

4/28/78 [1]

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Revised:
4/27/78
5:30 p.m.

THE PRESIDENT'S SCHEDULE

Friday - April 28, 1978

- 7:30
(20 min.) Meeting with Vice President Walter F. Mondale,
Secretary Cyrus Vance, Dr. Zbigniew Brzezinski,
and Mr. Hamilton Jordan - The Oval Office.
- 7:50 Dr. Zbigniew Brzezinski - The Oval Office.
- 9:00 Mr. Frank Moore - The Oval Office.
- 10:30 Mr. Jody Powell - The Oval Office.
- 11:00
(20 min.) Mr. Charles Schultze - The Oval Office.
- 1:00
(30 min.) Meeting with Editors. (Mr. Jody Powell).
The Cabinet Room.
- 2:00
(10 min.) Message Filming. (Mr. Barry Jagoda).
The East Garden.
- 2:15
(15 min.) Planting of a Cedars of Lebanon Tree. (Mr. Rex
Scouten) - The Southwest Jefferson Mound.
- 4:30
(15 min.) Drop-By Reception for Delegates to the 1978 Convention
of the National Federation of Democratic Women.
The East Room.
- 5:00 Depart South Grounds via Helicopter en route
Camp David.

2:00 PM

THE WHITE HOUSE
WASHINGTON

April 27, 1978

*oh, but
check this
carefully with one
of Tip's Irish
staff*
J

MEMORANDUM FOR THE PRESIDENT

FROM: BARRY JAGODA B.J.
SUBJECT: Tip O'Neill Taping, 2:00pm, Friday
April 28, East Garden

Proposed remarks, approved by NSC, are attached. Material will go on teleprompter after your approval. Speechwriters suggest deletion of bracketed paragraph if you feel remarks are too long.

Material will be projected on wide screen at Irish dinner in honor of Speaker O'Neill in early May.

The crew shooting your remarks produced a beautiful film on you for showing on Irish TV and elsewhere. If you approve, they will ask you a question for the film, such as, "How would you like history to reflect on you and your Presidency." Jody and I recommend that you agree to answer one question of this nature.

Approve _____ Disapprove _____

R. Hertzberg
4/27/78

TIP O'NEILL TRIBUTE

I've made many ^{new} friends since I came to Washington,
and I've worked closely with many people. ~~But there~~
but I've made no closer friend
~~isn't a single one I feel closer to~~ than Tip O'Neill.
Tip, I don't want to embarrass you. But I do want to
say something to the friends of Ireland who have gathered
together to honor you: Thomas P. O'Neill, jr., is an
extraordinary man, and a man I truly respect, value,
and love.

When I took this job I had hopes I would be able
to get along with the Speaker of the House. I did better
than that. I made a firm and lifelong friend.

As you know, Washington was a rather unfamiliar
place to me at first, and Tip has been kind enough to
instruct me in some of the local folkways. Learning
from Tip is not only educational, it's entertaining...
because he is both a wise guide and a delightful companion.

ok [Tip knows the ropes -- and I guess that's only
natural for someone whose roots are in County Cork.
They say that if a Corky ^{enters} goes through a revolving door
behind you, he'll be ^{out} on the sidewalk ahead of you. No
matter where they are, the men of Cork know how to get on
in life. Jack Lynch's people stayed, and he is the
prime minister of the Republic of Ireland. Tip O'Neill's
people left, and he is the Speaker of the House of
Representatives of the United States.]

Tip O'Neill is one of the reasons America owes Ireland so much. Like millions of others, his family crossed the Atlantic -- that "bowl of tears," as James Joyce called it -- to build a new life here. But Tip has not forgotten where he came from.

He is a courageous man. I can testify to that. At a time when it was not especially popular to do so, he spoke out firmly for an end to violence and ^{he condemned} to support for violence in Northern Ireland. With other distinguished Irish-American political leaders -- Senators Kennedy and Moynihan, and Governor Carey -- he has called for reconciliation and peace. It is no secret that Tip O'Neill has been instrumental in the formulation of my own Administration's policy -- a policy that supports reconciliation and cooperation as the only path to a better future for all the people of Northern Ireland. Without any doubt, his leadership has saved lives, ^{and contributed} to peace.

And Tip O'Neill has heart. He personifies the finest tradition of the Irish-American in ~~American~~ public life -- a tradition that brought generations of immigrants and poor people into the mainstream of American democracy. His life is part of the great contribution Americans of Irish descent have made to this country -- not only to political life, but to education and music and literature, -- to the soul and spirit of America.

Yeats once wrote --

"Irish poets, learn your trade,
Sing whatever is well made."

Tip O'Neill is well made. I value him as a states-
man, as a political leader, as a fellow worker in the
trade of government. But above all I value him as a
friend.

Tip, I salute you.

