

**5/14/77**

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THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

ADMINISTRATIVELY CONFIDENTIAL

May 14, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

FRANK MOORE

SUBJECT:

Weekly Legislative Report

1. ENERGY

Energy Department: On the Senate side, Sens. Johnston, Domenici, and Hansen have argued for sequential referral of the DOE bill to the Energy and Natural Resources Committee on the basis of data gathering, oil pricing, and some of the leasing provisions. However, Sen. Jackson has expressed opposition to the idea and the Senators have decided to postpone any further discussion of the matter until Monday when they can consult further with their colleagues. Jim Schlesinger's staff is hopeful that this move will not occur and that the Senate will consider the bill on the floor next week.

-- In the House, although John Dingell has asked for sequential referral of the bill to the Interstate and Foreign Commerce Committee, Schlesinger's staff believes this will not occur. The House has tentatively scheduled floor action on the bill after the Memorial Day recess.

Energy Plan: In the House, John Dingell's Energy and Power Subcommittee has begun hearings on the provisions of the plan which fall within the committee's jurisdiction. Schlesinger testified before the subcommittee on May 12, on the natural gas provisions of the plan. Hearings are scheduled to continue through the end of the month. On May 16, the Ways and Means Committee will begin hearings on the tax aspects of the measure (Title II). Schlesinger is scheduled to testify at 2:00 p.m. Meanwhile the Ad Hoc Committee is holding a series of briefings from White House staff on various parts of the plan.

-- On the Senate side, Title I of the bill was introduced by Sen. Jackson; Title II, by Majority Leader Byrd. The Senate will begin consideration of the bill following House consideration.

-- Transportation reports that there are serious concerns on the Hill and at DOT on the transportation component of the plan (Secretary Adams is scheduled to be part of a panel of Administration officials testifying before the Ways and Means Committee on Tuesday afternoon). Transportation recommends that Secretary Adams, Schlesinger, and perhaps the President discuss how to handle these concerns prior to Tuesday.

-- Regular meetings are underway to discuss coordination of the effort (every Tuesday and Thursday mornings with Jim Schlesinger's staff and late Friday afternoon meetings with appropriate agency congressional liaison staffs). Discussion has centered around the need for coordination, and the need to identify, as soon as possible, likely key

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issues involving committee votes so that preliminary vote projections can be developed.

Recommendation: Ask Cabinet members to direct congressional liaison officers and energy policy officers to cooperate with each other and coordinate legislative efforts.

## 2. FY 1978 DEFENSE AUTHORIZATION

-- The Senate Armed Services Committee has authorized \$35.985 BILLION for weapons procurement, research and development, and civil defense, \$132 million above the Administration request. But the bill calls for cuts in military and civilian manpower which, the Committee claims, will save \$191 million in FY 1978 and \$380 million annually thereafter. The Senate is scheduled to consider the bill beginning Monday, May 16.

Navy Shipbuilding (Nimitz class carriers): The sequence of events on this issue is as follows:

1. In March, Congress approved rescission of FY 1977 funds for a fourth Nimitz class carrier.
2. In action on the FY 1978 Defense Authorization bill, the House Armed Services Committee cut most development funds for VSTOL planes (for smaller carriers).
3. On May 3, the House Armed Services Committee denied DOD's request to reprogram design funds for a smaller carrier.
4. The Senate Armed Services Committee (in action on FY 1978 Defense Authorization) has approved VSTOL development funds and design funds for a smaller carrier, but has also approved long lead funds for another Nimitz class carrier. The Senate Committee insists its action regarding the big carrier is intended to maintain options pending a study of the costs and benefits of such ships, and does not represent a commitment to construct another Nimitz.

-- The House Armed Services Committee, with the support of strong bureaucracies within the Navy, strongly advocates Nimitz class carriers (members of the House Committee voted on the floor 28 to 8 against the March rescission request).

-- The conference committee on the authorization bill (made up of members of the Armed Services Committees) along with later congressional action on FY 1978 defense appropriations, probably will determine control of Navy shipbuilding for FY 1978.

Recommendation: Ask Secretary Brown to express the Administration's position on this issue to appropriate Members of Congress.

-- In other action on the defense authorization bill, the Senate Committee has 1) approved \$641 million for two new ships based on the Spruance class destroyers now under construction; 2) cut eight of the 44 F-14's requested by the Navy for FY 1978 and directed that the planned FY 1979 purchase be reduced from 60 to 36, intending to apply the two-year savings, estimated at \$550 million to development of the F-18; 3) authorized continued procurement of the A-7E; 4) cut R&D funds by approximately 2%; and 5) added \$5.25 million to the request for civil defense.

