Complex Requirements

Many witnesses expressed the opinion that poor people are not afforded maximum access to the benefits of poverty programs as a result of bureaucratic red tape and complex requirements. Criticisms were directed both at the agency and program level. These typically involved the observation that often so much of an agency's time and resources are spent in complying with convoluted requirements and filling out forms that direct services to beneficiaries are neglected ("I feel—I find that the CAP agencies are doing more paperwork than they are outreach in the community.").

Other remarks about red tape were made on a more individual level. Witnesses expressed a feeling of degradation at being asked to fill out detailed forms that "pry" into their personal lives ("Again, CSA has the forms for the recipients to fill out and they're the same; they're so detailed and they pry sometimes a little bit too far..."). They also felt that that some of the information needed to complete forms was meaningless or insulting to poor people ("... you're asked for a picture ID; you're asked for check stubs..."), and often impossible for them to provide. Even forms that do not pose these problems were troublesome to some witnesses, as the length and wording sometimes make them difficult to complete ("I don't care if the CAP director has to fill out a No. 20 form... but not somebody that comes asking for emergency food or rent or utilities, you know.") The complaint was also made that, many times, completing new forms is unnecessary because the information has already been provided in the past ("... every three months I have to fill out forms, and they're the Goddamn same forms time and time again. They've had it for 15 years, my forms, and they never change.").

Bureaucratic Insensitivity and Unresponsiveness

Another problem witnesses considered to be severe was that the bureaucracy is insensitive and unresponsive to the needs and wishes of the poor. In fact, some respondents felt that the bureaucracy often created more problems than it solves. As one person put it:

> The rules and regulations of social services support the breakup of the family and punish the poor as if they were the offenders rather than the offended. The system is one which invades privacy and is oppressive and demeaning. It presupposes the poor are not deserving, and advocates are needed because the poor are still, to a great extent, without power and voice to respond to these charges.

Other witnesses stated that welfare programs are impersonal, designed for people other than the poor ("Because the food stamp program was not meant for the poor, you know. The food stamp program was meant to give more revenue to (growers)..."), and are staffed by "office workers" who do not understand the people they have to serve or who feel superior to program beneficiaries. But perhaps the most telling comment was made by one woman who in complaining about welfare offices said: "We don't mind being poor (necessarily), but we don't want to be treated poorly."

A major defect is that in too many cases bureaucracies have become ends unto themselves and have forgotten the original purposes behind their creation. The public sector is to serve the public, not dismiss it out of hand. In Boise, Idaho, one respondent expressed the problem in clear terms: "Humanize the bureaucratic structure instead of providing bureaucratic responses to human problems." Aside from the humanity of the issue ("I want to be treated as a human being"), the more demeaning aspects characterizing too many client/welfare agency worker relationships, and the systemic abuses ("the system is one which invades privacy and is oppressive") are uncalled for and result in counterproductive and costly paper work. As one understandably irate witness exclaimed, "It is no disgrace to be poor, just uncomfortable."

Recommendations for CSA's Policies, Practices, and Programs

The testimony collected during the forums was also analyzed to identify ways for improving the effectiveness of CSA and for developing new approaches for solving problems of poverty. This section presents a distillation of specific recommendations made by witnesses across the country. Areas addressed include: CSA policy, programs, practices, and procedures; CSA's relationships with other Federal agencies; and areas not presently covered by CSA.

CSA's Policies

Advocacy

A significant number of witnesses and panel members felt strongly that CSA should define and strengthen its advocacy functions on behalf of its constituents. To accomplish this, CSA should advocate at the national level for the inclusion of Community Action Agencies as prime sponsors for delivery of such programs as DOE/Weatherization and CETA, develop public positions on major issues affecting its constituents, and become involved in program planning and regulation development processes of other Federal agencies whose programs impact on the poor. It was also recommended that CSA require the State Economic Opportunity Offices to return to advocacy activities, and that citizen education and awareness programs be conducted at the local level. It is important to note that underlying the bulk of the testimony was a strong urging by the poor for CSA to engage much more forcefully in advocacy on their behalf. Of all the themes, explicit and implicit, which emerged from the ten forums, the need for more advocacy clearly dominated all others. Such remarks as "Let us do advocacy again" and "CSA should advocate nationally and support local advocacy," were heard time and again throughout the forums.

State and Local Strategies

CSA should develop a strategy for state and local government involvement which is broader than the agency's present focus. This strategy should maximize opportunities for cooperation including a large educational component aimed at county officials, and provide a role for involving these sectors in future CSA policy development.

