

2/6/78

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Robert Lipshutz to Pres. Carter, 8 pp., re:FEC Appointments	2/6/78	C
Memo	Frank Moore to Pres. Carter, 1 pg., re:Senate Staffers	2/6/78	C
Memo	Hamilton Jordan to Pres. Carter, 3 pp. re:U.S. Attorney Nominations	2/6/78	C
Memo	Vice-Pres. to Pres. Carter, 1 pg., re:Africa Visit <i>opened per RAC NLC-126-11-12-1-0, 3/26/13</i>	2/6/78	A
Memo	Ambassador Young to Pres. Carter, 1pg., re:UN activities <i>Opened 1/7/93</i>	2/3/78	A
Memo	Robert Lipshutz to Pres. Carter, 5 pp., re:Secret Service Coverage <i>Sanitized per RAC NLC-126-11-12-1-1, 3/26/13</i>	2/6/78	A

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of the Staff Sec.-Pres. Handwriting
File 2/6/78 BOX 72

RESTRICTION CODES

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- (C) Closed in accordance with restrictions contained in the donor's deed of gift.

~~CONFIDENTIAL~~

February 3, 1978

TO: President Carter
THROUGH: Rick Hutcheson
FROM: USUN - Ambassador Young
SUBJECT: U.S. Mission to the U.N. Activities
January 26 - February 2, 1978

C
/

1. SECURITY COUNCIL

The Security Council ended its debate on South Africa without putting to a vote the two resolutions tabled by the Council's African Group. Donald Woods, the banned and now exiled South African newspaper editor, addressed the Council and asked it to impose economic sanctions against South Africa. He also called upon the international community to unite in its fight against apartheid. The two tabled resolutions would have condemned the repressive actions of the South African Government and called for a cessation of new investments in South Africa. The Council took no action on Rhodesia. Clearly, the Africans refrained from pushing the resolutions pending the outcome of the Malta talks and the proximity talks on Namibia.

2. NAMIBIA

The Mission announced that the Foreign Ministers of the Contact Group will meet in New York February 11 - 12 with SWAPO and the South African Foreign Minister to discuss the Namibia question. The two day session will be preceded by preparatory talks on the Senior Official level. South Africa and SWAPO have been provided with copies of our proposals for a settlement of the Namibian question consistent with Security Council Resolution 385. In an effort to broaden support for the proposals, copies have also been provided to the Frontline states and the Nordic countries. The Contact Group regards these proposals as the basis for the upcoming meetings.

3. HUMAN RIGHTS

Mission officers met with representatives of all regional groups to discuss issues that will be considered at the Human Rights Commission session beginning February 6. The establishment of a High Commissioner for Human Rights and the situations in Uganda and Cambodia continue to be priority items for the United States and other Western states.

4. AMBASSADOR YOUNG'S MEETINGS

Donald Woods (1/27); In Malta with Foreign Secretary David Owen for talks with the Patriotic Front on Rhodesia (1/30 - 2/2).

~~CONFIDENTIAL~~

DECLASSIFIED

E.O. 12356, Sec. 3.4

PER 6/25/92 State HVRE MR-NLC-91-102

BY Jyx NARS, DATE 11/7/93

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THE WHITE HOUSE
WASHINGTON

FEBRUARY ⁶ 7, 1978

4:50 P.M.

MR. PRESIDENT

SECRETARY CALIFANO CALLED.

T.K.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

2/6/78

10:30 a.m.

Mr. President --

Please call Judy (Carter)...

she's at home in Calhoun.

Mo/NC-500d --SSC
S.C. Brantley Harvey-ERA
Vote
Nat Forensic League

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

February 6, 1978

Stu Eizenstat
Frank Moore
Jim McIntyre

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

Rick Hutcheson

cc: Jody Powell
Jack Watson

RE: PROPOSED WHITE HOUSE CONFERENCE ON
SMALL BUSINESS

THE WHITE HOUSE
WASHINGTON

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

cc of whale package

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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

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

THE PRESIDENT HAS SEEN.

11:30 Am

Stu
C

THE WHITE HOUSE
WASHINGTON

February 2, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Proposed White House
Conference on Small
Business

Your guidance is requested on the Administration's position on a proposal to hold a White House Conference on Small Business. A Senate Joint Resolution, adopted in 1977 and supported by Vernon Weaver at SBA, calls upon the President to convene such a conference.

After your meeting with small business leaders last year, there were expectations that the Administration would formulate a small business policy to underscore the importance of this sector of our economy. My staff and I held several meetings with small businessmen, and it appeared from those meetings that they were quite interested in a conference to take an overall view of the problems which they face, including taxes, venture capital and growth capital, regulations and paperwork, and the role of science and technology.

There has never been a White House Conference on Small Business. Senator Nelson has told me personally that he is certain that this Congress will pass legislation mandating this conference. Therefore, he would like the Administration to take the lead on this matter. This year marks the 25th anniversary of the Small Business Act, and many feel that it is appropriate to have a general review of small business at this time.

These Conferences have a long lead time because of the need for planning and regional hearings; therefore, a conference could not be held during this calendar year. I believe that such a conference would be beneficial from a policy and political point of view. Frankly, we have not done that much for the small business community (although the tax reform package has a few things for them) and a Conference would

inexpensively show an interest in this group. Therefore, I recommend that you approve a Small Business Conference.

OMB and SBA agree with this recommendation.

If you agree to support the conference proposal, I further recommend that you send the following note to the Senate leadership in order to credit them for their work on this matter (Senator Nelson sponsored the resolution):

"It is my firm purpose to have Federal policy contribute to strengthening small business; thus, small business will be a vital element in a number of important policy and program initiatives we will be undertaking over the next year. I also recognize there are major, longer-term unresolved small business issues and I have decided to act favorably on the Senate Joint Resolution proposing a White House Conference on Small Business and to call for such a Small Business Conference. I have directed the Small Business Administration to outline how the Administration can utilize this forum and I intend to expand on their suggestions in a special message in conjunction with Small Business Week."

DECISION

White House Conference	<input checked="" type="checkbox"/>	Approve	<input type="checkbox"/>	Disapprove
Note to the Senate	<input checked="" type="checkbox"/>	Approve	<input type="checkbox"/>	Disapprove

Let Frank get maximum benefit

NOTE: Jack Watson had no comment on the attached memo from Weaver.

J

OMB opposes an SBA Commission, but supports a Small Business Proclamation and, as Stu notes, supports the idea of a White House Conference.

OMB - advise me on alternative to Commission. We need to move publicly this Spring & Summer -



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

OFFICE OF THE ADMINISTRATOR

January 18, 1978

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

Dear Mr. President:

This is to request that you proclaim a Small Business Year commencing on July 31, 1978, the 25th anniversary of the signing of the Small Business Act. This proclamation could be made during the week that you traditionally meet with the Small Business Persons of the Year (probably during Small Business Week which has been set for the week of May 1 through 6).

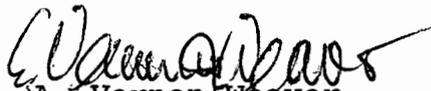
We also request your approval of a White House Conference on Small Business to be held during the week of October 1, 1979.

We ask that you appoint a Presidential Commission on Small Business with a staff of 12 persons, which Commission would direct the activities of the Small Business Year culminating in the White House Conference.

We anticipate that the Small Business Year would feature recruitment and organization of small business owner participants at a regional and state level, followed by ten regional and 50 state meetings inquiring into the needs of small business over the next twenty-five years.

We consider that all of the events listed above are of an advocacy nature and could be funded by re-channeling advocacy funds approved for the 1979 budget.

Respectfully,


A. Vernon Weaver
Administrator

364
JAN 25 1978

THE WHITE HOUSE
WASHINGTON
February 4, 1978

C
—

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*
SUBJECT: Your Meeting with Vernon Weaver
Monday, February 6, 1978 11:30-11:45 a.m.

Vernon has four items to discuss with you.

1. SBA has just completed a report on Section 8(a) of the Small Business Act which deals with eligibility for the minority entrepreneurship program. SBA's report will make clear for the first time that socially and economically disadvantaged women are eligible for participation in the program. Some strong reaction can be expected from minority interests on the Hill since eligibility for women could reduce the number of other minority participants. There is already a bill marked up which would make it more difficult for women to participate in this program despite SBA's efforts.

You may eventually need to take a stand on the issue but should wait for Secretary Kreps' Women's Business Task Force Report which is due in May. Vernon wants simply to alert you to possible repercussions from the Hill, the Black Caucus and other minority groups.

2. A memorandum is on its way to you recommending a White House Conference on Small Business. Vernon will also discuss that idea with you briefly; no decision will be necessary on Monday.
3. Vernon wants to comment briefly on criticisms that the Administration is not doing enough for small business. (A recent study by the U. S. Chamber of Commerce indicated that only one percent of small businessmen think that SBA really does much to help small business.)
4. Vernon will begin to send you a brief, written status report periodically.

Comment:

There is a widespread view, particularly among the Congressional Black Caucus and black and other minority business people throughout the country, that SBA is a highly bureaucratic, overly conservative agency in the management of its programs. For example, there is a lot of criticism of SBA for its slowness in processing loans in its regional offices and its reluctance to be really affirmative in its assistance to the people who are making application. In many cases, the loan applicants need more help in filling out papers and understanding the requirements than SBA staff reportedly are willing to give.

I think it is also fair to say that SBA has not been as creative as it should be in suggesting ideas to open up the private loan market to small business. For example, commercial banks might be encouraged to form "risk pools" to create capital for loans to small business, with SBA giving its statutory guarantee to the risk pool. As a general rule, commercial banks are simply not willing to make small loans (i.e. under \$100,000) to small businesses. SBA could be more aggressive and imaginative in coming up with ideas to encourage the availability of small loans from the private sector.

In general, I think it would be a good idea for you to tell Vernon that you have full confidence in his ability to run the agency, and that you want him to be bold and creative in directing the energies of his people and in opening up their attitudes towards small business in general and minority business in particular. It would be a great contribution for Vernon to make the SBA a "can do" agency, rather than a "can't do" one, which most people now think it is.

DATE: 25 JAN 78

FOR ACTION: STU EIZENSTAT *attached*

JODY POWELL

JACK WATSON *me by phone*

JIM MCINTYRE *attached*

INFO ONLY: THE VICE PRESIDENT

MIDGE COSTANZA

HAMILTON JORDAN

FRANK MOORE (LES FRANCIS)

SUBJECT: WEAVER LETTER DATED 1/18/78 RE SMALL BUSINESS YEAR
COMMENCING ON 7/31/78 - 25TH ANNIVERSARY

++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: 1100 AM FRIDAY 27 JAN 78 +
++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE
WASHINGTON

<input checked="" type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
	/	COSTANZA
/		EIZENSTAT
	/	JORDAN
		LIPSHUTZ
	/	MOORE
/		POWELL
/		WATSON
/		McINTYRE
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	ENROLLED BILL
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	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

RICK:

I think the attached is
self-explanatory.

Eleanor

1/14

THE WHITE HOUSE
WASHINGTON

HJ:

I think Weaver's proposal should be sent to Rick for staffing to Stu and Jim McIntyre--there are apparently some budgetary implications in reprogramming funds, etc.

Steve Selig is working on getting a meeting for Weaver with the President, but I think we should have everyone on board before the meeting so the President doesn't get stuck with something that later comes unglued.

Staff memo X HJ will give
to President _____

F. 1/18



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

OFFICE OF THE ADMINISTRATOR

January 18, 1978

MEMORANDUM FOR:

Honorable Hamilton Jordan
Assistant to the President

The events described in the attached memorandum to the President would be the umbrella for the activities we discussed in your office several weeks ago. I would appreciate your discussing it with the President, personally.

A. Vernon Weaver
Administrator



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

JAN 27 1978

MEMORANDUM FOR: RICK HUTCHESON
THROUGH: Bo Cutler
FROM: Dennis O. Green
SUBJECT: Weaver letter dated January 18, 1978, re:
Small Business Year

On the three main points raised by Mr. Weaver's letter, we have the following comments:

- A Small Business Year: We agree with the proposed idea of a proclamation to highlight the 25th anniversary of the signing of the Small Business Act, but we believe it would be more reasonable to limit the proclamation to a "Small Business Month" for July 1978.
- A White House Conference on Small Business: We agree that this would be an appropriate and useful activity to undertake during the "Small Business Month."
- A Presidential Commission to Oversee the White House Conference: We do not believe that a Presidential Commission is warranted; arrangements to support the White House Conference could be handled directly by SBA. Such Commissions are generally formed to deal with critical problems of national scope which require immediate attention. We do not believe the problems facing small business are so severe at this time to necessitate action of this type.

Dennis O. Green
Associate Director for
Economics and Government

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for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

C
/

4:15 P.M. MONDAY
FEBRUARY 6, 1978

MR. PRESIDENT

SECRETARY MARSHALL CALLED. THE COAL
CONTRACT HAS BEEN AGREED UPON AND
WILL BE SIGNED AT 5:00 P.M. TONIGHT.

TIM KRAFT

THE WHITE HOUSE
WASHINGTON

Cabinet - 2/6/78

- > Nat gas conference ^{MMBTH US}
_{MMBTH ?}
- > Panama
- > Witterseen - For Aid legis
- > Mid East arms sales
- > Nuclear non-prolif
- > Off Cons Rep
- > Agriculture - No farm bill
- > Hospital Cost Containment ^{Rostenkowski}
- ~~Consumer~~

THE WHITE HOUSE
WASHINGTON

Good reception defense budget
Brown Leber → April

B-1 Senate vote > 20 win
House late Feb. vote

Werner Robbins - vandal B52

Kreps Boycott regs. Jews/Bus +
List of econ. data - dates, etc

Airport noise/dereg
Adams Pub Xport - Hwy bill
Waterway bill - ahead?
Urban policy - incl Xport

McD Budget hearings + (News -)

Nat gas - good humor
{ 184 mmbd 1977, (8? imports)
{ 193 " 78 (-? ")

Now close to max oil production
maybe 33 → 36 mmbd by mid 80's

THE WHITE HOUSE
WASHINGTON

- Pat → Trinidad \$8 mil
Com Dev grants (CETA) this week
- '77 Ag bill adequate - reserve
World hunger
- # doing better
- Mike Tax bill - good sendoff
OPEC income vs inflation
NYC - Koch over optimistic
- JP Panama - crucial
US Atty - Philly - this week
Black judges in South
- Als Viet Nam spy case
Atlantic City - NYT article
- Coal strike 3
- Ray Unemp rate - solid trend
Vietnam vet unemp - cut in half
HIRE program worked
-
- Andy Malta - good week re Cholera
5 For Min mt 2 SWAPO & S Africa

THE WHITE HOUSE
WASHINGTON

Somalia - Ogaden → UN

36 Lamsdorff - Econ Min from FRG
US/FRG differences &
NSC Sufus trends study
Soviet mil maneuvers near Minsk

Econ indicators look good
+++ Cong ignorant re '77 ag bill

New budget - better than '77

Russian flu

Tuition help - Mid Leone proposal

Ray

Welfare - Senate

Joe

NC college dereg - bad press

NYC welfare

FRG/US Socsec agreement

AG Wilmington 10

Too many cancer warnings

OCS legis passed → Conf

THE WHITE HOUSE
WASHINGTON

Cy

Sadat, Mide

Guatemala - hum rts

Korea - T. Park, Amb Kim - Jaworski

=====

THE WHITE HOUSE
WASHINGTON

February 6, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Jody Powell



In your remarks to the Polish-American reception this afternoon, you should be sure to emphasize the impact of your visit on "those who are working in support of greater human freedom and individual liberty within that country."

You should point out that you were "particularly encouraged and delighted" by cable reports from our embassy following your visit. Again and again these reports quoted Polish citizens as saying what a great boost your visit was to the cause of human rights.

This alone in your mind makes that visit worthwhile.

There has been much discussion about difficulties in interpretation, but it is clear that the message of what America stands for in the world came through loud and clear to the Polish people, and they responded well to it.

2-6
Polish Am - Reception

GREAT VISIT

OPEN PRESS CONFERENCE

DESTRUCTION OF WAR

COAST 3 MAY 1941

MUSIC - AN THEM

PUJASKI - KOSCIUSKO

GRADINAR WYSZYNSKI

PRIVATE BILL EDIE SLAVIK

DANNY HOSTEJKOWSKI

ZBIGNIEW BRZEJUSKI

ARM KICKOUT

OUR IMPACT. HUM RTS

INTERPRET.

WHAT WE STAND FOR

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 6, 1978

C
/

MEMORANDUM FOR THE PRESIDENT

FROM: Robert J. Lipshutz *RJL*

SUBJECT: Polish-American Meeting This Afternoon
and the Eddie Slovik Matter

Per your request, I wish to remind you about the above matter.

It is my understanding that you will make a statement which says in essence:

Senator Byrd and many others have brought to my attention several months ago the plight of Mrs. Eddie Slovik, widow of the only American soldier to have been executed for desertion during World War II.

I have reviewed this situation and concluded that his widow, who is now destitute, should receive the benefits from military life insurance which he had at the time of his execution.

Exhaustive legal research showed that such benefits could not be paid under existing law either by the Defense Department, the Veterans Administration, nor the President. Therefore, I am advising Senator Byrd, Congressman Rostenkowski, Congressman Rangel, and other interested Congressional personnel that I wish to support the private bill now pending in the Congress which would grant these life insurance benefits to her.

The impoverished Mrs. Slovik has lead a singularly tragic life because of this case, and I believe that the human elements of this unique situation should be at least partially resolved by our government in this manner.

8:00 AM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 6, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *Fm/pd.*

At tomorrow morning's leadership breakfast, the Speaker will expect you to discuss Congressman Corman's welfare bill.

Corman will have the bill reported from his ad hoc committee by Wednesday, February 7. Once the ad hoc committee reports the welfare bill, the Speaker can do one of two things. The Speaker can refer the bill to the three committees of original jurisdiction (Perkins, Ullman Foley - only Ullman has given problems on the welfare bill) with a date certain to report. The Speaker would probably set a 30 day time limit. If any of the three committees failed to report by that time, the bill would automatically be scheduled for floor action. The Speaker could also simply refer the bill to the three committees allowing them to act in whatever manner they chose.

The Speaker is ready and willing to refer with a date certain to report. Before he asks his troops to walk the plank, however, he needs two things: (1) a statement of determination on your part that you are serious about having a welfare bill this session of Congress and (2) a firm commitment from Senator Byrd that the Senate will place the bill on the calendar once the House acts.

Corman feels that it is imperative that the welfare bill be reported to the House floor by late March. Starting April 15, the House calendar will become clogged with appropriations bills and would not allow scheduling of the welfare bill. Senator Moynihan will begin hearings on the bill tomorrow.