## 3. AGENCY FOR CONSUMER PROTECTION/PUBLIC PARTICIPATION

-- Esther Peterson reports the following: ACP legislation has been reported by both House and Senate Committees. The House Committee vote was 22-21, the Senate vote 10-2. The House is likely to schedule floor action first (week after Memorial Day

recess) and the fight will be very difficult. Your help will be needed. In the Senate a filibuster is almost certain. The public participation funding legislation which you have endorsed was recommitted to a House subcommittee. The bill's supporters had failed to gather the necessary proxy votes to avoid recommitment. As a result, it is impossible to meet the May 15 budget deadline and, at best, the bill will be reported without funding for FY 1978.

Recommendation: White House staff is working closely with Mrs. Peterson on ACP and proposes the following for your consideration: Mrs. Peterson will attend the Monday Cabinet meeting to discuss the ACP situation. You might express support for the bill and ask members of the Cabinet to help work for passage. We hope to have Mrs. Peterson attend your next regional meeting with House members. (Mrs. Peterson has been hampered on the Hill by Members' doubts about strong Administration support for her efforts.)

4. FY 1978 BUDGET RESOLUTION

-- The Senate approved the Conference Report on the First FY 1978 Budget Resolution last Friday. The House is scheduled to take it up next Tuesday. The table below shows how the conference report compares with the budget request:

	FY 1978 (\$ in billions)			Senate	Conference	
	President's budget		House	Comparable to budget 1/	As	Comparable
	February	April			Adopted	to budget 1/
Receipts	401.6	404.7	398.1	396.7	396.3	397.3
Outlays	459.4	462.6	464.5	460.2	460.95	461.95
Deficit	-57.7	-57.9	-66.4	-63.5	-64.65	-64.65
Budget Authority	507.3	499.0	502.3	505.6	503.45	504.45

1/ For comparability with the budget and House treatment of the earned income credit.

-- According to OMB, virtually all the difference in the deficit is due to the lower receipts assumed in the conference report. The tax bill accounts for \$4.0 BILLION of this amount. Almost all of the remainder reflects different economic assumptions and other estimating differences.

-- While outlay levels are very close, there are differences in the components, due largely to estimating differences. The major discretionary outlay increase is for veterans benefits (\$1.4 BILLION above April budget). Defense outlays are \$1.8 BILLION below the April estimates due in large part to lower estimates for military assistance.

-- Budget authority is \$5.5 BILLION above the April estimates. Budget authority for defense is \$4.9 BILLION below the April budget (this includes \$1.6 BILLION of cuts below the budget and \$3.3 BILLION for failure to include the April reestimates of military assistance). Budget authority for nondefense is \$10.5 BILLION above the April estimates (of which \$3.8 BILLION represents forward funding for public service employment). The conference resolution also assumes discretionary increases for such domestic programs as veterans, education, small business assistance, transportation, and community and regional development.

-- For FY 1977, the conferees agreed on a revised deficit of \$52.6 BILLION (\$3.9 BILLION above the April budget revisions). The Senate agreed to revise the receipt level to take out funds for any tax rebate in 1977.

#### 5. CLEAN AIR

-- In the House, the bill is tentatively scheduled for floor action May 23 and 24. Dingell/UAW claim a headcount of 235 firm votes. The Rogers headcount shows less than 200. This week we hope to have a letter of endorsement signed by O'Leary, Costle and perhaps Schlesinger. A main obstacle in passage is the charge that our position will cost many jobs; thus, we hope to have Secretary Marshall explain what the Domestic Council, EPA, and Rep. Rogers' staff contend will be a minimal effect on jobs. We will concentrate efforts on the freshmen Members, asking EPA to take the lead in explaining the legislation to this group. The UAW convention in Los Angeles will have the clean air bill high on its legislative agenda and intends to have its entire political field in Washington during the week of May 23.

-- The Senate has tentatively scheduled the bill for floor consideration next week, but there is a filibuster threat. On auto emissions (which is somewhat stricter than the Administration position), the proponents (Muskie) and opponents (Riegle) each have about 40 votes and the issue will be decided by the unknown/undecideds.