Education

Changes in CSA's educational policies were also identified by witnesses. It was felt that CSA should consider serving more people defined as "near-poor," a group which has too long been ignored and which faces problems virtually identical to those who fall beneath the poverty guidelines. Witnesses urged that CSA also address energy-related crisis intervention in its new policy statements. That is, policies should be developed for including energy-related services to people in rental units, for public sanctions against disconnecting utilities, for consumer education and information, for priority consideration for the elderly, and for close monitoring of unregulated fuel dealers.

Personnel

Finally, it was recommended that, when specifying personnel policies, CSA should stress career and job development (as they relate to affirmative action), job counseling, and the hiring and career development of non-degreed constituents. Such personnel policies should also establish and include, at the least, minimum wages, pension plans, and health insurance for participants.

CSA's Programs

Weatherization

Witnesses believed that CSA program activities should be expanded in certain areas and that specific new programs should be initiated. A major concern was for programs dealing with energy conservation. For example, it was suggested that CSA should speed up funding for weatherization programs, address the issues of labor shortages for such activities in rural areas, and give high priority for the elderly under such programs.

Research and Development

Another area of concern was research and development sponsored by CSA. It was felt that CSA should fund R&D efforts through its CAAs whenever possible, fund more local self-help organizations, and publicize and promote its successful new programs. Also, it was suggested that alternative program models be developed for rural areas.

Youth and Families

Emphasis for improving and augmenting special programs for youth was expressed, too. Witnesses believed that youth programs sponsored by CSA should consist of full-year, rather than summer, activities; involve the young in the program planning process, and stress job development.

Family Crisis Center Programs were another area considered by respondents for CSA involvement. They felt these should include assistance for single-parent mental health components, food stamp certification programs, and emergency assistance programs for abused children and battered spouses.

Other

Witnesses urged that public education programs be mounted by CSA, as well, to break down false stereotypes held by the non-poor and to increase public awareness of the country's poverty problems. Finally, it was suggested that CSA develop programs to address the unique problems of Indians, migrants, and immigrants (including undocumented workers).*

CSA's Practices and Procedures

Regulations

A third area of concern expressed by witnesses at the forums centered on CSA's practices and procedures. It was strongly felt that the agency should communicate more effectively with its constituents, both by simplifying its rules, regulations, and procedures, and by providing educational materials geared to specific target groups. This could be accomplished, as suggested by one respondent, if CSA designed and published a handout to explain its policies, practices and procedures to poor people in the clearest terms possible. Topics which could be discussed in such a handout include rules for participation, the roles and functions of boards, CSA energy conservation programs, how "income" is defined, etc.

*Both an Indian Desk and Migrant Desk are in the final stages of establishment within CSA to address these very issues.

Monitoring

In the light of the suggested policy and program changes, it was felt that CSA monitoring efforts should be revised. CSA should monitor and evaluate the CAAs and provide technical assistance to ensure that they hold their delegate agencies accountable, and that the poor are being genuinely involved in the planning and evaluation processes. The regional offices should be monitored, as well, so that CSA policies and procedures are applied and interpreted in a consistent manner. Finally, CSA should place greater emphasis on and resources in compliance monitoring and review (especially with respect to board structure) as a means of strengthening the role of the poor.

To make the most of its experiences and the experiences of its grantees, it was suggested that CSA develop and implement a management process or system to capture data on successful pilot project ideas so that public relations information will be available to "sell" such new concepts. Such a system would also enhance CSA's capabilities for providing technical assistance.

CSA's Relationship With Other Federal Agencies

Much concern was expressed during the forums with respect to CSA's relationships with other Federal agencies. The following specific suggestions were made as to ways interagency relationships could be improved*:

- CSA should enter into discussions with Housing and Urban Development (HUD) to push underwriting home ownership (especially for elderly poor), converting ownership in public housing, and increasing flexibility in Section 8 policies and procedures.
- CSA should undertake a priority evaluation of the Headstart Program to determine, among other things, whether there is continued maximum participation of the poor and whether emphasis has shifted to a professional education program.
- CSA should share its experiences with HUD, Farmer's Home Administration (FmHA), Health, Education and Welfare (HEW), Department of Labor (DOL) and others and make those Departments more responsive to the needs of the poor.
- CSA should negotiate, if necessary, the loan packaging agreements with FmHA and reissue guidance to its grantees about this program.
- In general, CSA should monitor and evaluate antipoverty programs managed by other agencies to make certain they are adequately serving the poor.