With the Speaker's willingness, your determination and a scheduling commitment from Senator Byrd, you can have a welfare bill this year.

THE WHITE HOUSE
WASHINGTON
February 6, 1978

Frank Moore

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

Rick Hutcheson

RE: MEETING WITH REP. TOM BEVILL

THE WHITE HOUSE
WASHINGTON

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

ACTION
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
/	MOORE
	POWELL
	WATSON
	McINTYRE
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	MITCHELL
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	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

MR. PRESIDENT

IN YOUR MEETING WITH
CONGRESSMAN BEVILL,
YOU SHOULD ASK HIM IF
HE WILL SUPPORT THE
ADMINISTRATION ON THE
B-1 BOMBER (WHICH MAY
COME UP THIS WEEK).

Jim Free

THE WHITE HOUSE

WASHINGTON

February 3, 1978

done

J

MEETING WITH REP. TOM BEVILL (D-ALA. 4)

Monday, February 6, 1978

1:00 p.m. (15 minutes)

The Oval Office

From: Frank Moore *F.M./BR*

I. PURPOSE

To discuss the fast breeder reactor.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

1. Background: Rep. Bevill is Chairman of the Subcommittee on Public Works (Appropriations). He was very instrumental in allowing Reps. Teague and Flowers to keep the appropriations for the Clinch River breeder reactor in the Supplemental Appropriations bill. Rep. Bevill almost totally disagrees with our position as it pertains to the liquid metal fast breeder reactor. During the congressional recess, Rep. Bevill visited several European countries and discussed nuclear reactors with their top energy experts. All of his questions during the briefings in the countries he visited (Sweden, Austria, U.S.S.R., Yugoslavia, Spain, and Morocco) centered around his concerns about uranium, not for weapons but for nuclear power. He was especially impressed with the French Phoenix Project and has made numerous requests to discuss what he saw with you. He has stated that you "have not been given all sides of the story," and he wants to relate to you his thoughts on the matter. Because of his floor management of the Supplemental Appropriations bill and his trip to Europe, he is regarded as the leading opponent in the House leadership of the Administration's position on the fast breeder reactor. He is the one whom we will have to deal with on the \$80 million appropriation for the Clinch River breeder reactor.

Rep. Bevill's support for the Administration has been only moderate even though he was one of your strongest supporters during the campaign in Alabama.

2. Participants: The President, Rep. Tom Bevill, Frank Moore, and Jim Free.
3. Press Plan: White House photographer.

III. TALKING POINTS

1. I remain convinced that our strongest nuclear breeder program is one which does not commit us to building the Clinch River breeder reactor. I am committed to a strong, vigorous research and development program to keep the nuclear breeder option for the future.
2. I recognize that we differ on this subject, but I intend to try to work with the Congress and use authorities at my disposal to press for a redirected program without Clinch River.
3. We do want to work with both the authorizing committee (Science and Technology) and the Appropriations Committee on a program which will give us a breeder option if and when we need it but without making wasteful expenditures which are so vitally needed for development of all types of new energy supplies.

382

THE WHITE HOUSE
WASHINGTON
February 6, 1978

Esther Peterson

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

Rick Hutcheson
CONG. T. BEVILL AND CONSUMER VOTE

THE WHITE HOUSE
WASHINGTON

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

ACTION
FYI

*so she'll know it.
went in*

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	McINTYRE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

	ARAGON
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	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

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

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 6, 1978

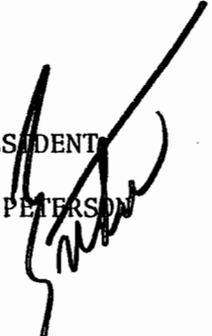
C
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MEMORANDUM FOR

THE PRESIDENT

FROM:

ESTHER PETERSON



Congressman Tom Bevill is a no on our vote list on consumer representation. Maybe you can persuade him. Appears to be locked in by the Chamber.

THE PRESIDENT HAS SEEN



THE VICE PRESIDENT
WASHINGTON

C
/

~~CONFIDENTIAL~~

February 6, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: The Vice President
SUBJECT: Proposal for Your Visit to Africa

WF

On February 6, I met with Phillippe Yace, President of the National Assembly of the Ivory Coast, and the designated successor to President Houphouet-Boigny.

Yace said that the Francophone nations of Africa tend to feel somewhat neglected despite your Administration's improved attention to Africa. Speaking for Houphouet-Boigny he expressed the hope that you would pay a visit, however brief, to the Ivory Coast when you go to Africa. He added that Houphouet-Boigny would be pleased to arrange for the leaders of other Francophone countries -- for example, Senegal and Cameroon -- to be present for a brief meeting. I told him that I would convey this invitation to you. It is my understanding that a stop in the Ivory Coast is included as one of the options being developed for your consideration by Zbig and Phil Wise.

cc: Zbig Brzezinski
Phil Wise

~~CONFIDENTIAL~~

DECLASSIFIED

Per: Ras Project

EGGID-126-11-17-1-0

BY 1CS NARA DATE 3/22/13

Electrostatic Copy Made
for Preservation Purposes

583

THE WHITE HOUSE
WASHINGTON

February 6, 1978

Hamilton Jordan

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

Rick Hutcheson

cc: Bob Lipshutz
~~Frank Moore~~ *TIM KROFT*

RE: YOUR DINNER THIS EVENING WITH A GROUP
OF JEWISH LEADERS TO REVIEW THE SADAT
VISIT

THE WHITE HOUSE
WASHINGTON

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

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

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

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

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 6, 1978

JC/
49
CS
3615 Ham

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enough

JC

MEMORANDUM FOR THE PRESIDENT

FROM: Robert J. Lipshutz
Hamilton Jordan *HL*

SUBJECT: Your Dinner This Wednesday Evening
With a Group of Jewish Leaders to
Review the Sadat Visit

Following are the names of the people who have accepted an invitation to be present at this dinner:

1. Phil Klutznick, Chicago -- President of the World Jewish Congress and a successful businessman who also has been very much involved in numerous Jewish organizations over an extended period of years.
2. Ed Sanders, Los Angeles -- Attorney who is a past President of APIAC (the official lobbying organization for the State of Israel); he resigned from this lay leadership position during the campaign and, as you are aware, has worked closely with us during the campaign and throughout your Administration.
3. Max Greenberg, Los Angeles -- Attorney who is the No. 2 lay leader of the Anti-Defamation League of B'nai B'rith; the President is Burton Joseph of Minneapolis, who is out of the country. Among other things, Max Greenberg was a key person in working out the Arab boycott legislation and regulations.
4. Alex Schindler, New York -- Chairman of the "President's Conference of Jewish Organizations" and President of the Union of American Hebrew Congregations (reform Jewish synagogues).

5. Richard Maas, New York -- Lay President of American Jewish Committee, an organization which generally has been quite supportive of the Administration in a number of matters.
6. Frank Lautenberg, New Jersey -- Businessman and lay President of the United Jewish Appeal. During the campaign he rode in the automobile with you and had a private discussion for about one hour.
7. Ted Mann, Philadelphia -- Attorney and lay President of the Jewish organization charged with the responsibility of coordinating public relations activities of most of the Jewish organizations in the country (NACRAC).

Should you wish to have some additional persons present, we would recommend as follows:

1. David Fleeman, Miami Beach -- He would be the only person present from this important and large Jewish community, and we recommend his inclusion in the guest list. He is a prominent businessman, Jewish Community leader (UJA and synagogue) and was one of our stalwart and early supporters during the campaign.
2. David Blumberg, Arlington, Virginia -- National President of B'nai B'rith and husband of Rabbi Jacob Rothschild's widow, Janice.
3. Harry Rosovsky, Harvard University -- No. 2 executive of Harvard and recommended by Phil Klutznick (and I believe Cy Vance).
4. Morton Mandel, Cleveland -- No. 2 lay leader of the national umbrella organization which handles all Jewish social service activities in the country (the lay president, Charles "Chuck" Hoffberger, is out of the country).
5. Max Fisher, Detroit -- Was clearly the key liaison person in the Nixon and Ford Administrations with the Jewish community, and is supporting us in the Panama Canal Treaty battle.
6. Howard Samuels, New York -- As you recall, he is a successful business person and one of our top supporters throughout the campaign.
7. Edgar Bronfman, New York -- As you will also recall, he is a leading businessman and philanthropist.

580

THE WHITE HOUSE
WASHINGTON

February 6, 1978

Bob Lipshutz

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

Rick Hutcheson

RE: US SECRET SERVICE UNIFORMED
DIVISION COVERAGE FOR 5
MISSIONS TO UNITED NATIONS
IN NEW YORK

SECRET ATTACHMENT

SANITIZED

Per. Proj. Project

REF ID: ALC-126-11-17-1-1

BY: KS JAKA ONE 3/22/13

THE WHITE HOUSE
WASHINGTON

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

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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

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

CONFIDENTIAL DOCUMENT ATTACHED

THE WHITE HOUSE

WASHINGTON

February 4, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz *BL*

RE: U.S. Secret Service Uniformed Division coverage for five missions to the United Nations in New York

Attached is a detailed, secret report and recommendation from the Department of State relative to this matter.

At the present time the authorization for protection will continue until February 18.

It is quite apparent that the Department of State considers this coverage to be vital at this time and probably will continue to do so for a considerable period of time in the future.

In order to get the total perspective of this situation, it might be wise to have a discussion with the Secretary of State or the Deputy Secretary of State, perhaps along with our Ambassador to the United Nations.

Please advise what action you wish to take in response to this request for an additional 60-day period of coverage commencing February 19.

30 Approve Request for 60-day extension of coverage

Disapprove Request for 60-day extension of coverage

Other

*By 2/28/78
Give me once & for all an analysis of what our responsibilities are vs foreign govts - UN personnel - City of N.Y.*

CONFIDENTIAL DOCUMENT ATTACHED

Sanitized
PER RAC
NLC 126-11-171-1
125 3/22/13



DEPARTMENT OF STATE
ASSISTANT SECRETARY FOR ADMINISTRATION
WASHINGTON, D.C. 20520

*all of this
will always be
available for
horrible examples
J*

~~SECRET~~

February 3, 1978

MEMORANDUM FOR:

The Honorable
Robert J. Lipshutz
Counsel to the President

FROM:

John M. Thomas *J.M.T.*

SUBJECT:

U.S. Secret Service
Uniformed Division
Coverage

~~SECRET~~

25X1

On January 18, 1978, U.S. Secret Service Uniformed Division protection of five missions to the United Nations was authorized for a period of thirty days ending February 18. The potential for terrorist activity remains high. In early January a rocket attack against the Israeli Embassy in Brussels failed only because a malfunctioning timer did not detonate the rockets. On the night of January 19/20 in West Berlin an Egyptian travel agency was bombed. A radical Palestinian group claimed responsibility. [redacted]

25X1
25X1

[redacted] Said Hammani, who was killed in London in December, was one of ten moderate PLO leaders targeted for assassination by radicals hoping to undermine Arafat's support. The list includes the PLO representative to the United Nations, Basil Aql. As negotiations in the Middle East resume one can expect renewed terrorist activity by rejectionist groups. Visits to the United States by high level officials of several Middle East countries and recent efforts by U.S. officials to keep the negotiations moving emphasize the role of the United States in the peace talks.

WARNING NOTICE -
SENSITIVE INTELLIGENCE SOURCES AND METHODS INVOLVED

[redacted]

25X1

SANITIZED

~~SECRET~~
XGDS-2

Per: [redacted] Project

ESDN: NLC-126-11-17-1-1

BY: KS WADA DATE 2/22/13

CONFIDENTIAL

During a meeting with an U.S. Embassy officer in Damascus on January 17, 1978, an official of the Syrian Ministry of Foreign Affairs requested continuation of U.S. Secret Service Uniformed Division protection for their mission in New York City. He cited as reasons recent bombings and unsettled political climate and noted that the Syrian Government provides similar protection to our Embassy in Damascus. This meeting is the most recent of several in the last six months at which officials of the Syrian MFA and the Syrian United Nations Mission have requested continued protection.

CONFIDENTIAL

Specific events in New York City indicate that potential for terrorist activity exists. On January 27, 1978, the newly formed "Coalition Against Imposed Middle East Solutions," a group of hardline supporters of Israel, disrupted services at the Temple Israel. They are opposed to the return of any land now occupied by Israel. The Arab League constantly receives obscene mail and on January 31 they received a telephoned bomb threat. It was a hoax but nonetheless cause for concern.

CONFIDENTIAL

Negotiations will probably continue for some time. Since the rejectionists may not be reconciled the situation will remain volatile. It is important to guard against an incident that could worsen the political climate. We recommend that protection be continued in New York City at the Observer Offices of the Palestine Liberation Organization and the Arab League, at the Syrian and Israeli United Nations Missions and at the Egyptian Consulate General. Coverage would be for a period of sixty days during regular office hours only.

CONFIDENTIAL

Terrorist threats are continually monitored by the Department of State and coverage by U.S. Secret Service Uniformed Division could be reviewed at any time if the situation changed. If the situation remains unchanged, the need for protection will be reevaluated at the end of fifty days.

cc: Richard J. Davis
Assistant Secretary
Department of the Treasury

THE WHITE HOUSE
WASHINGTON

February 6, 1978

Jack Watson

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

Rick Hutcheson

RE: MEETING WITH BUSINESS
EXECUTIVES

THE WHITE HOUSE
WASHINGTON

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

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
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	HARDEN
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	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

①
/

MEMORANDUM TO: THE PRESIDENT

FROM:

Jack Watson *Jack*
Jane Frank

February 3, 1978

RE:

Summaries for the Week of January 30 -
February 3, 1978; Miscellaneous Items

-- We are attaching the weekly summaries.

-- We continue to hear positive comments about the White House Conference on Balanced National Growth. Although many participants came prepared to defend the special interests of their group, state or region, they left with the recognition that we need one national strategy for balanced national growth within which regional and other differences can be accommodated. You commented in your remarks to the Conference that "we are all a part of the federal government"--a remark that crystalizes this new spirit.

-- The participants and Advisory Committee now want to be sure that their work is not forgotten. Next week we will begin to define a process for preparing the Conference report for you and for assuring that it reflects the integrity of the Conference process. Within a month, we will bring the Advisory Committee together again--probably here--and hope to set a time when you could drop by for five minutes to thank them for their enormously generous contribution of time and effort.

-- I tried something last night which worked out well and which I thought you might want to know about. Last November you said that you would like for me to "speak for you" as much as possible and to try to establish informal working relationships and channels of communication with business leaders. Bob Strauss and Charlie Kirbo have also discussed that subject with me.

On Thursday evening, at the invitation of Don Reagan, Chairman of the Board of Merrill Lynch, I had

dinner with the chief executive officers of eight U.S. companies (Merrill Lynch, Cluett Peabody, Cabot Corporation, Ryder Systems, John Deere & Co., American Credit Corporation, R.R. Donnelly and Westvaco). I talked with them and answered questions on a wide range of subjects for about 2 1/2 hours, (e.g. overall domestic and international economic outlook, trade, the tax package, the energy bill, our efforts to reduce government regulations, etc.). All of the men seemed to appreciate the opportunity to discuss their questions observations and insights with one of "your men," and urged that we have similar sessions with other business leaders.

good

-- I am attaching a note from John Brademas that I thought you might want to see.

CC: The Vice President



HOUSE OF REPRESENTATIVES
OFFICE OF THE MAJORITY WHIP
WASHINGTON, D. C. 20515

1978 ^{FEB 13} JAN 2 PM 5 08

e

JOHN BRADEMAS
INDIANA
MAJORITY WHIP

January 31, 1978

Mr. Jack H. Watson, Jr.
Secretary to the Cabinet and
Assistant to the President for
Intergovernmental Affairs
The White House
1600 Pennsylvania Avenue, N. W.
Washington, D. C. 20500

Dear Jack:

I want you to know how very much I appreciate the dispatch with which you and William Wilcox of the Federal Disaster Assistance Administration responded to the urgent snow emergency needs of the people of Northern Indiana, and the entire Midwest, Friday night.

I have no doubt that your swift action not only made a substantial contribution to snow removal efforts but that it also contributed to saving human life.

Please assure the President that I shall spare no opportunity to point out the compassion and concern with which his Administration responded to this crisis.

With warmest personal regards.

Sincerely,

A handwritten signature in dark ink, appearing to be "John", written in a cursive style.

588

THE WHITE HOUSE
WASHINGTON

February 6, 1978

Bob Lipshutz

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. See Jody's comment regarding a written statement for release today.

Rick Hutcheson

RE: PRIVATE BILL FOR RELIEF OF MRS. EDDIE SLOVIK

cc: Frank Moore
Jody Powell
Zbig Brzezinski



THE WHITE HOUSE
WASHINGTON

2/6/78

Mr. President:

OMB, NSC and Jody Powell agree
with Secretary Brown and Bob Lipshutz
that you should support the bill.

Jody and OMB think, however, that
your statement should make it clear
that:

- o you are not condoning desertion;
- o that congressional action is necessary (the President does not have the legal authority to act unilaterally);
- o and that this is a special exception for Mrs. Slovak, and does not apply to the widows of deserters who died during the time they deserted.

Congressional Liaison will notify
Sen. Byrd and other sponsors of the
bill before your 5:30 meeting of
your decision.

Rick

THE PRESIDENT HAS SEEN

*Remind me
J*

THE WHITE HOUSE
WASHINGTON

February 6, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: THE SECRETARY OF DEFENSE
ROBERT LIPSHUTZ *RL*

MB. I have checked that the Army has no concern that the recommended action would be prejudicial to discipline; I agree.

RE: Private Bill for Relief of Mrs. Eddie Slovik

You will be meeting with Polish American groups this afternoon at 5:30 p.m. One issue of importance to them is the plight of the widow of Private Eddie Slovik.

Private Slovik was executed for desertion during World War II. He was the only person executed for desertion in that war or any other conflict since the Civil War; there were about 100 executions in World War II for servicemen convicted of other crimes, such as rape and murder. It is clear from the record that Slovik was executed, in part, as an example to other troops following the extensive desertions which occurred during the Battle of the Bulge. The execution may have served a legitimate governmental purpose given wartime exigencies. Because Slovik was executed for desertion, however, his widow did not receive any military life insurance benefits, and today she is destitute.

Mrs. Slovik was at the White House last spring, and the Army convened a special board to review the case against Slovik but concluded that his execution was lawful. Following the Board's determination, Senator Bob Byrd wrote a lengthy letter asking that the Army's decision be reviewed so that Mrs. Slovik could obtain the life insurance benefits. The Polish American Congress has made a similar request (copies of correspondence are attached).

Justice informs us that it is doubtful that you have legal authority directly to affect this situation. There is a private bill now pending in the House, however, which would grant Private Slovik's life insurance benefits plus interest to Mrs. Slovik (approximately \$70,000).