#### 6. FOREIGN SECURITY ASSISTANCE ACT

-- The House has scheduled floor action on the bill for next Wednesday. The bill authorizes a total of \$3.2 BILLION for FY 1978 (\$46.1 million below the request, but \$214.1 million above the FY 1977 authorization). State Department staff believes the success in stalling the Senate Foreign Relations Committee's attempt to legislate an arms export exemption for Israel will help to forestall any comparable floor amendments during House consideration. Possible floor amendments include: 1) an amendment by Rep. Harkin (D-Iowa) to reduce the authorization for foreign military sales by \$102.8 million (a 10% reduction from the Administration's request); 2) an amendment by Rep. Bonker (D-Wash) to delete \$15 million authorized for financing military sales to Zaire; 3) an amendment by Rep. Crane (R-Ill) to prohibit funds from the Southern Africa Special Requirements Fund for Tanzania, Zambia, Mozambique, and Angola; and 4) an amendment by Rep. Studds (D-Mass) to delete \$700,000 authorized for military education and training programs in Argentina. This amendment would also prohibit U.S. military sales to Argentina.

#### 7. APPROPRIATIONS

-- OMB reports that the House Appropriations Subcommittee have now completed markup on nine bills. Treasury reports that Rep. 'Doc' Long's Foreign Operations Appropriations Subcommittee is scheduled to begin markup early next week. Treasury, State, and AID have undertaken a coordinated effort with all members of Rep. Long's subcommittee in an effort to protect the Administration's package.

-- Full committee markups will begin during the week of May 23. House floor action will occur June 6 through June 24.

#### 8. ECONOMIC STIMULUS

-- The House passed the countercyclical bill (after defeating the Aspin amendment) last Friday. The tax conference report is scheduled for floor action on Monday (Treasury strategy calls for adding the countercyclical bill to the tax conference report and sending it back to the Senate for its concurrence).

-- Treasury recommends a presidential phone call to Chairmen Ullman and Long to express appreciation for their help and cooperation once the matter is over (probably Monday PM). This could also help pave the way for energy taxes (Chairman Ullman has also expressed reservations about the social security financing plan).

-- Labor expects the CETA extension bill to come up for Senate floor action after the Memorial Day recess.

#### 9. HATCH ACT AMENDMENTS

-- The House is scheduled to consider the bill next Wednesday. The bill would substantially carry out the Administration's recommendations for reform of the Hatch Act to enhance political rights of most federal employees.

-- Although the bill does impose restrictions on political activity of some employees in restricted or sensitive positions who must retain both the appearance and the substance of impartiality, OMB points out that the provisions on restricted positions are not broad enough to cover all the employees intended. According to OMB, the bill also improperly restricts the activities of heads and assistant heads of departments and agencies and other presidential appointees.

-- Rep. Fisher (D-Va) may offer an amendment to prohibit federal employees from running for federal office or for full-time state or local office, and to limit partisan political efforts to activities only on behalf of candidates running state and local office. The amendment would also prohibit federal employees from holding office in a partisan political organization. Other possible amendments include: 1) an amendment by Rep. Harris (D-Va) to prohibit political job referrals for civil service jobs; 2) an amendment by Rep. Harris to prevent White House personnel from engaging in political activities while on the job (this would prohibit campaign activities by the staffs of the President and the Vice President); 3) an amendment to require federal employees seeking elective office to request leave without pay; 4) an amendment to provide for a two-House legislative veto of regulations promulgated by the Civil Service Commission under the Act; 5) an amendment to allow federal employees with the right to join or not join unions at the workplace; 6) an amendment to require the Civil Service Commission to issue letters to all federal employees, 120 days prior to an election, informing them of their rights of political participation and of activities which are prohibited; and 7) an amendment by Rep. Derwinski (R-Ill) to substitute the original Administration bill (Domestic Council and congressional liaison staff believe this is a Republican strategy to highlight Democratic disunity).

-- White House congressional liaison staff intend to work in support of the Committee reported bill.

#### 10. LOCK AND DAM 26/WATERWAY USER FEES

-- The bill, which authorizes reconstruction of Lock and Dam 26, was reported by the Senate Commerce Committee last week. A large majority of Commerce Members filed dissenting views calling for a feasibility study of user fees instead of immediate implementation. Since the Committee contains a number of strong waterway advocates, including Sen. Long, user fee proponents felt it would be wise to avoid a confrontation until the bill reaches the floor (possibly in two weeks). Committee staff believe the veto threat on any legislation that does not include a user fee provision will impact significantly on the upcoming floor fight. Transportation is now conducting a head count.