#

1:00 PM

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

April 27, 1978

TO: The President

FROM: Walt Wurfel *WW*

RE: Your Q and A Session with Western-State Editors/News Directors, 1:00 p.m., Friday, April 28, Cabinet Room

Although the day's focus is western, please do not feel a need to give a western emphasis to your opening comments. Unlike the usual briefings of this type, we have not focused on topics such as arms sales, civil service reform and tax legislation. Therefore, you probably will wish to touch on those priorities.

This group will meet with you after being briefed by Bob Strauss, Bob Bergland, Dale Myers, and Jack Watson. After meeting with you, they will be briefed by Robert Gallamore (Federal Railroad Administration), and Fabian Chavez (Commerce). Secretary Andrus will host a coffee for them Saturday morning. Mary Schuman and Lynn Daft will brief on Saturday afternoon. (An agenda and a list of participants are attached.)

I will stop the Q&A after 25 minutes to allow for individual pictures of the editors with you, as we did at the last three briefings. Two photographers will be present to keep the time involved to less than five minutes.

A photo pool will be in the Cabinet Room the first two minutes.

THE WHITE HOUSE

WASHINGTON

A G E N D A

Western Briefing
April 28, 1978

8:30 - 8:40 a.m. Coffee

8:40 - 9:00 a.m. Welcome
WALT WURFEL, Deputy Press Secretary
PATRICIA BARIO, Associate Press Secretary
PAT BAUER, Editor, White House News Summary

9:00 - 10:00 a.m. ROBERT STRAUSS
Special Representative for Trade Negotiations

10:00 - 10:15 a.m. Break

10:15 - 11:00 a.m. BOB BERGLAND
Secretary
Department of Agriculture

11:00 - 11:45 a.m. DALE MYERS
Undersecretary
Department of Energy

11:45 - 12:40 p.m. Lunch with JACK WATSON
Assistant to the President
for Intergovernmental Affairs

12:40 - 1:00 p.m. En Route to Cabinet Room

1:00 - 1:30 p.m. Q and A with PRESIDENT CARTER

1:30 - 2:15 p.m. Filing Time

2:15 - 3:00 p.m. ROBERT GALLAMORE
Deputy Administrator
Federal Railroad Administration

3:00 - 3:45 p.m. FABIAN CHAVEZ, JR.
Assistant Secretary for Tourism
Department of Commerce

APRIL 28-29 BRIEFING
PARTICIPANTS

CALIFORNIA: Edward L. Fike, editorial page editor, San Diego Union. Copley daily with Republican outlook. Concerns: illegal aliens, military base closings.

John R. Fitch, editor, Imperial Valley Press, El Centro. Special concern: 160-acre limit.

Donald Hoenshell, editor, Sacramento Union. Hoenshell, since becoming editor in late '73, has had a moderating influence on this staunchly conservative Panax daily, the oldest paper west of the Mississippi. Concerns: nuclear power, water projects.

COLORADO: Frederick M. Betz, Sr., editor and publisher, Lamar Tri-State Daily News. Betz, in his 80's, is a fixture in Colorado Democratic politics. Lamar is in a drought area, home of the farm strike. Early supporter. Concerns: water policy, farm issues. Requested by Sen. Hart.

Robert E. Cox (Bob), publisher, The Weekly Newspaper, Glenwood Springs. Cox is a liberal, especially concerned with the environment. Requested by Sen. Hart.

Kenneth E. Johnson, publisher and editor, Sentinel, Grand Junction. Paper serves entire western slope of Colorado; Liked your anti-inflation speech and Panama Canal treaties, but has been generally negative toward Administration. Concerns: Energy, water policy. (Johnson attended one of these briefings last May.)

Joel D. Kassiday, managing editor, Triangle Review, Fort Collins. A weekly supportive of Administration. Kassiday is a counterculture editor concerned with land use planning, alternate energy sources, and water projects.

Tom Morris, columnist, Rocky Mountain News, Denver. Mr. Morris is an architect by profession and a populist by nature. Requested by Sen. Hart.

Robert Sweeney, publisher, Northwest Colorado Press, Craig. Sweeney owns three Colorado weeklies in addition to this daily. He was opposed to the Panama Canal Treaties, is concerned about adverse effects of energy development, and thinks your administration is vindictive toward the west.