We believe it is possible to show compassion to Mrs. Slovik without in any way condoning desertion, and we recommend that you announce your support of this legislation at the meeting with the Polish American groups this afternoon. You should say that you will communicate your support to the Hill leadership, and you should mention that Senator Byrd has been particularly helpful in bringing this matter to your attention.

*I
informed
Byrd
J*



Approve endorsement of
legislation at this time
and will make announcement
at the Polish American group
meeting today (recommended)

Approve same but withhold
public announcement and
first inform Senator Byrd
privately

Disapprove endorsement of
this legislation

Obtain further information
before making decision

United States Senate
Office of the Majority Leader
Washington, D.C. 20510
August 19, 1977

ack - P / rec: Lipschutz
ack for
H. [unclear]

The President
The White House
Washington, D. C.

23 AUG 1977

Dear Mr. President:

Like many Americans, I have been moved by the pleas of Mrs. Antoinette Slovik, the widow of the only American soldier shot for desertion since the Civil War. And I was disappointed that the U. S. Army Board for Correction of Military Records rejected her anguished appeal.

The case of Private Eddie Slovik is an extraordinary one, and the now-aged, disabled, and impoverished Mrs. Slovik has led a singularly tragic life because of it.

During World War II, an estimated 40,000 American soldiers deserted. Of the 2,864 who were tried by general courts-martial, 49 were sentenced to death. Yet, only one man -- Private Eddie Slovik -- actually faced the firing squad. How he came to face the firing squad -- in fact, how he came to be inducted into the Army in the first place -- raises a number of disturbing questions.

Eddie Slovik had bad feet, weak eyes, and a history of juvenile delinquent offenses. Originally classified 4-F, he was drafted while on parole from the Michigan State Reformatory. That he failed as a soldier was not unexpected; he had been a failure as a civilian. At best, the decision to execute Private Slovik seems to have been an arbitrary one, borne not of the necessity to punish his particular offense, but rather to set an example for other soldiers who might have been contemplating desertion. As Rabbi David Eichhorn, a military chaplain at the time of the execution, testified: "General Eisenhower's staff persuaded him that a deserter must be shot to show would-be deserters what might possibly happen to them." And Major Frederick J. Bertolet, who reviewed the sentence for General Eisenhower, has been quoted as having said: "It (the death penalty) should be imposed in this case, not as a punitive measure nor a retribution, but to maintain that discipline upon which alone an army can succeed against the enemy."

I recognize the need for strong discipline in the armed forces, and the fact that deserters should be punished. Yet, it seems to me to be somehow unjust to extend the punishment of Private Slovik to his innocent widow, and to continue that punishment more than 32 years after her husband was executed.

Mrs. Slovik, after all, suffered a great loss in the war. Her husband died. The fact that he died at the hands of an American firing squad, rather than at the hands of the enemy on the battlefield, does not lessen her grief. On the contrary, it only adds to it. Unlike others who lost loved ones in war, there was no solace for Mrs. Slovik. Her husband did not die defending his country, fighting for principles, doing his duty in an honorable manner. For Mrs. Slovik, there was only shame to be heaped upon her grief -- shame that caused her to live for a number of years under an assumed name, and without the modest benefits that normally go to a widow of a slain American serviceman.

It also seems to me that the Army's treatment of Mrs. Slovik has been especially shabby and inconsiderate. Her husband was shot to death on January 31, 1945. Six weeks later, she received a telegram telling her that he had died -- just that he had died, not how. It was not until 1953 that she learned that her husband had been executed for desertion, and it was not the Army that informed her. Rather, Mrs. Slovik received the information from a writer doing a book on the execution.

According to newspaper reports, the U. S. Department of Justice is studying whether you have the authority to act in the case of Private Eddie Slovik. If the study finds that you do have the authority, I urge that you act favorably on the request of his widow. The number of legal questions raised by attorneys involved in the case should be carefully examined, to be sure. But beyond those technical points stands the case of Mrs. Slovik, which can only be resolved by a careful examination of the human elements involved in the whole episode.

Mrs. Slovik knows her husband was guilty of desertion. She even accepts the fact that his execution was legal. But rightfully so, she has been unable to accept the Army's insensitive treatment of her. She must feel now like her husband felt on the day of his execution. On that day, according to Orrin W. Fluck, a military policeman who escorted Private Slovik to the firing squad, the convicted deserter "was asked if he had one final wish before he was

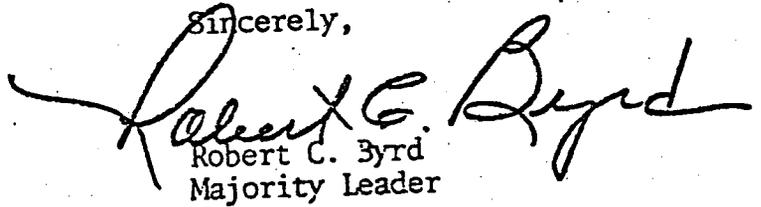
The President
August 19, 1977
Page 3

shot. He asked for a drink of water, and he was refused. They said there wasn't enough time."

After thirty-two years of living with the memory of her husband's dishonorable death, of feeling that she has been treated by some officials as if she were a party to his crime, I urge you to make time for Mrs. Slovik -- and, if at all possible, to act favorably on her request so that she can live her remaining years with some peace of mind and some financial security.

With best wishes.

Sincerely,

A handwritten signature in cursive script that reads "Robert C. Byrd". The signature is written in dark ink and is positioned above the printed name and title.

Robert C. Byrd
Majority Leader



NATIONAL OFFICE

1200 NORTH ASHLAND AVENUE
CHICAGO, ILLINOIS 60622

PHONE (312) 252-5737

WASHINGTON OFFICE:

1028 CONNECTICUT AVE., N. W.
ROOM 620

WASHINGTON, D. C. 20036
PHONE (202) 296-5021

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Chicago, Ill.
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Chicago, Ill.
DR. WALTERSIKORA
Chicago, Ill.
DR. Z. WISOBOL
South Bend, Ind.
HELENA SZYMANOWICZ
Chicago, Ill.
ANGELA C. TURCOTY
New Castle, Del.
SOPHIE SWOJCHK

Hon. Douglas B. Huron
Associate Counsel to the
President
The White House
Washington, D.C.

Re: Slovik Matter

Dear Mr. Huron:

We certainly appreciate the kind note you sent us indicating the President's interest in this matter and your expectation of a decision in the not too distant future.

As I indicated to you over the phone, it is our belief that there was a gross violation of Mr. Slovik's constitutional right in that he or his advocate was never permitted to personally appeal his death sentence before General Eisenhower. Absent any circumstances that such a personal appeal could not have occurred, it appears that the Army Board's decision reflects a great insensitivity to this fundamental human right--a person's right to personally fight for his life before the final authority. In addition the record before the Board confirms the fact that contrary to law Pvt. Slovik was not furnished with a record of his trial to help him in his appeal.

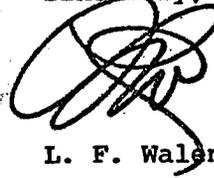
While we understand the complexities of the legal issues involved, including the contention that perhaps the President is without authority to review the Board's decision, we feel that in view of the circumstances here some action should be taken to correct this patent injustice.

Given the legal considerations we discussed it appears to us that one provident way to provide such action is for counsel for Mrs. Slovik to ask for a re-hearing after the President indicates his feelings that the Board's decision fails to adequately address these two factors.

January 18, 1978

We are sending a copy of this letter to Mr. Edelson, Mrs. Slovik's counsel, so that he may express his views and act accordingly. Many thanks for your interest and attention.

Sincerely,

A handwritten signature in black ink, appearing to be 'L. F. Walentynowicz', written in a cursive style.

L. F. Walentynowicz

cc: A. Mazewski
Bernard Edelson

THE WHITE HOUSE

WASHINGTON

February 6, 1978

MEMORANDUM

TO: Rick Hutcheson

FROM: Bob Lipshutz *BJL*

Please be sure that the President gets this entire package by the end of the morning. As you will note, it relates to a meeting which he is having this afternoon.

Also, if he makes a decision (and particularly if he elects the option which includes an announcement today), it may be desirable to prepare a brief statement for him. Therefore, as soon as you get the response, please call me.

*Sounds O.K. to me. Suggest
that a couple of graphs be
drafted for Pres. to make sure he
does not seem to be condoning desertion.
Also suggest Frank be informed if
he has not already to allow appropriate
contacts on Hill. Statement also needs
to make sure that Pres. makes clear why
he can't act alone. Jim*

THE WHITE HOUSE

WASHINGTON

February 6, 1978

Jim McIntyre
Jody Powell
Zbig Brzezinski *mm*
Frank Moore

The attached will be forwarded to the
President at noon today unless
objections are voiced.

Rick Hutcheson

RE: RELIEF OF MRS. EDDIE SLOVIK

THE WHITE HOUSE

WASHINGTON

February 6, 1978

Jim McIntyre
Jody Powell
Zbig Brzezinski
Frank Moore

The attached will be forwarded to the
President at ~~noon~~ today unless
objections are voiced.

Rick Hutcheson

RE: RELIEF OF MRS. EDDIE SLOVIK

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

Mr. President:

Pardon the oversight on not getting the attached schedule to you yesterday.

Two points:

- (1) staff will meet conferees and escort to Laurel Lodge Conference room; you and President Sadat can join them when you wish to.
- (2) The Vice-President's office inquired about the certainty and time of a small Sunday evening dinner with xi six or seven members of Congress.

yes, the dinner is on;
Frank is inviting

the dinner is an option,
I'll let you know

*No dinner -
POSSIBLE MTG
AFTER
SUPPER*

J TKTK

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

February 3, 1978

MEMORANDUM FOR: TIM KRAFT
FROM: BOB PETERSON *BAP*
SUBJECT: President Sadat's Visit to Camp David

The following information is the most up to date for this weekend's visit to Camp David.

ATTACHMENT 1 SCHEDULE
ATTACHMENT 2 CABIN ASSIGNMENTS
ATTACHMENT 3 EGYPTIAN ROOM ASSIGNMENTS

CABIN ASSIGNMENTS

Dogwood	President and Mrs. Sadat
Birch	Chip, Caron and James IV
Maple	Mr. Jordan Mr. Kraft
Red Oak	Dr. Lukash Capt Peterson
Hawthorn	Ambassador Dobelle
Sycamore	Carl Schumacher Michael Wright President Sadat's photographer
Walnut	Egyptians
Linden	Susan Clough
Hemlock	Egyptians

WALNUT

Taha Zaki
Ibrahim Batata
Wagdy Mosaad
Abdel-Fattah el-Mangoury

HEMLOCK

Fawzi Abdel Hafez

REDWOOD
(first floor)

Room 5 Abdou El-Demerdashe
 Ahmed Sarhan
 Mohamed Fayez

Room 3 Samir Afify
 Tewfik Koura

Room 15 Zeinhoum Ahmed
 Adbel-Sattar Youssef

Room 16 Saeed Helaly
 Abdel Naeem Radi
 Hafez Ahmed
 Mohamed Mahmoud

Room 18 Abdel Azim Moustapha
 Sobhi El-Shafei
 Abdel-Ghani Kalifa
 Mohamed Salah

REDWOOD
(second floor)

Room 13 Baheyyeddin Esmat
 Mohamed Essam
 Mahmoud Khalil

THE WHITE HOUSE
WASHINGTON

590

SUSAN

FRANK WANTS YOU TO GET THIS
INTO THE PRESIDENT'S CAMP
DAVID BRIEFCASE.

NELL

Reproduction Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

February 3, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M.*

C

You indicated that you wanted to call the following people from Camp David to invite them to a private meeting in the Residence on Sunday night:

- Senator Henry Jackson ✓
- Senator Jacob Javits ✓
- Senator Richard Stone ✓
- Senator Abraham Ribicoff ✓
- Senator Clifford Case
- Congressman Sidney Yates ✓

Jackson in Chicago

As I recall, we discussed Senator Frank Church but agreed to leave him off.

The Vice President will proceed with his briefing Monday afternoon on the Hill, and I assume you will want him to attend the Sunday night meeting.

cc: The Vice President
Hamilton Jordan
Tim Kraft

589

THE WHITE HOUSE
WASHINGTON

February 6, 1978

Bob Lipshutz
Hugh Carter

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

Rick Hutcheson

RE: USE OF HELICOPTER TO CAMP
DAVID BY STAFF MEMBERS'
FAMILIES

THE WHITE HOUSE
WASHINGTON

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

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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

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

Electrostatic Copy Made
for Preservation Purposes

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

February 3, 1978

*Bob -
J*

MEMORANDUM FOR THE PRESIDENT

FROM: BOB LIPSHUTZ *BL*
HUGH CARTER *HC*

SUBJECT: Use of Helicopter to Camp David by Staff
Members' Families

You have recently expressed an interest in exempting staff families from the current aircraft usage policy which requires that there be reimbursement to the government for families of staff members who accompany you to and from Camp David by helicopter. (See Tab A)

We have discussed the desired exemption in depth with Mike Berman and Marty Beaman. We have been unable to find a justification for the exemption which is likely to stand up to public or Congressional scrutiny. Inasmuch, however, as you have expressed an interest in considering alteration of the policy, we have drafted a proposed guideline which is set out below:

When any government employee is traveling to Camp David by helicopter, in conjunction with travel to those locations by the President or Vice President, members of the immediate family of such employees may fly on such helicopters on a non-reimbursable space available basis.

Regardless of whether or not you desire for us to proceed to establish guidelines for the exemption, it is our conclusion that until any new guidelines are made available to the Congress and the public, any flights already taken by families of staff members should be handled under the existing guidelines with reimbursement required.

OPTIONS:

1. Bill staff members for flights by their families.
2. Bill me for flights by staff members' families.

✓

Having considered all the factors, it is our strong recommendation that the current policy concerning reimbursement be continued. However, with reference to official trips, it is our opinion that the basis of reimbursement should appropriately be changed from a pro-rata share of the hourly cost of the helicopter based on the number of occupied seats to a pro-rata share of the hourly cost of the helicopter based on the number of total seats (16). The change in reimbursement formula will result in a standard round trip fare to and from Camp David in the amount of \$40.84, as opposed to a rate which could fluctuate under the old formula to as much as \$108.90 on Marine One.

It is possible that, even if you do not require reimbursement for staff families, the value for such flights will be taxable income to the staff members.

It is our recommendation that OPTION 1 outlined below be selected.

OPTIONS:

1. Continue to operate under current reimbursement guidelines with a revision of the formula. ✓

2. Continue to operate under current reimbursement guidelines without any revision of the formula. _____
3. Publish new guidelines similar to that outlined above to provide for exemption. _____

Copy to:
Mike Berman
Marty Beaman

THE WHITE HOUSE
WASHINGTON

11-22-77

To Bob & Hugh

Separate Camp David
from other flights. No
charge for officials or
their families on 2 helicopters.

Bill us for others
(such as kirbo).

J.C.

THE WHITE HOUSE
WASHINGTON

November 11, 1977

To Rosalynn
I suggest that we pay for all except staff families on 10/28-10/30
J.C.

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*

SUBJECT: Helicopter Manifests to Camp David

Attached at Tab A is a list of Presidential designees not on official business who have flown to Camp David on military helicopters. (Staff members are considered to be on official business.) Your policy on the use of military aircraft (Tab B - pertinent parts highlighted) says that these designees should be billed for their flights. However, since these people were your personal guests, I felt you would want to have input into the situation. I have discussed it with Bob Lipshutz and Mike Berman, both of whom were key principals in writing the policy, and they feel reimbursement should be made. (Bob and Mike tell me that although no decision has been made yet, the IRS is considering making the cost of flying designees not on official business taxable income either to the designees, or to you if it is not reimbursed.)

As I see it, the options are to bill each designee, pay for them yourself, or instruct us to change the policy. (The policy is on file with Jack Brooks' Operations Committee, and has been made public.)

Mr. President, since the policy was in effect when these flights occurred, my thought would be for you to have us bill each designee or bill you. Until the IRS ruling is completed, you should continue to have the designee or yourself billed. (If the designee is to be billed, Tim Kraft's office should notify the person(s) before the flight is made.)

Bill designees _____

Bill me _____

After the IRS ruling is completed, we could, if you desire, review the policy to see if you want to make any changes.

Yes _____

No _____

See me then

J
Jimmy
I do not agree with the policy. I think Camp David & helicopters which go anyway when Jimmy goes should be covered from military aircraft policy.
R.

THE WHITE HOUSE
WASHINGTON

November 22, 1977

Bob Lipshutz
Hugh Carter

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

Rick Hutcheson

cc: The First Lady

RE: CAMP DAVID

THE WHITE HOUSE
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
<input type="checkbox"/>	<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	<input type="checkbox"/>	JORDAN
<input checked="" type="checkbox"/>	<input type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	<input type="checkbox"/>	MOORE
<input type="checkbox"/>	<input type="checkbox"/>	POWELL
<input type="checkbox"/>	<input type="checkbox"/>	WATSON
<input type="checkbox"/>	<input type="checkbox"/>	LANCE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

<input type="checkbox"/>	<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	<input type="checkbox"/>	CARP
<input checked="" type="checkbox"/>	<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	<input type="checkbox"/>	FALLOWS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	<input type="checkbox"/>	KING

<input type="checkbox"/>	<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	<input type="checkbox"/>	LINDER
<input type="checkbox"/>	<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	<input type="checkbox"/>	MOE
<input type="checkbox"/>	<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	<input type="checkbox"/>	POSTON
<input type="checkbox"/>	<input type="checkbox"/>	PRESS
<input type="checkbox"/>	<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	<input type="checkbox"/>	WARREN

THE WHITE HOUSE
WASHINGTON

11-22-77

To Bob & Hugh

Separate Camp David
from other flights. No
charge for officials or
their families on 2 helicopters.

Bill us for others
(such as Turbo).

J.C.

THE WHITE HOUSE
WASHINGTON

November 11, 1977

To Rosalynn
I suggest that
we pay for all
except staff families
on 10/28-10/30
J.C.

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*

SUBJECT: Helicopter Manifests to Camp David

Attached at Tab A is a list of Presidential designees not on official business who have flown to Camp David on military helicopters. (Staff members are considered to be on official business.) Your policy on the use of military aircraft (Tab B - pertinent parts highlighted) says that these designees should be billed for their flights. However, since these people were your personal guests, I felt you would want to have input into the situation. I have discussed it with Bob Lipshutz and Mike Berman, both of whom were key principals in writing the policy, and they feel reimbursement should be made. (Bob and Mike tell me that although no decision has been made yet, the IRS is considering making the cost of flying designees not on official business taxable income either to the designees, or to you if it is not reimbursed.)