FLOOR ACTIVITIES FOR WEEK OF MAY 16

House

- Monday -- 6 Unanimous Consent Bills (non-controversial):
- 1) H.R. 1551, Sabine River Compact Amendment.
  - 2) H.R. 1952, To Amend federal charter of AMVETS (American Veterans of World War II).
  - 3) H.R. 3662, Mississippi-Louisiana Bridge Construction Compact.
  - 4) H.R. 2921, Preemption of Certain State Laws.
  - 5) H.R. 3447, Survivor Annuities.
  - 6) H.R. 4319, Life and Health Insurance Benefits During Retirement.
- 6 Bills Considered Under Suspension of Rules:
- 1) H.R. 4301, National Sea Grant College Authorization. To be managed by Rep. Breaux (La), Chairman, Oceanography Subcommittee (Merchant Marine and Fisheries).  
  
Bill Summary: This bill extends the Sea Grant program for one year and authorizes \$50 million for FY 1978 to assist programs on the local and regional level.
  - 2) H.R. 3849, National Advisory Committee on Oceans and Atmosphere Authorization. To be managed by Rep. Breaux.  
  
Bill Summary: This bill reauthorizes the National Advisory Committee on Oceans and Atmosphere (NACOA) for FY 1978.
  - 3) H.R. 5493, Wildlife Refuges Authorization. To be managed by Rep. Leggett (Calif), Chairman, Fisheries and Wildlife Conservation and the Environment Subcommittee (Merchant Marine and Fisheries).  
  
Bill Summary: This bill extends authorization through FY 1980 for three national wildlife refuges: San Francisco Bay Wildlife Refuge (\$20.3 million), and Seal Beach Wildlife Refuge in California (\$525,000), and the Great Dismal Swamp Wildlife Refuge in Virginia and North Carolina (\$21.1 million). The Interior Department supports the bill; according to OMB, the Administration has no objection to the bill.
  - 4) H.R. 3348, Canal Zone Biological Area. To be managed by Rep. Metcalfe (Ill), Chairman, Panama Canal Subcommittee (Merchant Marine and Fisheries).  
  
Bill Summary: The bill increases to \$750,000 the authorization limitation for the Canal Zone Biological Area (a tropical research and reserve station), to cover increases in operating costs, such as salaries, fuel and food, and for a construction and renovation program. The Smithsonian Institution supports the bill; according to OMB, the Administration supports the bill.
  - 5) H.R. 4140, Fishermen's Protective Act Amendment. To be managed by Chairman Murphy (Merchant Marine and Fisheries).  
  
Bill Summary: This bill extends the voluntary cooperative insurance program of the Fishermen's Protective Act for an additional three years, through FY 1980. The Commerce Department supports the bill.

6) H.R. 6823, Coast Guard Authorization. To be managed by Chairman Murphy.

Bill Summary: This bill authorizes \$1.3 BILLION for the Coast Guard for FY 1978. The bill also authorizes a FY 1978 end-strength active duty personnel level of 39,009. The Coast Guard supports the bill.

-- H.R. 3477, Conference Report on Tax Reduction and Simplification Act. To be managed by Chairman Ullman (Ways and Means).

-- H.R. 1139, National School Lunch Act and Child Nutrition Amendments. To be managed by Chairman Perkins (Education and Labor).

Bill Summary: This bill extends and amends programs under the National School Lunch and Child Nutrition Acts. According to OMB, the Administration would not support the bill without the following revisions:

- deletion of the 1% and 2% entitlements for certain State administration expenses pending USDA analysis of proper funding levels (FY 1978 cost \$10 million).
- revision of "especially needy" breakfast reimbursement rate differential from 10¢ to 7.5¢ over the regular rate.
- clarification of the Quie/Perkins amendment so that schools electing to serve free lunches to all are reimbursed only for the percentage of children actually eligible for free and reduced price lunches rather than those eligible in the previous school year.
- extension of the Summer Feeding for one year instead of two years.

Amendments:

- Rep. Goodling (R-Pa), may offer an amendment to the commodity distribution program provisions to provide local school districts with the option of receiving cash instead of additional commodities, which they receive along with surplus commodities and price support items.
- Rep. Quie (R-Minn), may offer an amendment to the summer food service program provisions to limit the number of children in any state who can participate in the program to 200% of that state's number of children aged 5-17 in families with poverty-level incomes.
- An amendment may be offered to bring the Northern Mariana Islands under the National School Lunch and Child Nutrition Acts.