- IDAHO: Robert M. Hammes, publisher, St. Maries Gazette-Record, Award-winning, widely-read liberal weekly which regularly runs op-ed and editorial pages. Hammes is the dean of Idaho's small newspaper publishers. Concerns: chemical 245-T which the Forest Service had planned (before EPA delay) to spray over 50,000 scattered acres to eradicate brush and enhance the growth of small trees; wilderness protection; farm prices.
- NEVADA: Herman Greenspun (Hank), editor and publisher, Las Vegas Sun. Greenspun is strongly pro-Israel and opposed to your Middle East policies.
- NORTH DAKOTA: John Lohman, news editor, Fargo Forum. A Pulitzer Prize-winning conservative paper; state's biggest daily. Favors Garrison Diversion water project; sympathetic to the farm strikers. Concern: international trade in farm commodities.
- NEW MEXICO: Robert H. Beck, publisher. Roswell Daily Record. Concerns: radioactive Waste Isolation Pilot Plan (Jack O'Leary recently held hearings on this around the state), farm legislation, neutron bomb, Africa. Beck is conservative.
- OREGON: Richard A. Nafsinger, publisher, Hood River News. Weekly on the Oregon/Washington border. Concerns: food processing, timber, water policy, Indian rights.
- Floyd McKay, KGW-TV, Portland. Channel 8, NBC, King Broadcasting Co., which also has TV outlets in Seattle, Spokane.
- SOUTH DAKOTA: Lawrence R. Fuller (Larry), executive editor, Argus-Leader, Sioux Falls. Largest daily in state (Gannett). Concerns: water policy, farm prices.
- UTAH: Douglas L. Parker, political editor, Salt Lake Tribune. Conservative--with a "West vs. the White House" perspective. Concerns: water projects, energy, social security, military installations. Anti-Panama Canal treaties.
- Rodney W. Decker, conservative columnist-at-large, Salt Lake City Deseret News. Pulitzer Prize-winning daily owned by the Latter-Day Saints. Concerns: water projects, energy, social security, military installations. Anti-Panama Canal treaties.
- Fred Scott, KALL Radio, Salt Lake City. Feeds the 80 stations of Intermountain Network. (Attended an earlier briefing.)

WASHINGTON: Gordon H. Coe, managing editor, Spokane Chronicle.
Concerns: EPA designation of drainage area in west
Spokane as sole source of potential pollution, wheat
farming and exports, and Indian rights.

Robert E. Thompson, publisher, Seattle Post-Intelligencer.
Hearst daily that broke with the chain to endorse you in
'76. Thompson was a national correspondent in D.C. for the
Hearst chain in the 60's. He attended your first editors'
briefing. Concerns: Indian rights, hydro-electric power.
Pro-Panama Canal treaties.

Charles Wanninger, publisher, Bellingham Herald.
(Gannett) The only newspaper in the state to endorse both
you and Dixie Lee Ray. Concerns: Progress of the
Federal regional task force on northwest fishing industry,
oil terminals, transportation, the proposed Skagit nuclear
power plant. Requested by Senator Jackson.

meeting with editors

4/28/78

THE WHITE HOUSE
WASHINGTON

Bergland - Timber

Trip to Denver

India/Pakistan war

Israel/SA plane

Navy bldg program

Gas guzzlers

West - politics

Foreign Affairs Breakfast

4/28/74

THE WHITE HOUSE
WASHINGTON

— Lt. Cg → Church

— Basing, no air → 91 advance

— Israeli's

— 74's → Indonesia (no)

— Fritz → Pacific

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

April 28, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*

SUBJECT: Status Report

Business Dinners

I am continuing a series of very informal dinner meetings with Chief Executive Officers of major corporations to discuss the Administration's economic initiatives; economic outlooks; and their concerns about inflation, government regulation, and our economic policies in general and in relation to their own businesses. Since there are always only 10 - 12 executives at any one dinner, the sessions allow for a very free and "spirited" exchange of ideas. It will take time to have any tangible effect, but we're gradually making some friends and some headway.

Intergovernmental Relations Network

On February 25, 1977 you sent all department and agency heads a memorandum outlining your expectations for involving state and local governments in the federal decision-making process. At the end of a year, I reviewed the progress of each department in fulfilling those goals. My general observation is that we have evolved a process for maintaining effective intergovernmental operations, and that it is working. In most departments, the necessary structural changes have been made, and the IGA officials are building the necessary credibility with their constituent groups and within their own departments.

- Every major department and agency has a senior IGA official with direct access to the Secretary/Administrator and whose name, address and telephone number were not only published in the Federal Register, but personally distributed by my office to state and local officials all over the country;

- They are responsible for analyzing their department's proposed policies for intergovernmental impacts and for insuring that state and local viewpoints are included in the development of federal regulations, legislation and policy;
- Some of their day-to-day responsibilities include:
 - doing case work for state and local officials (much of which is referred from the White House);
 - preparing agency materials for Presidential, Vice Presidential, and Secretarial trips;
 - serving as a point of accountability for the agency's progress in implementing and monitoring federal aid reforms;
 - setting up field hearings on substantive issues; and
 - presenting agency positions at national conferences.

In addition, because of their proximity to the Secretary, they are often called on for crisis management, trouble-shooting and other politically sensitive matters.

- Most departments are structured so that their principal regional officials report directly to the IGA official, thereby increasing the potential for effective linkages;
- As you know, these IGA officials meet regularly with me and my staff to resolve cross-cutting problems and to discuss state/federal/local priorities.