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Mr. President, since the policy was in effect when these flights occurred, my thought would be for you to have us bill each designee or bill you. Until the IRS ruling is completed, you should continue to have the designee or yourself billed. (If the designee is to be billed, Tim Kraft's office should notify the person(s) before the flight is made.)

Bill designees _____

Bill me _____

After the IRS ruling is completed, we could, if you desire, review the policy to see if you want to make any changes.

Yes _____

No _____

See me then

J
I do not agree with
the policy. I think Camp
David & helicopters which
is anyway when Jimmy
should be
from
military
aircraft

Note: All helicopter charges are computed by dividing actual cost by the number of passengers. Therefore, the rates change as the number of passengers and the actual flying time varies.

HAMILTON JORDAN

10/28/77	Nancy	Anacostia-Camp David	\$25.67
10/30/77	Nancy	Camp David-South Lawn	\$21.78
			<u>\$47.45</u>

STU EIZENSTAT

10/28/77	Fran	Anacostia-Camp David	\$25.67
"	Jay	" "	\$25.67
"	Brian	" "	\$25.67
			<u>\$77.01</u>

BOB LIPSHUTZ

10/28	Betty	South Lawn-Camp David	\$27.22
-------	-------	-----------------------	---------

JODY POWELL

10/28/77	Nan	Anacostia-Camp David	\$25.67
"	Emily	" "	\$25.67
			<u>\$51.34</u>

FRANK MOORE

9/2/77	Courtney	South Lawn-Camp David	\$28.00
9/5/77	Courtney	Camp David-South Lawn	\$25.20
9/18/77	Elizabeth	Camp David-South Lawn	\$27.07
10/2/77	Courtney	Camp David-South Lawn	\$22.40
10/30/77	Nancy	Camp David-Anacostia	\$21.54
"	Hank	" "	\$21.54
"	Brian	" "	\$21.54
"	Elizabeth	" "	\$21.54
"	Courtney	" "	\$21.54
			<u>\$210.37</u>

CHARLES KIRBO

8/18/77	Charles Kirbo	South Lawn-Camp David	\$46.67
---------	---------------	-----------------------	---------

TIM KRAFT

10/10/77 Judy Camp David-South Lawn \$18.67

J.W.C. HORNE

7/1/77 Mr. Horne Anacostia-Camp David \$27.15
" Mrs. Horne " \$27.15
" David " " \$27.15
\$81.45

JOHN POPE

7/1/77 John Anacostia-Camp David \$27.15
" Mrs. Pope " " \$27.15
\$54.30

CLAUDIA SANCHEZ

10/7/77 Claudia South Lawn-Camp David \$31.11
10/10/77 " Camp David-South Lawn \$18.67
\$49.78

GRAND TOTAL \$664.26

B

THE WHITE HOUSE

WASHINGTON

April 8, 1977

THE PRESIDENT HAS SEEN.

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*

SUBJECT: Brooks Committee Request for Executive Office Policy on Military Aircraft Use (Per Your Request)

Attached at Tab A is the proposed policy for the use of military aircraft by the Executive Office. The basic principle of this policy is that such aircraft will be used for official purposes, and any unofficial passengers will ride only on a reimbursable basis. Bob Lipshutz, Doug Huron, Mike Berman, Margaret McKenna and Herb Upton have all worked with me on a committee to formulate this proposal. Jody Powell and Ham Jordan have also had input.

You should be aware that in regard to paragraph 8 of the policy, that you do have the legal right to invite people not on official business to travel with you on Air Force One. Although there would be no tax consequence to you, we recommend that such invitees pay their own way in order to keep the policy consistent.

The Brooks Committee also asked for copies of all support and Air Force One manifests. We recommend that we provide these to them every six months (and make public at the same time) subject to the following restrictions (also to be made public):

1. Manifests would not include medical, secret service, WHCA or military aide. This is for security purposes.
2. We would reserve the right to not release manifests for missions of a sensitive nature nor the names of passengers of a sensitive nature.

A sample of what the manifest would look like is included under Tab B.

By providing this information, we are doing something no Administration in the past has done and is in keeping with our general policy of being as open as practical.

If you approve, I will prepare this data in the necessary format for forwarding to the Brooks Committee.

✓

APPROVE

DISAPPROVE - Let's discuss

J.C.

Use of Military Passenger Aircraft by
the Executive Office

1. Military passenger aircraft may be used by the President and Vice President on a need basis as required by the duties of the office. Presidential and Vice Presidential travel, other than for political purposes, is official and need not be reimbursed. This will include travel by the First Family when in the company of the President and the Vice President's family when in his company, or when travelling separately on official business. Staff that is necessary for assisting the President or Vice President in carrying out the duties of office will also travel aboard such aircraft on a non-reimbursable basis.
2. The remainder of the Executive Office may use military aircraft only when use of commercial aircraft is not feasible or at such times as a specific situation might dictate that it is in the government's best interest.
3. Military aircraft may be used by special designees of the President when on official business. This would include humanitarian situations and situations involving the security and well being of the Nation.
4. Military aircraft may be used for transportation of foreign heads of government and high-ranking dignitaries as deemed appropriate by the President.
5. Appropriate reimbursement will be made for use of military aircraft for political purposes.
6. Military aircraft will be used for travel by individuals on non-official business on a reimbursable basis only. This will include First Family and Vice President's family not on official business and not in the company of the President or Vice President.
7. Under the Presidential Transition Act of 1963, military aircraft may be used in order to promote the orderly transfer of executive power for a period of six months after leaving office. Subsequent to the transition period, a former President or member of a former First Family may be furnished military aircraft, and the President may authorize the use, as provided for in paragraph 3 or when properly authorized by the Treasury Secretary subject to all provisions herein.

8. Other Presidential and Vice Presidential designees not on official business may travel on military aircraft only on a reimbursable basis.

MANIFEST

EIA AIR FORCE ONE

Andrews AFB, MD to Robins AFB, GA

Dep. 1546 Arv. 1730 1+46

603 SM

11 February 1977

1.	The President	
2.	Mrs. Carter	
3.	Amy Carter	
4.	Caron Carter	
5.	Jeff Carter	
6.	Annette Carter	
7.	Senator Sam Nunn	
8.	Jody Powell	Press Secretary
9.	Jack Watson	Assistant to the President
10.	Fran Voorde	Presidential Scheduling
11.	Barbara Heinebeck	Media Advance for First Lady
12.	Mary Fitzpatrick	First Lady's Staff
*13.	Fran Lewine	AP
*14.	Helen Thomas	UPI
*15.	Frank Van Riper	NY Daily News
*16.	Hal Walker	CBS
*17.	Charles Tasnadi	AP Photo
*18.	Dennis Cook	UPI Photo
*19.	Cal Marlin	CBS Film Crew
*20.	George Christian	CBS Film Crew
*21.	Glenn Bowman	Radio Engineer

NOT INCLUDED: USSS, WHCA, Military Aide, Medical

*Reimbursable

579

THE WHITE HOUSE
WASHINGTON

February 6, 1978

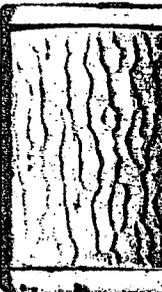
Bob Lipshutz

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder

RE: PROTECTION FOR SEC. BLUMENTHAL
DURING HIS FOREIGN TRIP



THE WHITE HOUSE

WASHINGTON

February 6, 1978

MEMORANDUM FOR THE SECRETARY OF THE TREASURY

During the period from February 11-14, 1978, you, as an official representative of the United States, will be performing a special mission abroad. Pursuant to Section 3056 of Title 18, United States Code, I hereby direct that the Secret Service provide protection for you during that period.

A handwritten signature in cursive script, appearing to read "J. Carter", is written over a horizontal line. The signature is positioned to the right of a large, faint, stylized letter "X" that is partially visible on the left side of the line.

THE WHITE HOUSE
WASHINGTON

February 6, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz *BL*

SUBJECT: Protection for Secretary Blumenthal
During Foreign Trip

Attached is a memorandum to me from the Deputy Secretary of the Treasury. I concur in his recommendation that you sign the attached memorandum authorizing this protection.

Because the appropriations committee apparently is insisting upon more formal authorization of such protection in the future (either by your order or by including the specific itemization in the Treasury appropriation), this type of matter probably will arise five or six times during the year.

The amount of money involved in situations such as this is relatively small.

With your approval, I will authorize future protection for the Secretary of the Treasury in similar situations. Please advise if you wish me to do so.

sh
J

THE WHITE HOUSE
WASHINGTON

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

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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

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



~~CONFIDENTIAL~~

THE DEPUTY SECRETARY OF THE TREASURY
WASHINGTON, D.C. 20220

February 2, 1978

MEMORANDUM FOR THE HONORABLE ROBERT LIPSHUTZ
COUNSEL TO THE PRESIDENT

SUBJECT: Protection for Secretary Blumenthal
During Foreign Trip

Secretary Blumenthal is leaving on February 11, 1978, for a trip involving official (but non-publicized) visits to France and Germany. He will return to the United States on February 14, 1978. Section 3056 of Title 18, United States Code, authorizes the Secret Service to provide protection to an official representative of the United States performing a special mission abroad. In this situation the level of recommended protection is estimated at 3 or 4 agents and the costs are their per diem plus commercial transportation. Since the Appropriations Committee has periodically questioned Secret Service protection for the Secretary, I recommend that the President sign a designation substantially in the form attached and thereby eliminate any possible question.


Robert Carswell

Attachment

~~CONFIDENTIAL~~

Jay 4/18/90

Classified by Robert Carswell
on: February 2, 1978

Declassified by Robert Carswell
on: February 15, 1978

584

THE WHITE HOUSE
WASHINGTON

February 6, 1978

Frank Moore

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

Rick Hutcheson

WEEKLY STATUS REPORT -- LEGISLA-
TIVE

THE WHITE HOUSE
WASHINGTON

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

ACTION
FYI

return orig to me

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
/	MOORE
	POWELL
	WATSON
	McINTYRE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

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

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

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

C

ADMINISTRATIVELY CONFIDENTIAL

February 4, 1978

TO:

THE PRESIDENT

FROM:

FRANK MOORE

SUBJECT:

Weekly Legislative Report

I. ENERGY

-- DOE reports the following: Secretary Schlesinger has been involved in a number of meetings relating to the natural gas conference this week. On Monday, he was summoned by Senator Hansen to hear the position of the seven Republicans plus Bennett Johnston and Ford. Basically, they recited the Pearson-Bentsen catechism and informed the Secretary that Scoop Jackson would not be able to pick them off one by one by making concessions to individuals. The Republicans wanted Senator Jackson to make a proposal to them which they would then modify in hopes of arriving at a Senate position. It was the consensus at this meeting that if a Senate agreement could be reached, the Republicans would only sign off if they could be assured of Administration support and support by the House Conferees. In other words, the Senate Republicans are willing to compromise, but only once.

-- Secretary Schlesinger briefed Senator Jackson on this meeting and participated in a negotiating session between Senator Johnston and Senator Jackson the following day in an effort to resolve the differences between the two.

-- On Friday, Senator Jackson made a proposal to Senator Johnston and Senator Domenici. Senator Johnston indicated it was a good-faith attempt to resolve the differences.

-- The Senate Republicans met on Friday afternoon, February 3, to consider their response to this proposal. There would appear to be the prospect of modifications in the new gas definition; in the price escalator; and in the authority to allocate intra-state gas which will make the Senate package look much like the pre-Christmas Johnston-Ford compromise. If these differences can be sorted out, Senator Jackson plans to convene a meeting of the 17 Senate Energy Conferees Tuesday morning, February 7, to formally approve a Senate position. It will then be presented to the House Conferees for their acceptance or modification either Tuesday afternoon or Wednesday morning. An effort will be made to work out agreement with the House Conferees in private before a public meeting of House and Senate Conferees is finally called to formally accept it. The terminal date remains February 10 when Senator Jackson plans to depart for China.

-- White House CL staff agrees with Stu's assessment that there must be a natural gas agreement by the time Senator Jackson leaves for China on February 10. The sense of urgency is rapidly diminishing as Members on the conference committee become involved in other legislative issues.

-- If no solution has been reached by Monday evening, you may want to ask Secretary Schlesinger about the advisability of your becoming directly involved.

2. FOREIGN POLICY ISSUES

Panama: The big pluses last week were your Fireside Chat and the Foreign Relations Committee's 14-1 vote to report the Treaties. The bad news was the Armed Services Committee's hearings which raised doubts about (a) the financial viability of the new Canal enterprise and (b) US obligations which might in fact cost us money. In addition, opponents have launched their attack on the drug issue. We can expect guerrilla warfare of this kind for as long as the Treaties are before the Senate.

-- Looking ahead, there are at least these requirements:

1. To respond immediately and credibly to opposition charges. The State Department is now equipped to do this, under the direction of Warren Christopher and Doug Bennet.
2. To keep tabs on each persuadable Senator. This exercise is now being run out of the White House.
3. To develop a Congressional and public relations strategy to carry us through the February recess, which will occur, unfortunately, after two days of preliminary skirmishing on the Senate floor.

-- On Monday, we will give you a complete status report on Panama.

Witteveen Facility: House floor action on the bill has been postponed because of pessimistic whip counts. This bill will be very tough. The strategy on human rights is complex and subtle, since too strong an Administration stand may jeopardize the bill. Also, Republicans may desert the bill in an effort to embarrass the Administration.

-- In addition to a human rights amendment that will be introduced by Newton Steers (R-Md) and supported by Tom Harkin, Dawson Mathis has introduced the following amendments: 1) the US shall oppose and vote against any loan for the production of palm oil, sugar or citrus; 2) the US shall oppose and vote against any loan that increases exports of any agricultural commodity produced in this country unless US producers are receiving at least 100 percent parity; 3) US participation in both Witteveen and the IMF shall terminate on October 1, 1979.

-- This bill should definitely be on the agenda for the Tuesday leadership breakfast.

-- Treasury staff continues to contact key Members of the House to urge their support, (they hope to meet with Harkin Monday morning). Secretary Blumenthal has sent letters to each of the 69 freshmen as well as the 250 Members who supported the IMF quota increase in 1976. However, an expanded effort will be necessary.

Middle East Arms: State advises that most congressional staffers now expect that the three proposed sales will be sent up together in the very near future. The Senate Foreign Assistance Subcommittee is expected to complete its study of the proposed F-15s sale to Saudi Arabia within the next few days. It may attempt to take a middle ground between the Administration's anticipated request for 60 F-15s and the AIPAC position which would reject the sale outright.

Foreign Assistance: The Humphrey bill has 21 Senate cosponsors including a majority of the SFRC. It will be used as the hearing vehicle in the Senate Subcommittee. Last week Chairman Zablocki, with six cosponsors from the HIRC, introduced an identical bill except that it does not include funding authorization. The Administration's request will be the hearing vehicle in the House Committee. You will have an options memo on the Humphrey bill soon.

-- At last week's Legislative Interagency Group (LIG) meeting representatives from Defense, Treasury, and State expressed reluctance to have full overview hearings with the principals before Doc Long's Subcommittee as well as regularly scheduled testimony. Discussions on alternatives will continue.

Greek Aid Levels: Last week the Greek Ambassador met with Secretary Vance to register Greek Government displeasure over the decision to request only \$122 million in FMS for Greece and to tie any grant aid to the entry into force of the US-Greece Defense Cooperation Agreement. The Ambassador insisted that this amounted to pressure on the Greek Government to sign the DCA. The Ambassador hopes to make these same points in a meeting he has requested with the Vice President.

-- Last week, EUR Assistant Secretary Vest was closely questioned on this subject when he appeared before Lee Hamilton's HIRC Subcommittee. State advises that his remarks, picked up by the Greek press, have led to some new anti-American commentaries in Athens.

Nuclear Non-Proliferation: The Senate is scheduled to vote on final passage no later than 5:30 p.m., Tuesday. McClure is expected to offer additional amendments including one on spent fuel. Despite heavy industry opposition, State expects it to pass the Senate. The conference will begin after the Senate recess which begins February 10.

-- We are nearing victory on this major Carter initiative, and yet there is no publicity about it. We will talk to Jody about this problem.

3. ECONOMIC PACKAGE

Briefings: We believe many of the principles we learned in the Panama education campaign can be used in our efforts to sell the economic package to Congress and the American people. In many ways, tax reform, the budget and full employment measures are more complex than the Canal treaties. Nevertheless, the idea of briefing key public groups and Congressional figures early is still a good one.

-- We have prepared a briefing schedule for Members of Congress who are not on the relevant committees and their staffs. Jim McIntyre, Secretary Blumenthal, Secretary Marshall, Secretary Kreps, Charlie Schultze and Stu would make presentations. The idea would be to present the package as a whole and to show

how the components interrelate. Such briefings could be held in the White House, but you would not need to attend.

-- The Congressional briefings schedule will be coordinated with briefings for public groups organized by Hamilton and his staff.

Tax Reform: Treasury is continuing its congressional briefings of Committee members and staff.

CETA: The Labor Department has been engaged in intensive consultation with the "public interest groups" representing the Governors, Mayors, counties and state employment security agencies. Early next week DOL will be meeting with the unions to discuss their concerns about the draft bill. DOL expects to finalize the CETA legislation within the Administration by February 10 so that it can be transmitted to the Congress on February 14. The Hawkins Subcommittee will be having its first hearings on February 21.

Humphrey/Hawkins: The Hawkins Subcommittee will mark up the bill next Tuesday. The full Committee is expected to take it up on February 14 and it should reach the House floor around February 28.

4. FY 1979 BUDGET

-- At the initial hearings before the House Appropriations Committee and the Senate Budget Committee several items were raised that are reflective of Member's views: 1) There is concern that outlay estimates for agriculture price supports are too low. OMB estimates are based primarily on technical factors and not on policy changes from last year, but this point is difficult to get across to Members. 2) There is much interest in items not included in the budget submission such as the full urban policy initiative, the results of the water policy study, and the alternatives to tuition tax credits. 4) There is great interest in the yet to be submitted \$400 million private sector jobs initiative. 5) There is also congressional interest in obtaining agency budget submissions.

-- These initial hearings will continue in other committees next week.

5. FY 1979 DEFENSE PROGRAM

-- During Secretary Brown's and General Brown's testimony before the House Armed Services Committee last week, there were a number of questions dealing with the relative balance between Soviet and our strategic forces. DOD advises that underpinning this is the growing speculation and concern regarding SALT II. The Committee asked for and Secretary Brown gave assurances that military witnesses will provide full and candid testimony. These Defense Posture hearings will continue through next week before DOD's other basic Committees.