Tuesday -- 13 Bills Considered Under Suspension of Rules as follows:

1) H.R. 6138, Youth Employment and Innovative Demonstrations Projects Act. To be managed by Rep. Hawkins (Calif), Chairman, Employment Opportunities Subcommittee (Education and Labor).

Bill Summary: The bill as reported by the Education and Labor Committee has two parts, the first creating a Young Adults Conservation Corps, administered by the Secretaries of Interior and Agriculture, with up to 33% of the funds to be used on state and local projects. The second part would create two new sections, (both administered by the Secretary of Labor): a pilot program under CETA to guarantee jobs for every person who agrees to stay in high school and an innovative demonstration youth employments project. The Labor Department supports the bill (and will work for a conference version that will be closer to the Administration's position). According to OMB, the Administration does not support enactment of the Committee version of the bill because the program structure provided for in the Administration's original bill is more appropriate to the immediate need to address high youth unemployment.

- 2) H.R. 5742, Drug Enforcement Administration Authorization. To be managed by Rep. Rogers (Fla), Chairman, Health and Environment Subcommittee (Interstate and Foreign Commerce).

Bill Summary: This bill extends the Controlled Substance Act for three years and authorizes \$190 million in FY 1978, \$215 million in FY 1979 and \$240 million in FY 1980 for DEA. The Justice Department supports the bill; according to OMB, the Administration supports a three year extension of DEA, but would prefer the bill amended to provide "such sums as may be necessary" in fiscal years 1979 and 1980.

- 3) H.R. 3722, SEC Authorization. To be managed by Rep. Eckhardt (TX), Chairman, Consumer Protection and Finance Subcommittee (Interstate and Foreign Commerce).

Bill Summary: This bill authorizes \$67 million for the Securities and Exchange Commission in FY 1978, an increase of \$3 million over the Administration's budget request. The increase will be used to expand enforcement staff and facilities. The SEC supports the bill.

- 4) H.R. 4992, Indian Financing Act. To be managed by Rep. Roncalio (WY), Chairman, Indian Affairs and Public Lands Subcommittee (Interior and Insular Affairs).

Bill Summary: This bill extends the Indian Business Development program and authorizes \$14 million annually for FY 1978 and FY 1979. The measure also instructs the Bureau of Indian Affairs to submit an evaluation of the program for future authorizations. According to OMB, since the existing program has not been fully evaluated, the Administration believes that it would be inappropriate to endorse an open-ended extension but, rather, suggests a two-year (through FY 1979) extension be enacted with authorization for such sums as may be necessary.

- 5) H.R. 4746, Water Resources Research and Saline Water Conversion Act Amendments. To be managed by Rep. Meeds (Wash), Chairman, Water and Power Resources Subcommittee (Interior and Insular Affairs).

Bill Summary: This bill authorizes \$10 million for FY 1978 for grant programs of the Water Resources Research Act. The total is \$7.4 million above the Administration's budget request. The grants fund programs for water resource planning and management and for water reuse research and planning. The bill also extends the Saline Water Conversion Act through FY 1978 and authorizes \$11.9 million for specified research and development activities, maintenance and operation of the test facility and administrative expenses. The Interior Department supports the bill; according to OMB, the Administration supports the bill, but it should be amended to conform to the Administration draft.

- 6) H.R. 6752, Water Resources Research Act Authorization. To be managed by Rep. Meeds.

Bill Summary: This bill authorizes up to \$5.9 million in FY 1978 for the U.S. Water Resources Council. Of this amount \$2 million is for administrative costs and up to \$3.9 million may be spent for coordinating and directing river basin planning in areas of the country where river basin commissions have not been created to manage such planning. The Council may also use part of this sum for its periodic national water assessments. In addition, the bill limits the

existing continuing authorization of \$6 million for the financing of river basin commissions to FY 1978 only. The U.S. Water Resources Council supports this bill; according to OMB, the bill conforms to Administration policy.

7) H.R. 2501, Medicine Bow National Forest Survey. To be managed by Rep. Roncalio.

Bill Summary: This bill directs the Secretary of Interior to perform a new survey of Wold Tract following boundaries of a private 1954 survey. Those boundaries would then be recognized as the official boundaries between the National Forest and the Wold Tract. The measure specifically states that the facts in this case are unusual and complex and therefore the bill should not be interpreted as establishing a precedent for other cases involving trespass on public lands. The Interior and Agriculture Departments oppose the bill on grounds that it may create a precedent for other land disputes; according to OMB, the Administration is opposed to the bill.