The "intergovernmental network" in the Executive Branch that you have created is unprecedented and is generally working well.

Federal Regional Council Activity

In addition to the region-specific projects that the FRCs are working on this year, several FRCs are holding one-day work sessions in their states with the Governor, his cabinet, and

in some instances with state legislatures and local leaders. For example, in Pennsylvania this week, the FRC, chaired by Tom Maloney (HUD Administrator and former Mayor of Wilmington) met with Governor Shapp and his entire cabinet and announced a series of grants to Pennsylvania totaling \$1.3 billion. Because of the Council's coordination of all the various departmental grants that otherwise would have been announced separately, they were able to "package" the federal assistance and announce it with much greater impact. The Governor and his department heads were extremely pleased and said so publicly.

In Iowa last week, the FRC met with state legislative leaders in small workshops so that individual questions could be answered or noted for follow-up later. Part of the day was spent in similar sessions with a group of local leaders.

In Denver, the FRC put together the coordinated Air Quality funding effort that you will announce in Denver next Thursday.

In Montana, the FRC had three sessions: with the legislature, local leaders, and Indians.

These FRCs are coming alive and beginning to do some creative, self-initiated work; needless to say, there's a lot more to be done.

1978 Gubernatorial Elections

We have researched the gubernatorial races and are working with Frank's staff to fill requests for administration speakers, etc., in targeted states. I am staying in close contact with the candidates as they become the clear Democratic nominee.

Base Closing Announcement/Economic Adjustment

On Wednesday, DOD announced more than 85 proposed realignment studies. Some of these are major, such as a proposal to close Fort Dix Basic Training (N.J.), and the Marine Facility in San Diego (Calif.). (Your briefing book for the western trip will outline the realignment studies in the areas you will be visiting.)

You should also know that more than half of the proposed realignments of military and civilian personnel would occur

in two states which have potential Presidential candidates-- California and Illinois. That is a sheer coincidence, but it will probably not go unnoticed.

On the day of the announcement, Charlie Duncan convened a meeting of the President's Economic Adjustment Committee (EAC) which I attended as your representative. We have instituted, as a result of your March 27th Executive Order, new procedures whereby a community can receive an inter-agency team effort to plan for economic adjustment before the final alignment decision is made so that a recovery plan can be ready at the time of final decision. Previously, no help was available until after the decision to realign was final. We are also working on establishing uniform criteria in assessing local economic and social impacts of a proposed closure. If your Executive Order and the new process it calls for are implemented well, we will achieve some very positive and significant results, substantively and politically.

Inter-Agency Coordinating Council

On Wednesday I convened a small working group of the major program managers from five agencies (HUD, Commerce, Labor, HEW, DOT) to begin the Interagency Coordinating Council for the urban policy. Their reaction and support were strong. We are drafting an executive order and staffing proposal to formally establish the Council.

Rural Development

We have identified a list of nagging rural and small town problems which are inter-agency in nature and subject to administrative remedy. Last week, in collaboration with Stu and Assistant Secretary for Rural Development, Alex Mercure, I convened a meeting of the relevant Assistant Secretaries to discuss ways of resolving these issues. A list of priority problems has been drawn up and interagency working groups are being formed. The agencies will have the lead in working toward resolution of the problems, and we will be monitoring progress to see when it is necessary to encourage quicker action or bolder reform. Priorities for action include:

- Exploring means for making several inconsistent federal programs related to safe drinking water and waste treatment facilities more compatible;

- Improving coordination among the numerous rural transportation programs;
- Ensuring that criteria for the targeting of tax exempt industrial bonds do not discriminate against distressed rural communities;
- Coordinating the rural health facilities building activities of HEW and FmHA; and
- Reviewing home eligibility requirements to better gauge the ability of rural residents to meet mortgage payments.

Western Trip

My staff has been heavily involved in preparing for your western trip next week. We have been working on:

- Preparing your briefing books, in collaboration with the Domestic Policy Staff;
- Developing several of the stops on the trip;
- Orchestrating a series of announcements of important grants and other Administration decisions to take place in the context of the trip; and
- Serving as liaison with the numerous state and local officials interested in such a trip.

State Response to Anti-Inflation Program

Four Governors have written to you in response to your request for their assistance with our anti-inflation efforts:

- Reubin Askew points out that Florida has no income tax and one of the lower per capita taxes in the country. He says that Florida is not in a position to reduce taxes but that the State economists will review the situation;
- Jim Hunt says that North Carolina has made plans to limit the pay raise for State government employees to no more than the cost of living--likely not to exceed the 6.5% average annual pay increase over the past two years;

- Tom Judge says that Montana is one of the few states which has managed to balance revenues and expenditures without employing a sales tax, and, at the same time, is taking steps to reduce its property tax. He says the problem is the federal government--for example, ICC freight rates which hurt Montana's grain and lumber industries;
- Jay Rockefeller suggests that new or revised regulations not be permitted in any agency where regulations have been issued within the last 12 to 18 months; that any administrative decisions raising the cost of regulations at the state or federal level be frozen; and that a cost statement be included with all proposed regulatory changes.