6. OFFICE OF CONSUMER REPRESENTATION

-- The bill is scheduled for Tuesday. Preliminary whip counts continue to show us behind, but this can be partially attributed to a desire to show a negative face to encourage withdrawal of the bill for a second time. >

-- We do, in fact, face a very difficult fight. The business community, now with the additional help of the Viguerie organization, continues to mount massive opposition.

-- It can be won with an all-out effort. A joint letter from Secretaries Blumenthal and Kreps and Bob Strauss explaining why business should support OCR was sent to 100 targeted Members. A letter from you to 26 "undecideds" went out late Friday night or early Saturday. In addition, several Cabinet officers as well as White House staff are making calls to selected Members.

-- The calls you plan to make to Congressmen Gephardt, Roncalio and Holland will be very helpful. You may be asked to make a few additional calls either late Monday or early Tuesday. Note: You no longer need to call Neal Smith; we have worked out his principle problem.

7. WELFARE REFORM

-- Corman wants to mark up specific jobs portion language as early as Monday morning. Last week Labor Department officials met with the Subcommittee staff and with representatives of the CEA, DPS, and OMB and have agreed to the following:

1. Average wage in any prime sponsor area is \$7,700 adjusted up and down based on an index computed from average area wage except that no one can be paid less than the minimum wage.
2. Maximum wage in any area is \$9,600 adjusted up and down by the index noted above except that no wage can be more than 10 percent above \$9,600.
3. No more than 15 percent of the workers in any prime sponsor area can be paid more than the average in the prime sponsor area.

-- DOL estimates that these changes add 20 percent to the cost of the Administration plan -- 12 percent by using the area wage index (primarily because the average nation-wide became \$8,100 instead of \$7,700 as a result of the minimum wage constraint) and 8 percent by allowing persons to be hired at the higher above average wage instead of working up to the higher wage. The Subcommittee's decision to limit eligibility to cash assistance eligibles, however, saves 20 percent. Thus, DOL advises that there is no net additional cost.

-- Organized labor will be opposing this compromise.

-- Last week, Ullman introduced his welfare reform proposal which is estimated to cost \$12 BILLION a year less than the Administration's bill and provides fewer public service jobs and less fiscal relief to the States. HEW will strongly oppose the Ullman proposal.

-- Secretaries Califano and Marshall will testify before Moynihan's Subcommittee next week.

8. TUITION TAX CREDITS

-- There have been substantive conversations among WH, DPS, OMB, HEW and education leaders in the House on how to stop the Roth-type amendments from

being added to the tax bill. It is our judgement that a sizable package (\$1 BILLION plus) of increased student aid focused on middle income (\$12,000 to \$25,000) will be the minimum necessary. Congressmen Ford (D-Mich), Brademas, Thompson, Buchanan (R-Ala), Perkins, and Brodhead (D-Mich) plan to introduce a bill on Tuesday that contains an assortment of increases to several student aid programs that generally follows a reasonable approach, although with more money than we feel is needed to head-off Roth. We are trying to reach an agreement that will give us a good alternative that is responsive to middle income concerns and as fiscally conservative as possible. Secretary Califano will testify before the Ford Post Secondary Education Subcommittee on Thursday to discuss our position.

9. THE MILLER NOMINATION

-- Banking Committee investigators, plus one SEC detailee, are interviewing Bell Helicopter officials in Houston this weekend. Miller believes they will be finished by Sunday night. They are questioning officials on alleged foreign payments by Bell and Textron.

-- The SEC is also considering whether or not to initiate an investigation. If the Commission does decide to investigate, Miller will have to find a way to have the question of his culpability resolved first. The committee will not act while an SEC investigation is pending on the nominee. Bob Lipshutz is considering whether or not we could play a role in urging expeditious SEC consideration.

10. WATERWAY USER FEES

-- A vote on the Waterway User Fees was to occur on Wednesday afternoon, but Senator Long became ill and left the Hill, thus postponing action. Because of absences the anti-user fee forces probably would have lost had the vote been held Wednesday. Since both Long and Domenici have indicated a desire to reach an agreement with each other, negotiations on a compromise agreement are underway; DOT is following these very closely and has been working with environment and railroad interests for the Domenici amendment passed last June. The vote on that now appears very close. If Long and Domenici cannot agree, the bill may be put over until after Panama.

-- A number of problematic amendments are being prepared including Senator Gravel's amendments to authorize construction of a second new Lock and Dam 26 and set special rates for recyclable materials; the old Stevenson amendment establishing a 6¢ fuel tax and a guaranteed vote on a DOT user fee recommendation; and an amendment by Senator Wallop on the 160 acre agricultural controversy.

11. BLACK LUNG

-- On Tuesday, the House is expected to adopt the conference report on the Black Lung Benefits Reform Act; the Senate will probably adopt it on Monday. The agreement permits miners to choose whether the Social Security Administration or the Labor Department will review previously denied claims. Regardless of who adjudicates, claims will be paid almost entirely from the newly established industry-financed trust fund rather than from general revenues.

12. MISCELLANEOUS

-- An interesting footnote to the Uganda hearings in the House last week was the delivery to Acting Assistant Secretary for Africa Bill Harrop in the hearing room of a Diplomatic Note from the Ugandan Embassy inviting Members to Kampala to judge the human rights situation for themselves. The focus of the hearing was Rep. Pease's bill to cut off our trade ties.

-- The testimony of Secretaries Marshall and Califano before the Senate Labor/HEW Appropriations Subcommittee was very well received.

-- USDA advises that farm strikers are now attempting to get all factions to agree to unify on a 50 percent cut-back of production instead of the 100 percent previously threatened. Texas farmers, who begin planting within a few days, are taking the lead. Members of House and Senate Agriculture Committees are beginning to make several legislative moves to increase farm price supports.

-- Last Thursday, Secretary Harris testified in support of the Edwards-Drinan bill which would grant HUD improved enforcement powers, including cease and desist powers, in housing discrimination cases. The bill is unlikely to proceed much further.

-- Because of your request to Bizz Johnson for his help on airline regulatory reform, Subcommittee Chairman Glenn Anderson has scheduled markup for the first week in March. Support for the bill is less than expected, but the Chicago delegation may work hard for it because of what it could mean for Midway.

FLOOR ACTIVITIES, WEEK OF FEBRUARY 6

House

Monday -- 2 suspensions:

- 1) Grand Canyon School District. Rescheduled from last week.
- 2) Medicaid Increases in Puerto Rico, Guam, and the Virgin Islands. According to OMB, the Administration favors providing relief to the Medicaid programs in Puerto Rico and the Territories. This bill is similar to a proposal in the FY 1979 budget, except that it would take effect in FY 1978, resulting in an additional \$20 million in costs.

-- Timber Sales Procedures. Rescheduled from last week.

-- Sioux Indian Claims. Rescheduled from last week.

-- Chattahooche River National Park (rule only). Rescheduled from last week.

Tuesday -- 1 suspension:

- 1) Additional Federal Judgeships. The leadership has put this bill

under suspension of rules so that it will not be expanded further on the floor. According to OMB, the Administration strongly supports the bill, but has taken no position on the provision that would authorize the President to promulgate regulations establishing merit procedures for the selection of district judges.

-- Office of Consumer Representation.

Wednesday &
Thursday

-- Redwoods Park Expansion. A similar bill passed the Senate last week (74-29). Interior does not anticipate legislative difficulties in the House. OMB has worked out Administration positions on various provisions of the two bills.

-- Cargo Capacity for Civil Aircraft. Rescheduled from last week.

-- Defense Officer Personnel Management Act. The purpose of the bill is to revise the laws which govern the appointment, promotion, separation and retirement of commissioned officers below general and flag rank. While it contains many of the same provisions as draft legislation proposed by DOD, the two differ in one respect: this bill provides lump sum separation payments of up to \$30,000 to officers who are involuntarily separated with five or more years of service (the DOD draft bill would not change the \$15,000 maximum separation pay currently authorized). According to OMB, the Administration believes that adjustments in military compensation should be deferred until the recommendations of the Commission on Military Compensation are available, thus the Administration strongly opposes inclusion of the increased separation pay provisions.

-- Chattahooche River National Park (amendments and final passage).

-- The Speaker intends to bring up the Supplemental Appropriations/B-1 bomber issue when the votes look right.

Senate

-- The Senate will work on the Nuclear Non-Proliferation bill until Tuesday. The Waterway User Fee issue could then come up. The Senate intends to take up the Panama Canal Treaties on Wednesday or Thursday.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

MINUTES OF THE CABINET MEETING

Monday, February 6, 1978

The fortieth meeting of the Cabinet was called to order by the President at 9:01 a.m., Monday, February 6, 1978. All Cabinet members were present except Ms. Harris, who was represented by HUD Under Secretary Jay Janis. Other persons present were:

Joe Aragon	John Kester
John Blake	Bob Lipshutz
(for Stansfield Turner)	Bunny Mitchell
Barbara Blum	Frank Moore
Peter Bourne	Esther Peterson
Zbigniew Brzezinski	Dick Pettigrew
Midge Costanza	Frank Press
Hugh Carter	Charlie Schultze
Stu Eizenstat	Jay Solomon
Jane Frank	Charles Warren
Rex Granum	John White
Richard Harden	Jack Watson

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

1. Dr. Brown said that he testified last Thursday before the House Arms Services Committee on the Defense budget and that he will be testifying before various other committees all this week.

-- Dr. Brown said that the resignation last week of German Defense Minister Leber constituted a severe loss to NATO. Leber has done a great deal to improve the Western military posture.

-- Dr. Brown commented that last week's Senate vote on the B-1 appropriation was very heartening. He thanked the President and the White House and DOD Congressional Liaison staffs for their help in getting the votes we needed. The House will vote on the issue after the February recess. Meanwhile, \$6.5 billion in funds, mostly for other agencies, is

tied up in the supplemental Appropriations Bill, of which the B-1 deappropriation is a part.

-- Last week there was some vandalism on a B-52 at Robbins Air Force Base. Dr. Brown pointed out that there is nothing that people on the ground can do to set off the B-52 nuclear weapon.

2. Ms. Kreps said that Jewish groups found the anti-boycott regulations acceptable. She thanked Mr. Eizenstat for his help.

-- Ms. Kreps plans to circulate information outlining the kinds of economic data which are compiled by the Commerce Department, the dates on which the data are released, and the regulations which restrict release of advance information about the data. The President asked Mr. Schultze to supplement Ms. Kreps' memorandum with information concerning the economic data prepared by other agencies.

3. Mr. Adams will testify today on airport and aircraft noise abatement efforts in the context of airline deregulation. Mr. Adams noted that favorable editorials are beginning to appear on the Administration's transportation legislation on which he testified most of last week.

-- The Senate will vote on waterway user legislation this Wednesday; Mr. Adams hopes that the Administration's position will prevail.

-- Mr. Adams said that he thinks it is very important to emphasize that transportation will be an integral part of the Administration's urban policy for inner cities.

4. Mr. McIntyre said that he testified virtually every day last week on the budget. The FY 79 budget is now being parceled out to appropriations subcommittees, and he urged each Cabinet member personally to give attention to the budget mark-up process. He also asked that testimony be given to OMB in sufficient time for clearance.

5. Ambassador Strauss had nothing to report.

6. Dr. Schlesinger said that Senator Jackson's proposal on natural gas deregulation is being circulated to key Senators for comment. The Republicans will formally present their comments tomorrow. He said that it is essential for everyone to agree before any compromise language is presented in Conference. The practical deadline for resolution of the

issue is Saturday, since Senator Jackson leaves for China on that day.

-- The U.S. used 18.4 million barrels of oil per day in 1977; of that amount, imports were 8.7 million barrels per day. Both figures constitute a record high. DOE projects that 19.3 million barrels per day will be used for the remainder of 1978. Imports are projected slightly less than last year because of the enhanced flow of oil from Alaska. According to Dr. Schlesinger, these figures mean that unless we enact an energy bill, the net effect of Alaska oil will be to favorably affect our foreign imports for slightly more than one year. He noted that the CIA has made some grim projections concerning future oil use in this country, estimating as much as 38 million barrels per day in the mid-80's. These figures underscore the necessity to reduce our dependence on oil. The President said that he has seen some evidence to contradict the CIA figures, but Dr. Schlesinger said that the production limit in Saudi Arabia of 8.5 million barrels per day makes any higher theoretical limit meaningless.

7. Mr. Janis said that Ms. Harris is in Trinidad as a guest of President Clarke.

-- Community Development Block grant funds of \$250,000 will be used in a joint HUD/Labor program in Fort Worth, Texas, to conserve energy in low and moderate-income homes and to provide work for CETA employees. The purpose of the experiment is to determine if local Community Development Corporations and neighborhood groups can effectively carry out youth employment projects. HUD will provide technical assistance through Geno Baroni. Mr. Janis commended the Labor Department's excellent cooperation.

8. Mr. Bergland said that he will leave the Cabinet meeting early in order to meet with President Sadat at 10 a.m.

-- The President said that he was concerned with comments in Mr. Bergland's weekly report about the danger of "over-reaction" to the farm situation. Mr. Bergland said that the 1977 Farm bill includes a self-help program in which excess stocks are put in storage and used at home or overseas as necessary. The program avoids the price-depressing effect of surpluses and involves only a modest cost. USDA is engaged in an all-out education program to inform farmers about this provision and is urging Congress not to panic. He said that international leaders and farm organizations both commend the program.

-- The President, Ambassador Strauss and Mr. Bergland commented on a meeting last week with Democratic and Republican Governors to discuss the farm situation.

-- The President commended Mr. Bergland, who, he noted, has been under the most intense pressure for months, for his wise and calm handling of the farm strike situation.

-- The President said that he met with House members recently to discuss the problem of world hunger and that he has asked Dr. Bourne for a memorandum on the subject.

9. Mr. Blumenthal said that there is considerable confusion in Congress concerning the difference between international financial institutions (IFI's) and our AID program. He said that confusion is hampering our effort to pass the Witteveen Facility which, according to Mr. Blumenthal, is the best arrangement of its kind we have ever negotiated. In his view, failure to enact the Witteveen Facility would be "disastrous."

-- The Administration's tax bill has been introduced, and public hearings will begin at the end of the month. In his view, there is "a broad degree of support for the basic thrust of the message." The Treasury Department is continually talking with members of the House committee about the bill.

-- Mr. Blumenthal and Ms. Kreps have been talking to the Business Roundtable about the Administration's economic program and will continue during the next several weeks to try to generate other positive reactions from the business community.

-- Mr. Blumenthal will go to New York today for meetings with major political and financial interests to discuss the City's financial situation. He will testify on the matter on February 23rd. He described differing assessments of the size of the City's deficit and said that the real problem is getting all of the parties involved to do something about the situation. In response to a question from Mr. Vance, he said that certain deadlines for action are fast approaching, and that there is also the possibility of labor strikes. The President underscored the complexity and sensitivity of the situation and asked the Cabinet to coordinate any proposed actions affecting the situation with Mr. Blumenthal and him.

10. The Vice President said that debate on the Panama Canal treaties begins in the Senate on Wednesday. He said that the issue is "fundamental to the Carter Presidency" and that "losing would be a disaster." There are still ten to twenty undecided votes; he urged each Cabinet member to review a list of the undecided Senators with Frank Moore to see if they could be of any help.

11. The Attorney General said that he met last week with Ms. Coretta King and Mr. Joe Reed concerning appointments of Blacks to U.S. District Court vacancies in the South. He said that the Justice Department is making some progress in that area.

-- Indictments were handed down in a spy case last Tuesday--a result of intensive work and cooperation between the Justice and State Departments since last April.

12. Mr. Marshall said that the coal strike situation looks "encouraging." The Administration's move last week to seek a postponement "saved" the situation, and chances are good for a settlement tomorrow. He expressed his appreciation for the help of Ambassador Strauss and the Attorney General.

-- The unemployment statistics released Friday confirmed the downward trend in unemployment and the upward trend in employment. He said that the Bureau of Labor Statistics (BLS) does excellent work in its statistical analyses.

-- Mr. Marshall said that his son Chris is doing well and is in good spirits. Chris' left arm and shoulder were amputated, and the pathology report shows that the cancer was contained. He thanked the President for his call and for the visit from Mrs. Carter. He also thanked others on the Cabinet and White House staff for their prayers.

13. Ambassador Young described the discussions in Malta last week with the Patriotic Front on Rhodesia. He is encouraged that there seems to be less fear of elections than prior reports had indicated. He noted that a substantial number of mid-level African officials were educated in the U.S. and the U.K., and he predicted that, over time, this will enhance our relations with them.

-- Five foreign ministers--the U.S., U.K., France, West Germany and Canada--will meet in New York with the

Southwest African Peoples Organization (SWAPO) and the South African Foreign Minister in an effort to achieve some resolution on Namibia.

-- Somalia may raise the African Horn issue in the Security Council this week. Mr. Vance said that he and Ambassador Young will talk later today to discuss a proper U.S. response.

14. Dr. Brzezinski met with German Economic Minister Lamsdorff last week, and said that Mr. Lamsdorff had expressed his sense of concern about the "drift" of U.S./ German relations. Dr. Brzezinski also said that the resignation of German Defense Minister Leber was unfortunate. Ms. Kreps and Messrs. Blumenthal and Brzezinski discussed what to say in private and public discussions with the Germans. The President commented that the U.S. has met all of the economic goals we set in our previous discussions with the Germans. Dr. Brzezinski suggested that another economic summit might be held this summer if growth targets are not met.

-- NSC has set up a longer term planning group on the Soviet Union; State, CIA and DOD are all members.

-- An NSC staff member is attending Soviet military maneuvers near Minsk; it is the first time such a visit by an American official has been permitted.

15. Mr. Schultze distributed to the Cabinet several charts illustrating:

-- that more must be done to reduce cyclical unemployment, as well as structural unemployment;

-- that consumer confidence has recovered more than the confidence of the financial community.

-- Mr. Schultze believes that most Members of Congress do not understand the Farm bill and the difference between support and target prices. The President asked that a simple explanation of the bill and of support and target prices be prepared and distributed to appropriate people.

16. Mr. Califano said that he was well received at his first budget hearing last week. The Senate is likely to add money for health and education of the handicapped, and the House will be interested in adding funds for cancer research.

-- The panel of medical experts convened by HEW is convinced that a wave of Russian flu will occur next year and has recommended a vaccination program to combat it. Mr. Califano is aware of the problems connected with President Ford's swine flu program and has serious reservations about the one suggested by the current panel. He is continuing to review the situation.

-- Mr. Califano will begin his testimony this week on legislative proposals for education assistance to middle-income families. He said that the longer-term problem concerns tax credit proposals for elementary and secondary education, not just for higher education.

-- He will testify on welfare tomorrow morning before Senator Moynihan's subcommittee. He said that the timing is unfortunate because Congressman Corman is marking up the Administration's welfare reform bill in the House tomorrow. If the Ullman substitute is defeated, Mr. Califano said that the bill reported out will, with several important exceptions, be essentially what the Administration proposed.