8) H.R. 5885, River Basins Monetary Authorization. To be managed by Rep. Roberts (TX), Chairman, Water Resources Subcommittee (Public Works and Transportation).

Bill Summary: All projects in this bill were originally authorized in previous years and are due for an increase in their authorization level to enable construction to continue on schedule. The bill provides \$1.2 BILLION in authority (the Administration's request was for \$802 million), to the Corps of Engineers for the following projects to permit construction work to proceed through 1979:

(in millions)

<u>PROJECT</u>	<u>AMOUNT</u>
Total	\$1,239.0
Alabama-Coosa River Basin	13.0
Arkansas River Basin	20.0
Arkansas Red River Basin	8.0
Brazos River Basin	60.0
Central & Southern Florida	9.0
Columbia River Basin	77.0
Mississippi River and Tributaries	459.0
Missouri River Basin	170.0
North Branch Susquehanna River Basin	75.0
Ohio River Basin	60.0
Quachita River Basin	2.0
Red River Waterway Project	101.0
San Joaquin River Basin	125.0
Santa Ana River Basin	3.0
South Platte River Basin	30.0
Tampa Harbor	23.0
Upper Mississippi River Basin	2.0
White River Basin	2.0

The authorizations include two projects that were in the list of water projects to be terminated -- the Cache River Basin in Arkansas, which is part of the Mississippi River and Tributaries project, and the Hillsdale Lake project in Kansas, which is part of the Missouri River Basin project. According to OMB,

the Administration has no objection to enactment of the bill, since it is an authorization bill and not appropriations.

- 9) H.R. 6010, Aviation Insurance. To be managed by Rep. Anderson (Calif), Chairman, Aviation Subcommittee (Interstate and Foreign Commerce).

Bill Summary: The bill allows the Secretary of Transportation, with the approval of the President, to provide insurance to cover any loss or damage from risks beyond the "war risks" defined in present law (war, hostilities, insurrection or acts of foreign enemies). The bill will allow coverage for losses and damage resulting from riots, civil disorders, hijacking and similar acts.

- 10) H.R. 6197, Disaster Relief. To be managed by Rep. Roberts.

Bill Summary: This bill authorizes such sums as may be necessary for the disaster relief program through FY 1978. It also provides additional authority to the Corps of Engineers to supply clean drinking water to drought affected areas where water may become contaminated. It specifically authorizes the Corps to dig wells for farmers, ranchers or local governments during a drought when wells cannot be dug by private contractors, and requires reimbursement of the cost to the government. The Administration requested the legislation.

- 11) H.R. 6401, Deepwater Port Act. To be managed by Rep. Roberts.

Bill Summary: This bill authorizes \$2.5 million a year for the administration of the Deepwater Port Act of 1974 for FY 1978, FY 1979 and FY 1980, and extends the Act through those years. Transportation supports the bill.

- 12) H.Res. 322, Solar Energy Feasibility Study. To be managed by Rep. Mineta (Calif), Chairman, Public Buildings and Grounds Subcommittee (Public Works and Transportation).

Bill Summary: This bill authorizes the Architect of the Capitol to conduct a feasibility on the installation and operation of solar heating, cooling and hot water systems for all the House office buildings. The bill authorizes \$50,000 for expenses related to the study.

- 13) H.J.Res. 424, John F. Kennedy Library. To be managed by Rep. John Burton (Calif), Chairman, Government Activities and Transportation Subcommittee (Government Operations).

Bill Summary: This resolution permits the General Services Administration to accept and operate the John Fitzgerald Kennedy Library as part of the National Archives system. The General Services Administration and the Kennedy family support the resolution.

- S. Con. Res. 19, Conference Report on the First FY 1978 Budget Resolution.  
To be managed by Chairman Giaimo.

- Wednesday -- H.R. 6884, International Security Assistance Act. To be managed by Chairman Zablocki.

-- H.R. 10, the Hatch Act. To be managed by Rep. Clay, (Missouri), Chairman, Civil Service Subcommittee (Post Office and Civil Service).

Thursday -- H.R. 6111, Juvenile Justice and Delinquency Prevention Amendments. To be managed by Rep. Andrews (N.C.), Chairman, Economic Opportunity Subcommittee (Education and Labor).