I have acknowledged these letters on your behalf and forwarded them to Charlie Schultze, Barry Bosworth and Bob Strauss. I am also receiving and appropriately distributing the anti-inflation suggestions that are coming in from various business leaders--most of them having to do with proposed cut-backs in particularly onerous government regulations.

MEMORANDUM COPY MADE
FOR PRESIDENTIAL PURPOSES

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

April 28, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

HUGH CARTER *HC*

SUBJECT:

Weekly Mail Report (Per Your Request)

Below are statistics on Presidential and First Family:

<u>INCOMING</u>	<u>WEEK ENDING 4/21</u>	<u>WEEK ENDING 4/28</u>
Presidential	30,400	42,050
First Lady	1,875	1,535*
Amy	460	415
<u>Other First Family</u>	<u>55</u>	<u>60</u>
TOTAL	32,790	44,060

BACKLOG

Presidential	6,165	6,480
First Lady	590	250
Amy	150	0
<u>Other</u>	<u>0</u>	<u>0</u>
TOTAL	6,905	6,730

DISTRIBUTION OF PRESIDENTIAL MAIL ANALYZED

Agency Referrals	9%	8%
WH Correspondence	53%	51%
Direct File	19%	23%
White House Staff	4%	4%
<u>Other</u>	<u>15%</u>	<u>14%</u>
TOTAL	100%	100%

NOT INCLUDED ABOVE

Form Letters	2,413	3,555
Form Post Cards	8,200	5,875
Mail Addressed to White House Staff	17,942	20,227

cc: Senior Staff

*Not Included Above: IWY Propaganda--5,760

MAJOR ISSUES IN
CURRENT PRESIDENTIAL ADULT MAIL
Week Ending 4/28/78

ISSUES	PRO	CON	COMMENT ONLY	NUMBER OF LETTERS
Support for Production of Neutron Weapons	38%	62%	0	824
Support for Proposed Middle East Aircraft Sale	0	100%	0	812
Support for Supply of Paraquat Spray to Mexico	1%	99%	0	675
Suggestions re: Tax Reform Package	0	0	100%	650
Suggestions re: Middle East Peace	0	0	100%	426
Support for Right to Abortion (1)	97%	3%	0	177
Support for President's Proposal to Increase Aid for Financing Higher Education	13%	83%	4%	<u>116</u>
			TOTAL	3,680

(1) SUPPORT FOR ABORTION (97% Pro)

As part of an apparent write-in campaign, women are asserting that abortion is a right which should not be limited by a particular moral viewpoint.

Preservation Copy Made
for Preservation Purposes

4:30 PM

THE WHITE HOUSE
WASHINGTON
April 27, 1978

MEMORANDUM TO: THE PRESIDENT AND MRS. CARTER
FROM: GRETCHEN POSTON *GP*
SUBJECT: RECEPTION FOR NATIONAL FEDERATION OF DEMOCRATIC WOMEN
Friday, April 28 - 4:00-5:00 p.m.

The National Federation of Democratic Women

A political organization founded in 1972, the Federation has a listing of 200,000 members. 35 states are officially federated, with many local organizations from other states listed as individual members.

This is their 6th annual convention and will have participants from 40 states with a registration of 815.

President Carter was the keynote speaker at the convention in May, 1974 in Omaha. Margaret ~~Huddelman~~ *(Hobelman)* of Kansas went to Atlanta after hearing him speak to urge him to run for President.

The Federation was organized to develop leadership among women locally and nationally as party workers and elected public officials.

Their goal is to unite the women of the party and encourage full participation of women on every level of the party structure by promoting the exchange of ideas and communication.

They were very helpful with the Panama Canal and there are plans to involve them with the 1978 Tax Reform program.

Other speakers they will have during their 4-day convention are: Carol Bellamy, New York City Council President; Congresswoman Barbara Jordan; John C. White; Midge Costanza; Mayor and Mrs. Washington; and Tina Hobson, Dept. of Energy. Additionally there is a Congressional Reception and 125 members of Congress have accepted with special guests: Senator Muriel Humphrey, Senator Childs and Senator Sasser.

Atlanta Boys Choir

47 members of the Choir will sing during the reception for 15 minutes. They are visiting Washington as part of their Eastern Seaboard Tour.

As you know, Fletcher Wolfe is the Director of the group and was responsible for organizing the Georgia Festival of the Arts in Italy with Sissy Carter Dolvin most involved as well.