-- He summarized the responses of the six Southern Governors to HEW's action on school desegregation. Ms. Kreps said that she had a long talk with North Carolina Governor Hunt last Friday, and that he has serious problems with the Administration's proposed position on this issue and on tobacco. Based on her discussions with Governor Hunt and others, she thinks the Administration is in serious trouble in North Carolina. Mr. Califano said that he is proposing a targeted cut-off of funds, seeking to reach only those which perpetuate the segregation. The Attorney General pointed out that the Fifth Circuit has proposed this approach but that other Circuits have not followed it.

-- Mr. Califano has been working with New York City's Mayor Koch for the past eight weeks to change the welfare program so as to reduce the 8 - 10% error rate based on fraud. He said that the Mayor wants to cooperate, but that the welfare bureaucracy continually objects to making the necessary changes.

-- He said that Germany is anxious to sign a Social Security agreement with us.

-- He is receiving increasing mail against the FDA's approach to ban harmful products.

17. Mr. Andrus said that the Outer Continental Shelf (OCS) Bill finally passed last week; he commended the work

of Frank Moore and his staff. Congressman Breaux's amendment was defeated. The bill will now go to Conference, and he predicted that after the President signs it, it will virtually eliminate the constant litigation over OCS leases.

18. Mr. Vance said that the President's two days of meetings over the weekend with President Sadat were very useful. Two tough problems remain: 1) Settlements; and 2) West Bank/Gaza and compliance with U.N. Resolution 242. Discussions over the weekend focused on how to continue the momentum of the talks between Israel and Egypt. It was decided that Assistant Secretary of State Roy Atherton should return to the Middle East the middle of this month.

-- For the next several days there will be further meetings between President Sadat's staff and State Department officials. On Wednesday there will be a final meeting between President Carter and President Sadat. Later today President Sadat will meet with Secretaries Bergland and Brown.

-- The State Department is concerned about serious human rights violations in Guatemala and is considering what appropriate action might be taken.

-- Mr. Vance commended the Attorney General on his handling of the Tongsun Park matter. There is a remaining issue concerning the possible testimony of former Korean Ambassador Kim. If he is called, he will invoke the Vienna Convention, under which Ambassadors are protected from testifying on matters relating to activities arising out of their duties as Ambassadors. House Special Counsel Leon Jaworski commented on Kim in a television interview yesterday; the State Department will respond to Jaworski within the next several days.

19. The President said that the vote on the Panama Canal treaties is critically important to the Administration. He asked several Cabinet members to stay after the meeting to discuss ways they might help in discussing the matter with key, undecided Senators. He noted that we have climbed from a position of virtually no support for the treaties to a slight plurality. He has personally attended more than twenty briefings at the White House with various groups from around the country. In addition to the Administration's efforts, key people from the business community and state and local government are now advocating ratification of the treaties with various Senators. He

noted that former President Ford and former Secretary of State Kissinger are helping with Republican Senators. Despite all these efforts, there are still too many undecided votes.

-- The Vice President noted that the fight may be long. The Senate procedures for ratifying treaties are archaic and give every advantage to opponents.

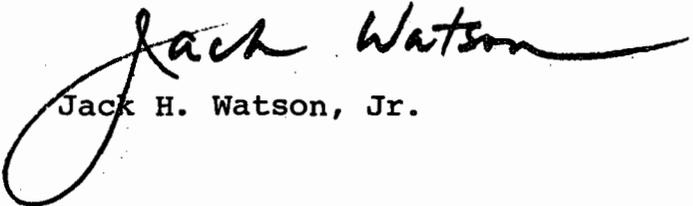
-- The President said that he had a good meeting with President Sadat. He described the evolution of President Sadat's initiatives for peace. He concluded by saying that "we are in better shape than we were last Friday." He noted that Israeli Foreign Minister Dayan will arrive on February 15, and Prime Minister Begin will come in April. He said that the U.S. will honor commitments of previous Administrations to sell weapons to various countries in the Middle East. In this connection, President Sadat is meeting with Dr. Brown today.

-- The Senate will vote on nuclear nonproliferation this week, and the President said that we have a good chance to win.

-- The House will vote on the Office of Consumer Representation tomorrow. The President said that the compromise version, on which the House will vote, is quite conservative. He predicted that the vote will be close and said that he will make additional calls during the day. Ms. Peterson handed out a list of undecided votes and added that she spent all day yesterday with some of the Speaker's staff calling on undecided members. According to Ms. Peterson, the issue can be won.

The meeting was adjourned by the President at 11:05 a.m.

Respectfully submitted,


Jack H. Watson, Jr.

585

THE WHITE HOUSE

WASHINGTON

February 6, 1978

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

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

Rick Hutcheson

CABINET SUMMARIES

EYES ONLY -- CONFIDENTIAL
ATTACHMENT

RETURN THIS RECEIPT IMMEDIATELY TO

Rick Hutcheson - Staff Secretary
The White House

REGISTRY NO.

UNCLASSIFIED DESCRIPTION
(Serial No., File No., Subject)

Summary

DATE

2/6/78

INCLOSURES

2 pages

ADDRESSEE

Secretary Blumenthal
Secretary of Treasury

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Memo	Frank Moore to Pres. Carter, 1 pg., re:Senate Staffers	2/6/78	C
Memo	Hamilton Jordan to Pres. Carter, 3 pp., re:U.S. Attorney Nominations	2/6/78	C
Memo	Vice-Pres. to Pres. Carter, 1 pg., re:Africa Visit	2/6/78	A
Memo	Ambassador Young to Pres. Carter, 1pg., re:UN activities	2/3/78	A
Memo	Robert Lipshutz to Pres. Carter, 5 pp., re:Secret Service Coverage	2/6/78	A

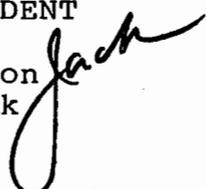
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THE WHITE HOUSE
WASHINGTON

MEMORANDUM TO: THE PRESIDENT

FROM: Jack Watson
Jane Frank



February 3, 1978

RE: Proposed Agenda

1. Report on your weekend meeting with President Sadat;
2. Comments on your fireside chat on the Panama Canal treaties;
3. Reflections on the White House Conference on Balanced National Growth and Economic Development;
4. Remind the Cabinet that the House votes on the Consumer Representation and Reorganization Act tomorrow (Tuesday). Thank the Cabinet for their help. (We are attaching a letter from Blumenthal, Kreps and Strauss to swing votes in the House);
5. Comments from Cabinet members.

CC: The Vice President

On Tuesday you will consider a bill that has been labeled by some as "anti-business." We believe that characterization to be simplistic and unfortunate.

The Consumer Representation and Reorganization Act of 1977 is intended to improve government rulemaking and contain the costs of consumer programs. The new bill was drafted and is being offered by a bipartisan coalition. Compared to the original bill, and in response to Congressional concerns, the new bill modifies the right to judicial review of agency proceedings, eliminates the direct authority of the consumer office to gather information through the use of interrogatories, and grants no authority to establish regional offices. Under the new bill, the Office of Consumer Representation is not intended to regulate business in any way. It should improve government decisionmaking by better enabling consumers to be represented in agency proceedings and activities.

We all know that consumers share with business the wish to reduce complex rules, confusing regulations and costly paperwork. In many cases the consumer's interest is parallel to that of businesspersons, farmers and workers. Almost three years ago, Business Week magazine made some observations on the subject that are essentially as true now as they were then:

" . . . it is also possible that the new agency could help speed the regulatory process by improving input and clarifying issues.

Beyond that, a consumer agency could improve the level of debate between business and the consumerists. By putting a sharp focus on the vague charges the consumer groups now feel free to make, it could show business where its real problems are. And by equalizing the balance between well-financed, well-organized business groups and the often disorganized consumer spokesmen, it could help restore public confidence in the regulatory process."

We support this compromise proposal and believe that it deserves your careful consideration.

Sincerely,

W. Michael Blumenthal
Secretary of the Treasury

Juanita M. Kreps
Secretary of Commerce

Robert S. Strauss
Special Trade Representative

[Handwritten scribbles]

THE WHITE HOUSE
WASHINGTON

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

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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

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

THE WHITE HOUSE
WASHINGTON
February 6, 1978

Bob Strauss

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

Rick Hutcheson

RE: WEEKLY SUMMARY

Electronic Copy Made
for Preservation Purposes

THE WHITE HOUSE
WASHINGTON

cc Strauss

Electrostatic Copy Made
for Preservation Purposes

Bob -
C/

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON
20500

February 3, 1978

MEMORANDUM FOR THE PRESIDENT

From: Ambassador Robert S. Strauss

RSS.

Subject: Weekly Summary

As you know, this week I have spent most of my time on business other than STR affairs.

I did, however, testify before the Finance Committee on the Japanese Agreement. It went exceedingly well with everyone but Senator Curtis very positive. In this regard, I spelled out very carefully that we had little more than a statement of goals which now need to be implemented. In that regard, you have asked for my suggestion as to the proper person or agency to be responsible for monitoring and reviewing such progress. Frankly, Mr. President, I have more confidence in my ability to direct this than anyone else's. However, due to the generosity of you and Jim McIntrye, I have [only] 41 people in this whole office and don't have anyone available. I would suggest we have someone tasked from the appropriate agencies whose primary responsibility would be to work with Alan Wolff and me on this problem.

*I agree
that many!*

On energy, Jackson will definitely leave for China on Friday morning and in my judgment, will not postpone his trip. All of us will be getting together on Monday to assess where we are and make recommendations to you.

ok

CONFIDENTIAL ATTACHMENT

THE WHITE HOUSE
WASHINGTON
February 6, 1978

Secretary Blumenthal

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

Rick Hutcheson

RE: WITTEVEEN FACILITY - HOUSE VOTE
MEETING WITH THE PRESIDENT

bcc: Tim Kraft
Fran Voorde

THE WHITE HOUSE
WASHINGTON

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

cc Blumenthal

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
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	ENROLLED BILL
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	LINDER
	MITCHELL
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	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
/	VOORDE
	WARREN

~~CONFIDENTIAL~~



THE SECRETARY OF THE TREASURY
WASHINGTON 20220

F.Y.I.

February 3, 1978

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

This week I launched our tax program with two days of testimony before the Ways and Means Committee, and proceeded later in the week at the House Appropriations and Senate Budget Committees. While the press predictably concentrated on negative reactions, the overall reception to the tax program was relatively good -- both as to the size of the tax cut and as to our prospects of securing a good portion of the reforms. Negative questions centered on reforms in entertainment expense deductions, medical expense deductions, and DISC and deferral. On balance, I am encouraged. We are engaged in a major effort to win approval of the programs in its entirety.

After a shaky start, the business community is beginning to rally around the economic program. At my urging, the Business Roundtable and Business Council have issued a strong statement of support.

The House floor vote on the authorization bill for the Witteveen Facility has been postponed a week or so. Passage without crippling amendments will take a major push. We may call on you to help.

We've nearly completed analysis of New York City's budget and financing plan, which I will discuss with City and State officials in New York on Monday and Tuesday. Despite the Mayor's optimistic statements to you, there are a number of problems:

1. There is still a very large budget gap which the City's planned spending cuts may not effectively close by the end of the plan period.
2. It will be tough for the City to return to the bond market without Federal guarantees.
3. The mood in Congress for such guarantees or for continued Federal aid is quite negative.

~~CONFIDENTIAL~~

Jay 4/18/90

My objectives in New York are (1) to make clear that we want to be helpful, but (2) to press the State and City hard on their own contributions to solving the problem.

Foreign exchange markets have continued to show general improvement. The dollar has been quite steady and trading has been generally calm, with little official intervention. Speculative pressure on the French franc has developed in the last few days, apparently in anticipation of the French elections next month. This may become a disruptive market factor, particularly if funds are drawn into Germany and Switzerland, placing renewed upward pressure on the Deutsche mark and Swiss franc.

As you know, I will be in Europe February 11-14 to

1. meet with the major Finance Ministers (which fact should not be disclosed)
2. talk with Chancellor Schmidt and his economic officers
3. hold discussions with the Saudi Finance Minister in Paris.

Before I leave, I will probably need a half-hour of your time on these matters, New York City, and on the various tax and economic issues.

ok

W. Michael Blumenthal

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SUBJECT TO GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
AUTOMATICALLY DOWNGRADED AT TWO
YEAR INTERVALS AND DECLASSIFIED
ON DEC. 31, 1984.-----



February 3, 1978

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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:

- Assistance to Middle Income Families: I will have a memorandum to you by Monday morning outlining our suggested Administration counter to Packwood/Moynihan and to Roth. In addition to appearances before Ways and Means and the House Higher Education Subcommittee, Clai Pell also wants me to appear before his education subcommittee on the Senate side. All three appearances are in the next ten days. We are talking to both House and Senate education committee members, as is Stu, in attempt to come up with a package of grants, loans and work study funds that will stop the tax credit proposals. I am also planning to talk to Senator Muskie and Representative Giamo about limiting the budget allowance for this purpose to see if we can stop the spending stampede which is building (the education committees are willing to spend almost any amount to keep jurisdiction -- a tax credit would move big chunks of education finance to the Finance Committee and to Ways and Means).
- Welfare Reform: Corman plans to report a bill out next week. When he gets the bill reported out, he wants the Speaker to fix a day certain by which the three full committees must act on the subcommittee bill. I think the Speaker may be willing to do this. It is important that we hold this tactic closely until Corman gets the bill reported out.

Ullman is working hard to substitute his proposal for yours and we may have a very close vote on it next week.

Amidst the reports that the bill would not be passed this year, an important fact went almost unnoticed: the Corman Subcommittee marked up a cash assistance bill that, in almost all important respects, follows your proposal.

- Cost Containment: I hope to talk to the Speaker privately about this legislation. Kennedy and Rogers want the bills they have reported out (which are virtually identical with our bill).

The matter is complicated by two difficult problems: Without Rostenkowski, we do not have the votes in the subcommittee (or even the full committee) to report our bill out, and Rostenkowski is still angry with me apparently as a result of our failure to appoint his man in the Chicago Regional Office.

Fortunately for us, Rostenkowski did not tell the Speaker what he was going to do and that has not set well with Tip.

To understand the importance of the cost containment bill, we should remember that it will save \$57 billion in health care costs from 1978 to 1983 -- and be conscious of the implications of those costs for National Health Insurance.


Joseph A. Califano, Jr.

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

C/

February 3, 1978

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

HOUSE. We had an excellent session with the House Ag Committee this week.

Senators and Governors stampede easily -- House members have more spine. It is highly unlikely that the House will consider new legislation seriously or reopen the Farm Bill. (The same cannot be said about the Senate.)

RESERVES. An all-out education program has begun to inform farmers about the provisions of the 1977 Act and encourage participation.

The thrust: they must use this self-help program (reserves and set-aside) and prices will be directly correlated with the extent of their participation.

SAFETY. A few complaints, by the grain industry, concerning our policy of allowing USDA employees to leave grain elevators they consider to be unsafe have been received. Our information does not indicate that the employees are abusing the policy and their safety will remain our first concern. The USSR has also expressed concern over potential delays.

PRICES. December to January prices paid to farmers averaged two percent higher; prices paid by farmers increased the same amount.

Barring major weather problems, USDA estimated consumer food prices will increase one to two percent per quarter during 1978.

EXPORTS. Total exports of farm commodities reached \$23.7 billion in 1977, three percent above the previous record (1976). However, the agricultural trade balance dropped to \$10.2 billion from \$12 billion. (Higher coffee, cocoa and tea prices and lower prices for U.S. goods caused the drop.)

FmHA & ASCS. As noted in ~~the attached~~, all State ASCS Directors are in place except for West Virginia (pending security clearance). All but the two new FmHA positions have been filled and those have been designated. *Forwarded to Hamilton.*

MISCELLANEOUS. ~~Attached is~~ a copy of the Department's Hill contacts *to Frank.*

BOB BERGLAND

~~Attachments-3~~



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

C
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February 3, 1978

Re: Principal Activities of the Department of
Justice for the Week of January 30 through
February 3

1. Meetings

On Wednesday the Attorney General and the Associate Attorney General met with Mr. Joe Reed and Mrs. Coretta King to discuss progress towards the appointment of additional black judges in the Fifth Circuit. Mr. Reed and Mrs. King seemed satisfied with the progress.

The Attorney General met this week with key Senators and Congressmen, and with former Governor Pat Brown and former Senator Hruska, who are leaders of the national bipartisan effort to achieve reform of the Federal Criminal Code, to discuss strategy for obtaining House passage of the new Federal Criminal Code.

2. Judge William H. Webster

The Senate Judiciary Committee hearings on Judge Webster were completed this week and the full Senate is scheduled to vote on confirmation on February 7. An easy confirmation is expected.

3. Employment

On December 30, 1977, uniform guidelines on employee selection procedures were published by the Civil Service Commission, the EEOC, the Department of Labor, and this Department, for comment. Comments are to be filed by March 7, 1978. These guidelines are aimed at protecting the rights of workers to be hired and promoted on the basis of job-related standards and without regard to race, sex, or ethnic background. The proposed guidelines would replace the two different sets of employee selection guidelines that have been in effect since November, 1976. The effort to achieve a uniform federal position on employee selection

standards and procedures was begun originally in November, 1972, and was resumed intensively in June, 1977. The results of this process is that from now on all employers - private and public, including the Federal Government - will be governed by the same set of standards.

4. Mexico Trip.

The Attorney General had planned to lead a U.S. delegation February 3-5 to Mexico City to discuss a number of substantive matters, particularly undocumented aliens and narcotics. On Thursday night, the trip was postponed on the recommendation of Secretary Vance because the timing was "inopportune" for Mexican officials. Unstated publicly is the fact that Mexico's Attorney General Oscar Flores Sanchez, the scheduled host for the U.S. contingent, had been hospitalized.

5. The Department's weekly report on appointments is attached.

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

C
/

February 3, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren
Gus Speth

Charles Warren

SUBJECT: Weekly Status Report

International Application of NEPA: In preparing draft basic regulations for federal agency compliance with NEPA, our review of statutory language, court decisions, and agency precedents disclosed that the Act had application to agency activities abroad. In order to be consistent with the law, yet recognize agency need for flexibility, we proposed modified and reduced procedures which agencies could utilize to meet their own needs. Some agencies (and press commentators) disagreed with our interpretation of the law. This week Justice informally advised all agencies we were correct. As a result, meetings have been scheduled to resolve this difficult issue in a satisfactory manner consistent with the law.