Bill Summary: This bill extends the Juvenile Justice and Delinquency Prevention Act for three years and authorizes \$125 million in FY 1978 and such sums as may be necessary in FY 1979 and FY 1980. The bill also extends the Runaway Youth Act for three years and authorizes \$25 million for FY 1978 and such sums as may be necessary in the two subsequent fiscal years. The bill will permit the President, after January 1, 1978, and with congressional approval, to transfer runaway youth programs from HEW to ACTION. The Justice Department:

- does not oppose the enactment of this legislation. This bill is the Administration's proposal with the following modifications:
- The proposed authorization level for FY 1978 is increased from \$75 million to \$125 million;
- The current 90-10 matching requirement is replaced by 100 percent funding; and
- The current use of Federal funds for State and local planning and administrative costs is prohibited.

Justice states that although these modifications are objectionable, none are significant enough to warrant opposition to the entire bill. According to OMB, the Administration does not oppose the bill. It prefers, however, deletion of the specific language authorizing optional transfer of the Runaway Youth Program to ACTION. HEW opposes the transfer.

#### Senate

The Senate next convenes on Monday, May 16, and will take up the Military Procurement Authorization Bill, H.R. 5970. Consideration of this measure will consume at least two days. Upon disposition of H.R. 5970, the Senate will deal with the Clean Air Act Amendments which will also probably require two days of action. There could be a filibuster on this bill. Other items which could come up next week are S. 826, the Department of Energy bill, and S. 7, the Strip Mining Bill.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

May 14, 1977

MEMORANDUM TO THE PRESIDENT

FROM: Peter Bourne <sup>P.B.</sup>

SUBJECT: Monthly Narcotic Report #3

HEROIN

The overall situation with heroin continues to improve. The average purity for samples seized in March was 5.5 per cent, a continuing drop from 5.9 per cent in February. The Mexican opium poppy eradication program for the spring 1977 harvest is over. The Mexican Attorney General's Office reports 25,505 fields destroyed a figure confirmed by our own people. The eradication campaign has been most successful in the Northwest zone where 96 per cent of the plantings were destroyed. We will monitor the fields throughout the summer to be sure new plantings are not starting. I will go there for two days next week to make an on site assessment of our progress.

I have submitted to you a separate report on my trip to South-east Asia. In summary, the situation in both Burma and Thailand is looking brighter. The members of the Burmese cabinet with whom I met impressed me with their commitment to the eradication program. They have forcibly reduced opium plantings by 16,000 acres this year, and have attacked every major opium caravan. We are in continuing negotiation to provide them fixed wing aircraft to increase their military flexibility. In Thailand, I received the strongest assurances from Prime Minister Thanin of his commitment to interdict the traffickers, support the substitution program and deal with drug related corruption. Evidence of his commitment is everywhere. The price of heroin at the refineries on the Thai/Burma border is \$1,800 kg., the lowest in years, reflecting fear by the traffickers of buying because of continuing heat from the Thai government. I am discussing with the Coca Cola company the possibility of their sponsoring coffee cultivation as a substitute for opium in northern Thailand. The situation in Laos is chaotic and it is clear that no nationwide policy yet exists, but they represent a minimal fraction of the international market.

The one bleak spot is Afghanistan where opium cultivation has increased dramatically this year. This is not yet affecting the international market, but we have asked Secretary Vance to express our concern in the strongest terms to President Daoud. We may need to involve you at some stage.

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MEMORANDUM TO THE PRESIDENT  
FROM: Peter Bourne  
SUBJECT: Monthly Narcotic Report #3

MARIJUANA

A recent study in California shows that decriminalization of marijuana has saved the state government, \$12 million in the last year.

COCAINE

We are devoting considerable time and effort to formulating an appropriate strategy for dealing with Colombian cocaine traffic and the pervasive government corruption. I would like to discuss this issue with Rosalynn before she leaves on her visit there.

REORGANIZATION

The first component of the Drug Abuse Law Enforcement reorganization study-border interdiction is now well advanced and we anticipate having a final report by the first week in July. The report on the initial fact finding phase has been very well received by the agencies involved.

DRUG MESSAGE

In view of your suggestion that we delay the initial drug message until we have the complete detailed package prepared and make only one statement, we have initiated a comprehensive mechanism with all involved agencies to allow them full participation in the development of the message. We plan to have the message with supporting legislation ready for you by June 9th.

ROPER POLL DATA

I am attaching some data from the Roper Report showing that drug abuse remains a consistently high issue of concern for the American people.