TALKING POINTS

THE WHITE HOUSE

WASHINGTON

April 27, 1978

MEMORANDUM TO THE PRESIDENT

FROM: JIM FALLOWS, ^{JF}ACHSAH NESMITH ^{NES}

SUBJECT: Federation of National Democratic
Women Reception

Hobelman

1. Four years ago I was the keynote speaker at the Federation's convention in Omaha when I was governor of Georgia. I don't know if that speech impressed anyone else, but Margaret ~~Hobelman~~ ^{Hobelman} of Kansas liked it so much she came by my office in Atlanta later and urged me to run for President. I just wanted to mention that, so you all won't make any casual suggestions you don't really want me to carry out, because when one of you urges me to do something, I take it seriously.

2. Democratic women have always been an important part of any campaign I've ever been involved with, whether it was for office or to get through vital legislation like ratification of the Panama Canal Treaties which you helped us with.

3. One reason I have always tried to get a lot of women to help me do anything I thought was important is that I know how determined you are once you set your minds to anything. Rosalynn taught me that long ago. I don't think women get discouraged as easily as men when the going gets rough, maybe because you have had to achieve so many of your gains against opposition that had all the power. You just learned not to accept the idea that anything was impossible. That approach has served you well in the past when you were denied your rights, and it will serve you well again as we go into the final months before the deadline for ERA ratification.

4. One of the key goals of my Administration this year is Civil Service reform, because how well government employees function determines in large measure how well the government meets our needs. One of the important aspects of this reform is the change in veterans' preferences.

- Congress eliminated veterans' preferences for anyone entering the service after Oct., 1976, but under current law veterans receive a 5-point preference for life on civil service examinations. If they have the same score as a non-veteran they are listed above the non-veteran. Only the top three in the listing can be considered for any job.

- Veterans preference was initially created in 1944 to help servicemen adjust after the war. But the system has gone far beyond accomplishing that goal. Although veterans make up only 25 per cent of the nation's total workforce, they make up 48 per cent of the federal workforce. They account for 20 per cent of those who pass the Civil Service examination but 34 per cent of those who are hired. Women on the other hand, account for 41 per cent of those who pass the examination but only 27 per cent of those who are hired.

- A recent survey showed that a veteran topped 75 per cent of the lists of persons eligible for federal jobs. In some areas, such as San Diego, retired military personnel are the only people with any real opportunity for federal employment. Veterans hold 65 per cent of all positions in the top GS-16 to 18 levels. Women hold less than 3 per cent. Often women who score 100 on the examination appear far down the lists and cannot be hired.

- We don't propose changing the preferences for disabled veterans except to give those with 50 per cent or more disability an opportunity for non-competitive hiring. We propose a two-year extension of special benefits to Vietnam-era veterans which are about to run out. But the 5-point veterans preference would be limited to ten years for veterans who are not disabled, and would be eliminated entirely for high ranking retired personnel. Other retirees would have a 5-point preference for only three years following discharge. The top seven on a list, rather than the top 3, would be considered for any job opening.

- These proposals will not only benefit women, they will help Vietnam-era veterans, who now have to compete with a pool of veterans of all wars.

- This is only one part of the Civil Service reform aimed at putting merit back in the system, but it is an important part. Even though this change may mean one of you will beat me out of a job someday, because I won't be given a 5-point edge, I hope you'll help me get it passed.

#

THE WHITE HOUSE
WASHINGTON

April 28, 1978

Peter Bourne

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

Rick Hutcheson

cc: Stu Eizenstat
Jody Powell
Zbig Brzezinski
Jim McIntyre

INTERNATIONAL HEALTH STATEMENT

2231

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

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
/	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
/	POWELL
	WATSON
	WEXLER
/	BRZEZINSKI
/	MCINTYRE
	SCHULTZE

	ARAGON
/	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE
WASHINGTON

4/27/78

Mr. President:

DPS, OMB, NSC and Fallows
concur with the statement
proposed by Bourne.

Phil Wise concurs with Jody
in recommending that the
statement be released
without an appearance by
you in the Press Room.

Rick

Administrative copy should
be placed in this folder

THE WHITE HOUSE
WASHINGTON

April 26, 1978

ok
J

MEMORANDUM FOR THE PRESIDENT

FROM: PETER BOURNE *P.B.*

SUBJECT: INTERNATIONAL HEALTH STATEMENT.

Attached is the recommended Statement on International Health that we discussed in the meeting with Joe Califano last Friday, and in the recent update memo from Jim McIntyre and myself. It is essential that this statement be released prior to Joe's speech to the World Health Assembly in Geneva on May 9th, both to reaffirm this as your initiative, demonstrating your leadership in this vital area of human needs and also to lend weight to the message Joe will deliver. I believe both parts, your statement, and Joe's speech are extremely timely and important to counter the criticism that we have been long on rhetoric with regard to basic human needs, and short on specifics. It is particularly useful to do this following shortly after your trip to Africa.