Nuclear Licensing Bill: Following two recent meetings of Cabinet-level officials, OMB is preparing, with assistance from us and other interested agencies, a decision memo for you. The meetings were productive and many issues have been resolved. Some of the remaining issues are of fundamental importance to the nation, including nuclear waste management and consideration of alternatives to nuclear power plants. Before making your decision, we recommend you meet with the key people who have helped shape this legislation. A give and take discussion would give you the texture of the issues and options which is hard to convey in a memorandum.

Non-Proliferation Bill: Together with State, NSC and the Domestic Policy Staff, we developed the Administration position on several important issues now before the Senate in the Nuclear Non-Proliferation Bill debate. As a result of these meetings, the Administration will oppose expected amendments which would (i) reduce the role of the NRC in nuclear export licensing; (ii) curtail public and judicial participation in the export licensing process; and (iii) restrict the applicability of the National Environmental Policy Act to the process.

Water Resources Policy Reform: The Water Resources Policy Committee (Interior, OMB and CEQ) is preparing a revised draft of the decision document. This draft will be discussed with White House staff next week. After further revisions the document will be made available to agency heads for review and comment before being submitted to you on or about February 24. Today, several governors met with Cecil Andrus, Eliot Cutler, me and other water policy committee officials to discuss reform options under consideration.

Lake Tahoe: Efforts by California and Nevada, under a bi-state compact, to control environmental deterioration in the Lake Tahoe Basin are apparently failing. Two weeks ago California indicated it would no longer fund its share of the Tahoe Regional Planning Agency (TRPA), calling TRPA a failure. California cites the continued annual dumping into Lake Tahoe of some 4,000 tons of pollutants which have rapidly increased algae growth. California also cites TRPA's approval of four high-rise casino/hotels on the Nevada side, that would double the number of cars in Lake Tahoe's basin, aggravating the area's air pollution problem. EPA, HUD, Interior, Agriculture (Forest Service) and other federal agencies have substantial interests in the Lake Tahoe Basin (62 percent of the land is federally owned). CEQ is looking into the possibility of developing a federal policy that would govern federal agency activities in Lake Tahoe in order to reduce the environmental damage that is occurring until longer term solutions can be achieved.

Environmental Activities of 1977: Since you took office the Administration and Congress have established a commendable record in protecting the environment. CEQ has compiled a brief (14 pages) status report which describes 1977's environmental legislation, policies and other activities. It outlines new environmental legislation, agreements and policies; policy reform in progress; and proposals awaiting Congressional action. We have distributed about 1,500 copies to the press, Members of Congress, environmental and citizen groups, industry and labor organizations, and state and local officials around the country. It has been well received.

THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

1

February 3, 1978

REPORT TO THE PRESIDENT

"FYI"

White House Conference: Secretary Kreps was most pleased with the satisfaction exhibited by the conferees in their ability to bring diverse and often conflicting views into a truly national forum -- and to achieve increased understanding and respect for such views. As a participatory process, the Conference was most successful and worthwhile. Its report should provide many useful ideas and a better sense of the trade-offs which must be considered in pursuing national objectives in this area. The conferees took a new and significant tack in associating important social goals with the need for private sector action in partnership with government. You touched on a most important dimension of the Conference in your reference to shared responsibility among levels of government and between the private and the public sectors.

Exports and imports rose sharply in December, reflecting above normal activity at Gulf and East Coast ports which had been affected by the longshoremen's strike in October and November. The December trade deficit of \$2 billion was about two-thirds of the strike-swollen October deficit. For 1977, the trade deficit totaled \$26.7 billion as measured on the Census basis used to compute the monthly trade figures. Adjustments to a "balance of payments" basis bring the figure to \$31.4 billion. These adjustments, published quarterly, reflect primarily the deletion of military trade, the addition of non-monetary gold transactions, the addition of Virgin Islands petroleum imports, and estimated corrections for undercounted exports to Canada.

The Department and the Office of Telecommunications Policy jointly petitioned the Federal Communications Commission this week to establish policies encouraging increased minority ownership of broadcast facilities.


Sidney Harman
Acting Secretary

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

"FYI"

C
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February 3, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *for*

SUBJECT: Major Departmental Activities, January 28-February 3

Coal--I appreciate your help with the coal negotiations today and apologize for bothering you on such short notice. We have gotten the meeting of the UMW bargaining committee postponed until tomorrow. We will know by Monday whether this delay produced a settlement.

Unemployment rate declines for third month in a row--Decline to 6.3 percent provides further evidence that December figures were not a statistical fluke. Employment continues to run ahead of other economic indicators in the recovery, in large part, due to impact of jobs programs. Since May 1977, employment is up by 5.2 percent for blacks and 13 percent for black teenagers. (Attached is a statement I released on the unemployment rate.)

CETA investigations continue. Alternate prime sponsor to be named in East St. Louis--Announcement planned for late next week that Illinois will take over East St. Louis CETA program. First time in history that we have used our power to designate an alternate prime sponsor when confronted with mismanagement.

Major CETA investigations underway in Atlanta, Indianapolis, Texas and Los Angeles.

Atlanta--U.S. attorney investigating fraud by CETA participants. Our investigators have found 10 instances of nepotism. Lack of administrative controls on program. Our report to be issued later this month; will require remedial action.

Indianapolis--Our investigators will be there for next three weeks. Problems date back to 1975 when Senator Lugar was mayor. So far, investigators have found instances of kick-backs, political patronage and recordkeeping violations.

Texas--Preliminary investigation of statewide CETA programs for migrants and other groups.

Los Angeles--Investigating various financial irregularities by sub-grantees in city and county CETA programs. FBI and U.S. attorney also conducting investigating.

~~Attachment~~

News

United States
Department
of Labor



Office of Information

Washington, D.C. 20210

CONTACT : Don Smyth
OFFICE : (202) 523-7316
AFTER HOURS: (301) 933-8112

USDL--78-98

FOR RELEASE: Immediate
Friday, Feb. 3, 1978

STATEMENT BY SECRETARY OF LABOR RAY MARSHALL

I do not normally make a practice of commenting on the month-to-month fluctuations in the unemployment rate. However, I am gratified by the decline in the January rate to 6.3 percent. The significance of this decline is that it provides further evidence that the sharp drop in the December figures was not a statistical fluke.

Some analysts mistrusted the December figures because they showed that employment was running ahead of other economic indicators which is uncommon in a recovery period. This discrepancy has now continued through January. Rather than being puzzled by this discrepancy, I see it as an indication of the impact of the rapid expansion of our employment and training programs under the President's Economic Stimulus Package.

I would also like to point out the improvement in black employment that has occurred over the last few months. This improvement has been masked, to some degree, by the large month-to-month fluctuations in the black unemployment statistics which are due to the size of the sample. It is also true that this large increase in black employment has not yet been reflected in the unemployment statistics because of the equally significant increase in black labor force participation.

2.

Since May 1977, black employment has increased by 5.2 percent and employment for black teenagers is up by 13 percent. These are major increases. They also represent a large departure from the pattern of the first half of 1977 when blacks failed to share in the decline in unemployment experienced by whites.

Obviously, we are not complacent about the unemployment that remains. We are still far from full employment. But the steady decline in the unemployment rate illustrates that carefully targeted jobs programs can play a major role in putting America back to work.

#



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

February 3, 1978

9
/

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

SUBJECT: Weekly Report of Major Departmental Activities

HUD Supports Bill to Enforce Fair Housing. On Thursday I testified in support of the Edwards-Drinan bill, which would give the Department improved civil rights enforcement powers. When conciliation fails complainants must now go to court to resolve fair housing issues. The new bill would give HUD authority to act as administrative judge and assess penalties and damages, thus speeding up the process of enforcement.

Retrofitting by CETA Employees. Fort Worth, Texas has designed a program to conserve energy in low- and moderate-income homes and provide work for CETA employees. Community Development Block Grant funds of \$250,000 will be used to purchase tools and materials for retrofitting, and CETA people will perform the actual work of insulating, fitting storm windows, and doing minor carpentry.

Conventional Houses May Be Built More Tightly Than Assumed. Information on energy consumption is now being recorded in an energy-efficient residence in Mt. Airy, Maryland; a comparison is being made with a conventional house next door. The energy-efficient residence is using about one-third as much energy for heating as the comparison house and has about one-half the air infiltration. But even the comparison house has much less infiltration than the National Bureau of Standards calculation methods indicate it should have, which may suggest that houses are being built tighter than we have assumed.

Tax Payment System Reduces Paper, Cost. New automated data processing procedures for our New York City office will eliminate the need to process five separate tax billings on each of the City's 2,500 to 3,000 HUD-owned properties.

Governments Cooperate on Midwest Storm Recovery. State and local governments in Indiana, Ohio and Michigan, supplemented by Federal resources, are making significant progress in snow removal operations and opening vital transportation arteries. In addition to local and State efforts, the Federal Government has cleared 14,500 miles of roads. The operation should be completed in two weeks.

Pat

Patricia Roberts Harris



THE SECRETARY OF THE INTERIOR
WASHINGTON

1

February 3, 1978

MEMORANDUM TO THE PRESIDENT

From: Secretary of the Interior

Subject: Major Topics for the Week of January 30

OCS (Outer Continental Shelf)--Legislation passed and is going to conference.

Federal judge has held up Sale #42 on Georges Bank. We have appealed.

Canal contacts are proceeding. Reporting to Ham and Frank.

Met with Governors on water and they have simmered down slightly. Meet again on February 17th. Final to you by February 28th.

Alaska legislation on federal land selection is a problem area, but moving.

CECIL D. ANDRUS

Community WASHINGTON, D.C. 20506
Services Administration



21

MEMORANDUM TO THE PRESIDENT

FEB 3 1978

Attention: Rick Hutcheson, Staff Secretary

FROM: Grace Olivarez *Handwritten signature for*
Director
Community Services Administration

SUBJECT: CSA's Weekly Report

CRISIS INTERVENTION:

In response to recent emergency weather conditions across the country, CSA has notified grantees of our emergency energy conservation program to transfer up to 40% of those funds into crisis intervention program accounts in order to provide flexible, immediate assistance to low-income people with emergency needs as a result of weather conditions.

SHIPYARD SKILLS TRAINING FOR THE LOW INCOME:

CSA is participating in interagency efforts to assist low-income people in the development of the skills necessary as shipyard workers. The training that these low-income people would receive would qualify them for jobs with upward mobility potential thus providing a meaningful opportunity for these individuals to break the cycle of poverty.

LOW-INCOME PERSPECTIVES ON BALANCED GROWTH:

CSA staff and representatives from community-based organizations have produced a paper entitled "Low-Income Perspectives on Balanced National Growth and Economic Development." This excellent piece provides a wealth of information on the low-income community and some very practical and realistic approaches for the targeting of economic development efforts aimed at the low-income. Equally important, is the fact that perhaps for the first time in eight years, the Community Services Administration working with representatives of organizations and agencies serving the low-income have worked together to develop a strategy for impacting on national policy as it relates to the low-income families across the country. The paper has been made a part of the official White House Conference Working Papers and, as such, becomes an excellent example of how government and the low-income can work together toward solutions to common problems.



THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

February 3, 1978

MEMORANDUM FOR THE PRESIDENT

ATTENTION: Rick Hutcheson, Staff Secretary

FROM: Brock Adams

SUBJECT: Significant Issues Pending at the Department
of Transportation

Transportation and Energy - This week I testified before the House Subcommittee on Surface Transportation and last week I spoke before the Pittsburgh Traffic Club on the Administration's new highway and mass transit legislation and its importance for our energy saving efforts.

Resignation of Director, Northeast Corridor Rail Project - On February 2 I accepted General Kenneth Sawyer's resignation as head of the Northeast Corridor. His temporary replacement is David Gedney, Associate Director of Engineering. Our prime goal is to reduce administrative inefficiency and move the 1978 rail construction plan along more rapidly. The program also requires a joint effort by Amtrak, ConRail, and Northeastern commuter and transit agencies to produce an operations plan.

Waterway User Fees - The Senate vote was postponed from Wednesday evening to early next week due to the sudden illness of Senator Long. I appreciated receiving your note, and I have communicated this to key Senators. The vote count is very close.

Motor Carrier Regulation and Enforcement - Last week the Department sent to the Interstate Commerce Commission recommendations to reduce costs and speed up processing of applications for the trucking industry. These are important steps to address some of the problems in motor carrier regulations. Through the Department's Federal Highway Administrator, Bill Cox, we have announced tough new efforts requiring states to enforce vehicle weight limits on the Nation's highways. This enforcement program is essential to protect the Federal Government's investment in the Nation's roads. I have issued letters to the Governors of fourteen states indicating that their enforcement efforts have been deficient. The states have forty-five days to request a hearing and show why Federal highway project approvals should not be cut off.

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VETERANS ADMINISTRATION
OFFICE OF THE ADMINISTRATOR OF VETERANS AFFAIRS
WASHINGTON, D.C. 20420
February 3, 1978

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• TO: The President
THRU: Jack H. Watson, Jr.
FROM: Administrator of Veterans Affairs

Max L...

VA Presidential Update

F. Y. 1979 Budget Briefings - The morning of January 23 I briefed staffers of both Congressional Committees on Veterans Affairs, and then leaders of 25 veteran organizations on the VA budget. The reception was generally good. Questions, however, indicated trouble spots will be cancellation of the new hospital in Camden, N. J., a deemed inadequacy in medical research funds, and reduction in hospital operating beds. Scrubbing of the Camden hospital has already brought swift and vehement protests to VA and the White House.

VA Lady Astronaut - Dr. Rhea Seddon, third year resident at the Memphis VA Hospital, is one of six women selected to become the nation's first female astronauts.

Organized Veterans - VA maintains active liaison with 43 national veteran organizations. The latest tally shows these organizations have total membership of 6,870,182 - or 8,614,202 when the Auxiliaries are included.

Increase in Minority Business Activity - In the first quarter of this fiscal year, VA procurement transactions with minority owned businesses increased 31%, and dollar value increased by 57%. This despite a 14% drop in total transactions and a decrease of 27% in dollar value for all transactions.

Record Demand for G. I. Home Loans - In F. Y. 1977, VA guaranteed the most loans in 20 years, and the dollar volume was a highest-ever \$13.2 billion. Figures for first quarter of this fiscal year indicate the upswing is continuing. Loan applications were 16% over last year, and appraisal requests exceeded last year by three percent.



Administrator

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February 3, 1978

MEMORANDUM TO THE PRESIDENT

THRU: Rick Hutcheson

SUBJECT: Weekly Report of GSA Activities

Snow Emergencies

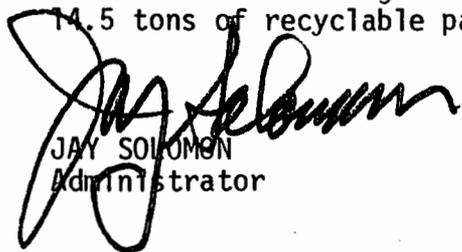
GSA has provided telephone equipment, space, furniture, copiers and telecopiers, vehicles, chartered airplanes and administrative supplies to the Federal Disaster Assistance Administration in three federally declared snow emergencies in Ohio, Indiana and Michigan.

Briefing for Jordanian Officials

At the request of the Department of the Army, GSA's Federal Supply Service, in conjunction with the Defense Logistics Agency, briefed several Jordanian officials on our respective supply responsibilities and operations. The briefing was requested so that the Jordanians could become familiar with the two major supply systems in anticipation of implementation in Jordan.

Status of GSA Paper Recycling Program

In November, 1977, GSA Central Office implemented a paper recycling program. With great cooperation on the part of the 3500 occupants of the main GSA building and the cleaning contractor, we have recovered 14.5 tons of recyclable paper from the building to date.



JAY SOLOMON
Administrator

P.S. - We just completed our third panel comprised of executives from the private sector. This particular group convened for the purpose of examining our leasing procedures. The panel was chaired by the head of the mortgage loan department of the John Hancock Insurance Company. The meeting was very successful and resulted in 21 recommendations to our people in the leasing area.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

C
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February 3, 1978

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}

Subject: CEA Weekly Report

Testimony. I appeared before four committees of the House and Senate this week to present your economic program, and the time of several members of my staff was devoted to preparation of materials to assist me during the testimony. Next Tuesday, Ray Marshall and I will appear before Gus Hawkins' Manpower subcommittee to testify on the Humphrey-Hawkins bill.

Regulation. A number of initiatives under development in the regulatory field will get increasing attention at CEA over the next few weeks. Mike Blumenthal, Jim McIntyre and I will be working together, trying to develop a body of information and a set of procedures by which the Federal Government can evaluate the overall economic impact of government regulations on particular industries and the economy as a whole, and set priorities among regulatory objectives. We also will be moving to utilize the Regulatory Analysis Review Group to put better economic analysis into individual regulatory decisions.

Economic Program. CEA members and staff have been working with a group assembled by Hamilton Jordan to coordinate plans to present your economic program to the public, to build support with the public and within the Congress for your legislative proposals, and to monitor closely that legislation as it works its way toward enactment. As they develop, our plans to carry out the anti-inflation program will be coordinated with this effort.

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

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The Administrator

February 3, 1978

WEEKLY REPORT TO THE PRESIDENT
FROM: Douglas M. Costle

Even though this has been a very active week,
I do not have any items of sufficient significance
to bring to your attention,

THE WHITE HOUSE
WASHINGTON

February 6, 1978

Zbig Brzezinski

The attached was returned in the
President's outbox today and
is given to you for forwarding
to Secretary Brown.

Rick Hutcheson

DEFENSE SUMMARY

B-1 VOTE
MEETING WITH ISRAELI DEFENSE
MINISTER
MISSISSIPPI COMMISSIONING CEREMONY

cc: Jim Kraft



THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

Harold
C
February 3, 1978

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Significant Actions, Secretary and Deputy Secretary of Defense
(January 28 - February 3, 1978)

FY 79 Defense Budget: I began my testimony in support of the FY 79 Defense Budget yesterday before the House Armed Services Committee along with General Brown. There were a number of questions dealing with the balance between Soviet and our strategic forces. The Committee asked for, and I gave, assurances that our military witnesses will provide candid testimony. More hearings are scheduled for next week, starting with the Senate Defense Appropriations subcommittee. I hope to have a brief talk with you before the Senate Armed Services and House Appropriations Committee hearings, which are likely to produce the most penetrating and well-informed questioning.

B-1 Vote: The Senate vote (58-37) to deappropriate funds for aircraft 5 and 6 was encouraging. I am more concerned about the House vote, which now is scheduled for after the recess. I believe the only way to a high probability of success is for you and me to be involved actively in obtaining support. Perhaps the most important step is for you to ask the Speaker to exert all his influence on behalf of this measure. The Democratic leadership is very important, because at least 90% of House Republicans will vote against us on this issue. >

Tank Gun Decision: The tank gun decision was announced Tuesday. Press reports have been factual and balanced. There has been little Congressional reaction so far--less than I expected. The Germans, of course, are extremely pleased.