PGB:ss

Attachment



Q.3 - TWO OR THREE THINGS PEOPLE MOST CONCERNED ABOUT

	JAN. '77 77-2	JAN. '76 76-2	JULY '75 75-7	JAN. '75 75-2	JULY '74 74-7	JAN. '74 74-2
WAY COURTS ARE RUN	27	30	27	22	26	20
RELATIONS WITH FOREIGN COUNTRIES	9	13	11	10	8	18
WRONGDOING BY GOVT. OFFICIALS	22	32	28	26	34	40
CRIME/LAWLESSNESS	40	40	36	34	36	30
INFLATION/HIGH PRICES	48	44	44	58	57	56
POLLUTION OF AIR & WATER	13	11	12	11	14	12
ALCOHOLISM	7	6	*	*	*	*
DRUG ABUSE	21	24	21	20	26	23
WAY YOUNG PEOPLE THINK AND ACT	17	15	16	14	14	10
FUEL AND ENERGY CRISIS	31	22	27	27	25	46
RECESSION/UNEMPLOYMENT	19	20	22	33	13	15
MONEY ENOUGH TO PAY BILLS	28	26	30	30	31	25
GETTING INTO ANOTHER WAR	8	10	9	11	7	7
NONE OR DON'T KNOW	1	1	1	-	1	1

\* NOT ASKED

\*\*PERCENTAGES IN COLUMNS HEADED  
BY DOUBLE ASTERISKS ARE BASED  
ON FEWER THAN 100 RESPONDENTS  
AND HENCE MAY NOT BE RELIABLE

Q.3 - TWO OR THREE THINGS PEOPLE MOST CONCERNED ABOUT



	SEX		AGE				INCOME				RACE		GEOGRAPHIC AREA				MARKET SIZE					
	TOTAL	MALE	FEM	18-29	30-44	45-59	60+	UND 6M	6M-12M	12M-18M	18M+	WHT*	BLK*	NE	MW	SO	WST	A	B	C	D	
	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
PERSONALLY CONCERNED ABOUT:																						
WAY COURTS ARE RUN	27	32	23	21	29	31	30	17	27	29	33	29	19	27	30	23	33	30	31	21	17	
RELATIONS WITH FOREIGN COUNTRIES	9	11	8	13	7	8	8	6	8	10	13	10	5	7	11	7	13	10	9	9	6	
WRONGDOING BY GOVT. OFFICIALS	22	24	21	19	24	23	23	18	19	25	26	22	19	21	23	20	26	22	24	22	12	
CRIME/LAWLESSNESS	40	39	41	35	36	42	51	40	40	36	44	40	43	36	39	43	42	42	42	38	25	
INFLATION/HIGH PRICES	48	47	49	46	49	49	50	50	51	48	46	48	52	54	44	50	45	46	46	54	52	
POLLUTION OF AIR & WATER	13	13	13	21	10	11	8	10	12	12	17	14	6	13	13	9	20	14	13	12	8	
ALCOHOLISM	7	6	8	7	7	6	8	10	7	7	4	6	12	7	5	9	6	6	6	7	13	
DRUG ABUSE	21	18	24	17	26	20	23	27	21	22	17	20	31	20	22	25	15	20	19	23	38	
WAY YOUNG PEOPLE THINK AND ACT	17	15	19	15	21	18	14	12	18	18	18	16	25	18	18	15	18	17	18	17	14	
FUEL AND ENERGY CRISIS	31	33	29	32	28	36	26	23	28	35	35	32	21	30	35	28	31	29	32	33	25	
RECESSION/UNEMPLOYMENT	19	20	18	24	18	19	14	19	22	18	16	18	29	22	18	19	17	22	20	14	17	
MONEY ENOUGH TO PAY BILLS	28	26	31	30	32	28	26	40	34	24	18	27	41	31	26	32	22	26	27	30	43	
GETTING INTO ANOTHER WAR	8	8	8	11	7	7	7	9	6	8	10	8	6	5	11	8	9	8	8	7	12	
NONE/DON'T KNOW	1	1	1	1	1	1	1	2	1	-	1	1	-	1	1	1	-	1	-	-	2	
NO ANSWER	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

PERCENTAGES IN COLUMNS HEADED BY DOUBLE ASTERISKS ARE BASED ON FEWER THAN 100 RESPONDENTS AND HENCE MAY NOT BE RELIABLE

Handwritten mark resembling a large 'J' or '7'.