As Joe and I discussed with you, a brief appearance with Joe in the Press Room prior to his departure for Geneva would of course be my preference. We would release the statement with you speaking for two or three minutes from talking points. The other option, which Jody favors would be to release the statement without your appearance.

no

yes

PGB:ss

Attachment

PRESIDENT'S STATEMENT ON INTERNATIONAL HEALTH

We in the United States enjoy one of the highest standards of health in the world. Infectious diseases are no longer a major cause of death and most Americans take for granted that their children will reach healthy adulthood. This is not true in many other parts of the world -- each year more than 15.5 million children nearly all of them in the developing countries die before they reach age of 5. Hundreds of millions of people are afflicted by such diseases as malaria, leprosy, and schistosomiasis, diseases which are unfamiliar to most Americans but which exact a terrible toll in human suffering and wasted productive potential. As many as 40 million people suffer some form of blindness -- a truly global problem that is largely preventable and often reversible.

No nation can any longer view these tragic conditions as someone else's problem. In a world growing more interdependent day by day we increasingly share each other's distress and dangers, as well as the fruits of mankind's successes.

Late last month the World Health Organization confirmed that we appear to be in the final stage of the eradication of smallpox -- no case has been reported anywhere in the world in the last 6 months. This historic accomplishment

shows what can be achieved when nations cooperate with deep commitment.

My Administration is dedicated to supporting programs which help people meet their basic human needs. The United States, in partnership with international organizations and with other countries, must develop a truly international program to improve worldwide health, nutrition and family planning. We have a long history of shared effort with other nations in the field of health, and we plan to build on the solid record we have established.

Consistent with the announced expansion of foreign aid, and our effort to focus that aid on the poorest of the world's people, my Administration has undertaken a review of international health needs. Our aim was to determine the most effective ways in which the U.S. government and private organizations could help reduce the personal and economic impact of widespread malnutrition, infectious diseases, and other health hazards including those associated with frequent childbirth.

As a result of that study, I am announcing today my intention to launch a program to strengthen the participation of the United States in worldwide efforts to overcome disease and ill health.

Our efforts will be based on the following principles:

. A basic minimum level of health, nutrition and family planning services should be available to the world's

poor, whether they live in rural areas or urban slums.

. Developing nations can eventually meet their own health needs if we assist them in strengthening their institutions and building their own health systems.

. Community based primary health care, including the use of community resources and the training of appropriate health personnel as near as possible to where they will deliver services, is the most effective means of achieving the standard of health we desire for all people.

Our objective is to concentrate on the prevention of disease and ill health. We will put special emphasis on providing clean drinking water, basic sanitation, basic immunizations, and efforts to prevent and treat blindness. This emphasis will be reflected in our own programs and in our support of priorities established by various international organizations.

We will work toward the lasting control or eradication of the major infectious diseases, particularly "tropical" diseases that continue to be the leading causes of death and disability.

We will give special attention to the major causes of death in children -- diarrhea and respiratory disease, particularly when aggravated by malnutrition.

Private industry provides most of the goods and services needed to sustain the world's health. It can play an important role by exercising initiative and careful judgment in developing needed products and in helping to make

sure they are used wisely to improve health in the developing world.

We recognize the invaluable contribution voluntary organizations have made in improving the health of people throughout the world, and their special services in developing nations. We will strive to aid them in their efforts and to coordinate our activities.

We plan to:

1. Strengthen institutions in our government which are dealing with international health problems, reemphasizing our commitment to help meet the health needs of other nations and improve the use of existing resources through better coordination.

2. Build greater awareness among the American people of the legitimacy and the importance for our foreign policy goals of improving other people's capacity to meet their basic human needs.

3. Work closely with nations around the world, individually and through organizations such as WHO, UNICEF, the World Bank, and the regional development banks, to improve the health of people everywhere.

4. More fully involve American universities, technological foundations, and other private organizations in making U.S. scientific and professional resources more accessible to the developing world.

I have asked Secretary Califano to go next week to

Geneva as head of the United States delegation to the World Health Assembly, where he will describe further the steps my Administration intends to take.

No one country can bear the responsibility to achieve these goals. I ask the leaders of other nations to join me in this global effort. Effective programs require detailed and careful planning. The strategy I am announcing today and which Secretary Califano will describe to the World Health Assembly next week will be developed as part of our budgetary and legislative recommendations for next year. Where possible, however, we will move immediately to carry out this program.

The world can someday meet the basic human needs of people everywhere, if we care enough, and if we start now. I believe all Americans share my personal commitment to the goal of a world free from unnecessary disease, a world in which life is held sacred, and in which children born anywhere on earth have the same chance to grow up to enjoy a healthy, fulfilling life.

... Copy Made
for Preservation Purposes

1:00 pm.

THE PRESIDENT HAS SEEN.
THE WHITE HOUSE
WASHINGTON
April 28, 1978

Q
—

Mr. President:

Our conversation this morning indicated that I would talk at the briefing about arms sales, Secretary Vance's letter to the Committee, etc.