Meeting with Israeli Defense Minister: I have agreed to meet with Weizman on March 8 to discuss Israeli arms requests. Weizman plans also to meet with Cy and the House and Senate Armed Services Committees and to participate in Israeli fund-raising activities. It would probably be useful to invite Gamassy in the near future to maintain a balance; I am pursuing that with Cy and Zbig.

Sadat will see you

Cargo Transport Aircraft: On Thursday Senators Metzenbaum and Goldwater filed suit alleging that a Navy purchase of 20 Beech C-12A light utility transport planes should have been by competitive bids. The decision to go non-competitive was based on a House Appropriations Committee statement, agreed to by the other relevant committees, that the Navy should buy the same off-the-shelf turboprop aircraft as the Air Force and Army. The affected committee chairmen have been consulted; the suit may be dismissed on procedural grounds. We hope to have the matter resolved soon.

Exchange Lectures with Soviet Military: George Brown set up a series of exchange lectures last fall between American and Soviet military officers. They were quite well received in both countries. My staff now is working with State to arrange another such exchange.

good

Meeting with Business and Professional Leaders: Monday evening I hosted the first in a series of dinner meetings with groups of business and professional leaders.

Defense Reorganization: The reorganization order eliminating Assistant Secretaries which I discussed with you previously also eliminates the position of Director of the Women's Army Corps--reflecting the fact that Army women no longer will be segregated from their male counterparts in career opportunities.

MISSISSIPPI Commissioning Ceremony: The nuclear-powered guided missile cruiser Mississippi is scheduled to be commissioned on August 5 at Newport News, Virginia. Senator Stennis will speak at the ceremony and I understand he intends to invite you to be the principal speaker. Particularly since you once served on the battleship Mississippi, I hope you will be able to accept.

*Let
me
have
letter*

*(I'll swap for a
Treaty vote)*

Harold Brown

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THE WHITE HOUSE

WASHINGTON

February 6, 1978

Stu Eizenstat

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

Rick Hutcheson

RE: ALTERNATIVES TO TUITION TAX CREDIT
PROPOSAL

cc: The Vice President
Jim McIntyre
Frank Moore
Charles Schultze

THE WHITE HOUSE
WASHINGTON

2/6/78

Mr. President:

OMB has no objection to the Califano proposal from a cost point of view.

In the longer run, OMB would prefer a low-interest, guaranteed loan program with no limitation by income level.

Rick

THE WHITE HOUSE
WASHINGTON

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

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

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

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

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

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

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THE WHITE HOUSE

WASHINGTON

February 6, 1978

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT
FRANK MOORE *SM*

SUBJECT:

Califano memo "Alternatives to Tuition
Tax Credit Proposals"

The attached memorandum from Secretary Califano describes a \$1.2 billion combination of grants and guaranteed loans designed as an alternative to proposals for a tuition tax credit. It has the support of key House Education and Labor Committee Democrats -- Chairman Perkins and Representatives Bill Ford, Thompson, and Brademas. If we endorse such a proposal they are willing to fight all-out against the tax credit. However, they are not willing to support a proposal costing less.

The proposal provides:

- o \$990 million to provide Basic Educational Opportunity Grants to an additional 3.9 million moderate income families (up to \$25,000 per year).
- o \$70 million to expand eligibility for interest-subsidized Guaranteed Student Loans for families in the \$16,000 - \$45,000 income range.
- o \$150 million to expand the College Work-Study program.

Cost

- o The Califano proposal costs \$500 million more in FY 1979 than the \$700 million reserved for this purpose in the "contingencies" section of our Budget. Moreover, while no commitments would be given, adoption of the Califano proposals would create pressure in 1980 to seek an additional \$800 million for higher education student aid, since the authorization we will agree to is \$2 billion for FY 1980.

- o The Califano proposal costs \$800 million less than the preferred \$2 billion level of Representatives Perkins, Ford, Thompson and Brademas. If we go below the \$1.2 billion level, they will return to their preferred position of \$2.0 billion in new spending for FY 1979.

- o The Califano proposal almost certainly costs less than the tax credit. Annual cost estimates for the \$250 college tuition tax credit Senator Roth proposed last year vary from \$1.2 to \$1.9 billion. However, the Roth credit contains a number of inequities (for example, it does not apply to the second child or to independent students paying their own way). Roth will almost certainly attempt to broaden his tax credit -- either now or in the future, at a great additional cost. We have been uniformly told that Roth will pass absent a strong Administration package. The Califano proposal is cost-saving. By comparison, the comparable post-secondary provisions of the Moynihan-Packwood proposal would cost nearly \$4.5 billion. Moreover, costs over the long term will be far more controllable under the Califano approach, which is subject to appropriation, than under a tax credit.

It is clearly understood by all parties that the Califano proposal is an alternative to the tax credit. Although we will seek to pass the authorizing legislation quickly so that our supporters can cast an affirmative vote before voting against the tax credit, we will seek no appropriations until the tax credit has been defeated. It is understood that if the tax credit passes anyway, all "deals" are off.

Policy

On policy grounds the Califano proposal is clearly preferable to any likely tax credit:

- o It is far better targeted on persons with real needs;

- o It is far more subject to policy control and alteration over the long term;

- o It keeps major education policy in the Executive Department and Congressional Committees with interest and expertise in educational matters.

Other Considerations

- o It is far from certain that, even with the Califano proposal, we can defeat the tax credit. However, we are convinced that at a level lower than around \$1.2 billion our alternative will not have a chance since we will be split off from our Congressional supporters.
- o Given last year's Social Security tax increase and the progressive nature of our proposed tax cuts, the Administration and our Congressional supporters run a real risk of being attacked as "anti-middle class" in this year's election. The tax credit is likely to become a symbolic question of concern for middle-income families hard-pressed by tuition costs. We strongly believe that:

-- If we are to oppose the tax credit on policy grounds, we should have a substantial alternative as a symbol of our own concern and that this should be announced with your personal involvement.

-- If it appears we will not be successful in stopping the tax credit, you should be in a position to accept a credit at reasonable cost levels as a less preferable way of meeting an objective we share with congress -- namely helping the middle class.

Recommendation

We recommend:

(1) That you accept Secretary Califano's recommendations.

Yes No Discuss

(2) That you participate in a White House announcement with Congressional supporters Tuesday, as Secretary Califano also recommends. This gives you a real opportunity to identify yourself with a major middle class concern.

Yes No Discuss

*Let Fritz
do it*

(3) That you authorize Secretary Califano and OMB to make minor adjustments in our proposals at no additional cost if needed in further discussion with our Congressional supporters.

Yes No Discuss

(4) That you retain the option to accept a reasonable tax credit, if we cannot defeat it, as a less preferable way of meeting an objective we share with Congress.

Yes No Discuss

not both
J



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

February 4, 1978

MEMORANDUM FOR THE PRESIDENT

FROM JOE CALIFANO

SUBJECT: Alternatives to Tuition Tax Credit Proposals

The purpose of this memorandum is to present a proposed increase in existing student aid programs in order to meet the needs of middle income families and to counter Congressional proposals for tuition tax credits advanced by Senator Roth and by Senators Packwood and Moynihan.

We must move quickly if we are to seize the initiative on this very hot issue. Senator Pell has already announced a \$1.2 billion student aid proposal. Leading education Representatives -- Brademas, Perkins, Ford and Thompson -- will, on Tuesday, announce a \$2 billion dollar student assistance plan. And, as you know, I have to testify three times within the next two weeks on alternatives to the tax credit -- on February 8, 9 and 14. The Congressional Education Committees are so fearful of losing jurisdiction over education finance that they will go without us -- and at a high price.

Subject to your approval, we have tentatively agreed with Brademas et al. to the following package:

- A Fiscal 1979 \$1.2 billion student assistance package that combines BEOGS grant, loan and work-study programs.
- An agreement to fight the Roth and Packwood/Moynihan amendments.
- An understanding that, while the Administration will support a \$2 billion authorization and a \$1.2 billion appropriation, you will veto the appropriation if Congress nonetheless tacks a tax credit onto your tax package.

I recommend that you adopt the proposal -- and that you personally make the announcement on Tuesday at the White House with Brademas, Perkins, Ford and Thompson and me, and with Senator Pell if he is willing to join in the announcement. Although the \$1.2 billion proposal is \$500 million over the \$700 million allocated in your budget for this problem, I believe that the extra commitment of funds is well worth it:

- It will, in the end, be cheaper than either Roth (estimated first year cost \$1.5 billion) or Packwood/ Moynihan (estimated first year cost \$4.4 billion) and either Roth or Packwood/Moynihan is likely to pass at \$1.5 billion plus this year.
- It will allow you to be out front on a very attractive issue and to fulfill a campaign commitment to aid middle income families.
- It is, by comparison to a tax credit, clearly right on the merits.
- It will allow you to work in close cooperation with the Congress (Senator Pell is likely to come around in the end), and to keep Fiscal 1979 budgetary exposure to a "minimum" (the Representatives are willing to seek only \$1.2 in appropriations this year, although they will want the bill to have a \$2 billion authorization).
- It will allow us to have money in reserve for Fiscal 1980 to buy needed reforms in the student assistance programs. These programs are up for reauthorization next year, and are, as you know, in need of substantial legislative change. By convincing the House Education leadership not to seek the full \$2 billion in appropriations this year, we are able to have the additional \$800 million as a chip with which to advance our substantive reform proposals next year.
- It will, if it does stop the tax credit proposals, perform the vital function of keeping education jurisdiction in the Education Committees and not fragmenting policy with Senate Finance and House Ways and Means as well.
- It is in the range of expenditures Senator Muskie and Representative Giamo are willing to consider as part of the Congressional budget process.

If you do not approve the tentative agreement we have reached with House Education leaders, I can simply testify on a proposed \$700 million dollar Administration initiative when I appear before the Senate Education Subcommittee on Wednesday and the House Education and Labor Committee on Thursday, I do not, however, believe this is an instance when we should start low and be driven up: my judgment is that we should come in hard and firm in cooperation with the House leadership at the figure we have provisionally negotiated.

In the rest of my memorandum, I will briefly describe the substantive problem and lay out the two options (the \$1.2 billion FY 79 plan and the \$700 million FY 79 plan). A table comparing our two proposals with both the tax credit and Congressional proposals is attached at Tab A.

I. The Problem

Comparisons made with average data do not support the arguments that middle income families are relatively worse off in financing their children's college education. Between 1967 and 1975, average college costs increased 71 percent. Over that same period, the median income of families likely to have a child in college increased from \$9,820 to \$16,780, an identical percentage increase.

While on average the situation has not become more severe, many families do, however, have increased needs for financial assistance to cover college costs. For many families, income has not kept pace with costs and, because of increased college attendance, more families than ever face the burden of sending more than one child to college (often at the same time). Two children attending an average institution will cost about \$4,500, a sizable sacrifice for a family even at \$25,000 annual income (the 90th percentile of income in this country). For the family with college-age children earning the median income (\$17,600), such a situation is nearly impossible without some substantial financial aid.

There are a variety of strategies to meet the needs of these families which are available to the Federal government. These include tax credits, direct grants to students, loans for which the Federal government subsidizes interest payments while the student is in college, and programs which stimulate part-time jobs for students.

Among these alternatives, tax credits are, as you know, the least desirable way for the Federal government to meet these families' needs:

- tax credits have a very high cost to the Federal government (the postsecondary portion of the Packwood-Moynihan proposal will cost about \$4.4 billion);
- tax credits have a fundamental flaw when examined in relation to the need for assistance: they indiscriminately provide assistance irrespective of either family income or the actual cost of a given college; wealthy families receive the same level of assistance as poor families, and the very poor who pay no taxes receive no benefits whatsoever;
- tax credits do not solve the liquidity problem because many families would rather spread a larger share of education costs over time than receive a relatively small boost in the short term.

Direct aid and loan programs which already exist can meet the real needs of middle income families much more adequately than can tax credits.

II. The Options

A. The \$1.2 Billion Proposal. The proposal tentatively negotiated with the House Education leadership for FY 1979 has the following increases over our current request:

- \$990 million in the Basic Educational Opportunity Grant program (BEOG);
- \$150 million in the College Work Study program (CWS);
- \$70 million in the Guaranteed Student Loan program (GSL).

At a total cost of \$1.21 billion, this proposal will provide direct benefits to an additional 3.9 million students from families with adjusted gross income of up to \$25,000. Loans which will be interest-free while the student is in college will be available to students from families with gross incomes of up to \$45,000.

1. Basic Educational Opportunity Grant

BEOG is a grant program administered directly by the Office of Education. The amount of the grant a student receives is dependent upon the student's family income and the actual cost of college attendance. At the current FY 1979 request level (\$2.2 billion) the amount of the award will range from \$1,800 for average students of \$8,000 family income to the minimum grant of \$200 for students with an income of about \$15,000. In 1978, about 2.3 million students (out of a total postsecondary enrollment of 8.5 million) will receive grants averaging \$850 per student.

The specific changes we are proposing in this program will accomplish the following:

- Guarantee a \$250 grant to students from families of four with an annual income of \$25,000;
- Increase the amount of the average grant by \$200 to students in families with incomes of between \$8,000 and \$15,000 (from 850 to 1050);

- Eliminate inequities in the treatment of independent students, particularly those with dependents.

The first of these changes will assist about 2.5 million students from families with incomes between \$15,000 and \$25,000 at a cost of \$700 million. The second will help about 1.4 million students from families with incomes below \$15,000 at a cost of \$200 million. Eliminating inequities in treating independent students will cost about \$90 million.

2. College Work Study

CWS is a program administered by institutions in which part-time jobs are provided to needy students. The Federal government supplies up to 80 percent of the student's salary with the institution or employer providing the balance. Of the \$150 million increase, roughly \$108 million will benefit about 176,000 new students in the over \$16,000 category. A total of about 380,000 students in this income category will be able to participate in this program.

3. Guaranteed Student Loan

GSL is a loan program in which banks, institutions, and other loan agencies provide capital to make loans of up to \$2,500 per year to a maximum of \$7,500 for undergraduates. The Federal government guarantees repayment of the loan and subsidizes interest payments (at 7 percent) while the student is in college for students whose gross family income is \$30,000 or less. Beyond that income level, the program will guarantee a loan but provide no in school interest subsidy. There is also a subsidy provided to banks to make up the difference between the 7 percent interest charged the borrower and the market rate. Currently about one out of nine students participate in the program. In 1977-78 over 1 million students will receive loans averaging \$1,530. About 300,000 of these students are from families with incomes above \$16,000.

A major problem with the GSL has been the availability of capital. Often students who are eligible are not able to locate a bank or other lender willing to make the loan. Our proposed technical loan changes will address this problem by making participation in the program more attractive to banks.

The changes will require an increase of about \$70 million in the FY 1979 request (to a total of \$827 million). This will support an estimated 260,000 loans to students with incomes above \$16,000. Families with up to \$45,000 income would be eligible to receive an interest subsidy worth as much as \$250 per year.

If you approve these additional increases, your FY 1979 request for student aid will represent the most significant Federal commitment to higher education in history:

- Student aid programs will have been increased from \$3.8 billion in FY 1978 to \$5.2 billion in FY 1979, an increase of almost 40 percent.
- All dependent students and independent students with dependents with family income up to \$25,000 will for the first time be guaranteed \$250 in grant assistance.
- Low income students will benefit through an increase in the maximum grant from \$1,600 to \$1,800.
- About 200,000 more students from families between \$10,000 and \$20,000 family income will receive grants and many of the one million students in this income range who now participate will receive increases in their awards.
- In total, about 5 million of the 8.5 million college students will receive some form of aid from the Federal government (compared to 3.2 million receiving aid under the current FY 79 request).

FY 1980 Proposal

The original Ford proposal totaled \$2 billion. In our discussions with him, he has agreed to shift \$800 million of this to FY 1980 with the following understanding:

- The \$800 million is authorized but we would not be committed to actually appropriating that amount.

- While Congressman Ford may describe the manner in which he would recommend using these funds in FY 1980, we would not be so committed.
- The amount we would propose in specific programs will depend upon the extent to which the re-authorization proposals are acted upon.

B. FY 1979 Proposal at \$700 Million. Even if we are not able to join with the leadership of the House in preparing this package, we will have to be prepared to announce our proposals for the \$700 million in my testimony before Senator Pell on Wednesday and before Congressman Ford on Thursday.

At \$700 million, we would increase BEOG only \$500 million, retain the proposed \$150 million increase in CWS, and increase GSL by \$50 million rather than \$70 million.

In BEOG, we would propose no increase in grant amounts for students with family incomes between \$8,000 and \$15,000 and would guarantee a grant of \$250 to students with family incomes up to \$21,000. Also, we would make no change in the treatment of independent students.

In GSL, we would retain the two changes aimed at increasing available capital, and would raise the gross income level for in-school subsidies only to \$35,000.

At this level, we would assist 800,000 fewer students than with our proposal and would fall short of all other proposals which have been made to date.

III. Next Steps

If you agree to the proposal negotiated with the House Education leadership, I strongly suggest that you make a joint announcement on Tuesday. You could read a short statement for the press and then leave. I could then brief in greater detail with Brademas, Perkins, Ford and Thompson (and, possibly, Senator Pell).

Finally, you should know that we still have a problem with assistance to private elementary and secondary schools. None of the tax credit or student assistance proposals presently on the table addresses that issue -- except for Packwood/Moynihan. Although some Catholic lobbyists are leery of a tax credit for private elementary and secondary students because they fear it will lead to a general reassessment of tax policies affecting religious institutions, this piece of the tax credit issue has attracted substantial political support. During the next week, we will be working to determine if a proposal on that issue is necessary as a matter of politics, feasible as a matter of cost, and constitutional as a matter of law.

TAX CREDITS AND STUDENT AID PROPOSALS

(Proposed Increases over FY 1978 in Millions of Dollars)*

Program	Pell	Ford Original	Current FY 1979 Request	HEW-Ford	HEW Back-up
Basic Educational Opportunity Grants	\$1,200	\$1,440	\$17	\$1,007	\$517
College Work Study	15	265	15	165	165
Guaranteed Student Loans	227	145	227	297	277
Special Educational Opportunity Grants	--	230	--	--	--
State Student Incentive Grants	13	36	13	13	13
National Defense Student Loans	<u>--</u>	<u>--</u>	<u>- 22</u>	<u>- 22</u>	<u>- 22</u>
Totals	\$1,455	\$2,116	\$250	\$1,460	\$950
Roth Tax Credit	\$1,561				
Packwood-Moynihan	\$4,473**				

* Current FY 1979 request is included

** Postsecondary portion only