Some of the overriding concerns which should be addressed by CSA in all its interagency dealings were felt to include the problems of conflicting eligibility requirements, complex eligibility forms, and bureaucratic red tape. Also, CSA was urged to develop a detailed inventory of available private and Federal resources for use by CAAs.

Areas Not Presently Covered by CSA

In addition to recommending that CSA extend its CAA coverage to those counties in the country which are presently not served by the agency, a significant amount of testimony was devoted to the problems of the handicapped—people who are deprived not only of economic resources but who are burdened by physical or mental disabilities as well. Many witnesses remarked how the non-poor handicapped shared many common problems with the poor—handicapped or not. The handicapped, as are the poor, are one of the vulnerable sectors of society, discriminated against by physical barriers, shunned by the mental and physical mainstream as reminders of their own frailties and generally neglected by government ("The system isn't even providing basic needs; nursing homes are an avenue to despair and death.").

The Agency was repeatedly asked to become the vanguard of the handicapped, especially, of course, the poor handicapped.

* CSA is already providing other Federal agencies with the information pertinent to their programs and activities.

CONCLUSIONS

Because the transcript of the forums contains a wealth of data and important observations blended into the thousands of thoughts and messages of poor persons and others, they provide a basis to help CSA improve the use of its resources in the overall national effort against poverty. The very act of conducting the forums has already proved beneficial in many respects: for example, they provided an opportunity for the poor to be heard, served as a vehicle for CSA to re-emphasize its existence and concern for its constituents, and represented a visible break from the past era of "benign neglect."

More important, however, is the fact that analysis of the testimony produced opportunities for policy formulation, especially for areas and concerns raised by poor persons for the first time. The focus of many low-income witnesses on the major weaknesses and vacuums in present national programs and policies, and their suggestions for improvements, stimulated discussion and provided a framework for constructing national public policy around people and their concerns, rather than around abstract theories of professional planners. The CSA is now using these data to assess its current policies, practices, and activities, and has begun to take action to address the specific concerns of its constituents.

In the future, data resulting from these forums will be augmented with data and observations from other sources to direct further the agency's, and hopefully the nation's, efforts to redistribute its resources and put an end to the glaring inequities created by poverty in the world's wealthiest nation.

But the wealth of the testimony heard by CSA at the forums went well beyond the scope and abilities of the agency. The poor were addressing the entirety of government, expressing frustration as well as hope. Indeed, one of the most optimistic observations was the constructiveness and commitment expressed by the poor. The witnesses realized that government alone cannot and should not accomplish everything. But they also know and expressed their knowledge and feeling that government can and should be doing much more to achieve an equitable society than is presently the case. The mere fact that in the wealthiest and most advanced nation in history 25 to 40 million poor and "near" poor struggle daily to survive is sad testimony to their entreaties.

In the days that come CSA will be formulating policies and programs to help the poor in meeting the problems they shared with the agency. CSA will also be working with other agencies to provide them information and assistance with which they too can construct more sensitive policies. And, CSA will, of course, continue to share with the President and Congress the aspirations, frustrations and views of the vulnerable sectors of society.

GPO 931-675

For More Information, Write:

Office of Policy, Planning and Evaluation
Community Services Administration
Washington, D.C. 20506

The Community Services Administration







Public Policy Forum Report

1978

CSA PAMPHLET 1405-22

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

September 1, 1978

The Administrator

REPORT TO THE PRESIDENT

FROM: Douglas M. Costle

This week there were no actions of sufficient significance to call to your attention.

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

Administrator

September 1, 1978

MEMORANDUM FOR THE PRESIDENT

THRU: Rick Hutcheson

SUBJECT: Weekly Report of GSA Activities

A negative report is submitted for the week ending September 1, 1978.

Paul G. Gaulkin for

JAY SOLOMON
Administrator

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Cabinet Summaries	Andrew Young to Pres. Carter, 1 pg., re:UN activities	8/18/78-9/1/78	A
Cabinet Summaries	Andrew Young to Pres. Carter, 1 pg. re:UN activities	8/18/78	A
Cabinet Summaries	Harold Brown to Pres. Carter, w/attachments 3 pp., re:Defense Summaries	8/18/78	A
Memo	Frank Moore to Pres. Carter, w/attachments 8 pp., re:Legislative report	9/1/78	A
Memo	Jack Watson to Pres. Carter, 2 pp., re:Weekly Report	9/1/78	A

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Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File, 9/4/78 [1] Box 101

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