What we ended up doing, however, is holding off on anything further until late this afternoon. We have not stated when the arms sales letters will go up, or talk about Secretary Vance's letter to the Committee, or really added anything to what we've done before. That course was taken at the suggestion of Congressional Liaison, NSC, and State.

I bring this up because of your meeting with the editors. If you outline the situation to them there in any detail, it will inevitably leak shortly after the briefing. I wanted you to be cognizant that we did not talk about it at the briefing today.

Rex

THE WHITE HOUSE
WASHINGTON

April 28, 1978

The First Lady

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

Rick Hutcheson

CALL TOBOB SMALLEY

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

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
✓	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE
WASHINGTON

Susan
has will do
J

April 27, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M./BR*

Congressman Jack Flynt called to let you know that Bob Smalley's father died last night. Rosalynn or you may want to call Bob and Mary.

I will go ahead and call on my own to express sympathy.

cc: The First Lady

THE WHITE HOUSE

WASHINGTON

April 28, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE *F.M.*

SUBJECT:

Meeting with Departmental Congressional
Liaison Officers and White House CL Staff
-- Friday, April 28, between 3:00-4:00 PM

Tim Kraft has approved a drop-by for you at our weekly CL meeting in the Roosevelt Room, for about 10 minutes today. In view of the meeting at Camp David and the various changes being instituted within the White House, I believe it is highly desirable for you to meet with the group and cover the following points:

1. Overall, the work of Congressional Liaison staffs has been good. In 15 months we have accomplished a great deal and have developed a healthy relationship with Congress.
2. That you realize there have been some serious problems in the area of Congressional relations work, that you are determined to see those problems corrected.

Relative to this, you have directed me to contact all Cabinet Secretaries and to receive from them candid assessments of performance by their liaison offices.

This assessment will coincide with one we are doing of our own operation.

3. The discussions at Camp David were very honest and very helpful. Weaknesses in the White House and in the departments were identified and thoroughly examined. Everyone left the meeting committed to eliminating those weaknesses.
4. There has been no erosion of your commitment to Cabinet government. Instead, it is your desire and the desire of people who work for you to strengthen it by improving communication and coordination.

5. The White House Congressional Liaison office has been directed to coordinate the Administration's efforts on high priority legislation. In order to accomplish that coordination, we are doing the following:
 - Creating the position of "Deputy Assistant to the President for Congressional Liaison Coordination" to work with the departments and agencies and other offices in the White House.
 - Reassigning two or three positions to the White House CL staff to work the Hill.
 - Creating a unit within OMB to develop and manage a better grant notification system.

6. I would like you to announce that you are appointing Les Francis to the position of Deputy Assistant to the President for Congressional Liaison Coordination. His responsibilities will include:
 - Requesting and analyzing written legislative strategies for each of our priority initiatives. These strategies will be developed and analyzed in close cooperation with the Domestic Policy staff and other offices in the White House.
 - Establishing, coordinating, and monitoring the activities of Task Forces assigned to each priority issue.
 - Requesting regular written status reports on major initiatives.
 - Attending Cabinet meetings and the Vice President's "agenda-setting" group.

Finally, I would hope that people attending the Friday meeting will go away realizing that (1) you appreciate the job they do and (2) we are very serious about making things work better.

THE WHITE HOUSE
WASHINGTON

April 28, 1978

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/

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M.*

1. The memorandum you have requested on the scheduling of Administration officials for Members of Congress will be ready on Monday in time for your use at the leadership breakfast on Tuesday. There is a great deal of information to be assembled, and I am asking my staff to take the extra time to prepare a comprehensive report.
2. Delivery of the Panama Canal letters was completed at 6:07 p.m. last night.

THE WHITE HOUSE
WASHINGTON
April 28, 1978

Secretary Schlesinger

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

Rick Hutcheson

cc: Stu Eizenstat
Frank Moore
Jack Watson
Jim McIntyre

SEN. HASKELL'S POSITION ON OIL SHALE

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

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

	VICE PRESIDENT
✓	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
✓	MOORE
	POWELL
✓	WATSON
	WEXLER
	BRZEZINSKI
✓	MCINTYRE
	SCHULTZE

	ARAGON
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	BUTLER
	H. CARTER
	CLOUGH
	COSTANZA
	CRUIKSHANK
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
✓	SCHLESINGER
	STRAUSS
	VANCE



Jim -
I agree
J

Department of Energy
Washington, D.C. 20585

April 26, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: JIM SCHLESINGER JS
SUBJECT: Senator Haskell's Position on Oil Shale

In January of 1977, Senator Haskell introduced a bill, S. 419, to build demonstration oil shale facilities. The bill, as modified in an April 1978 Committee print, would require the Department of Energy to contract for the design, construction and operation of three demonstration projects on one of the Naval Oil Shale Reserves (presumably in Colorado). Each project would be a different technology; one project would be in-situ or modified in-situ. The facilities would be government owned and contractor operated (GOCO).

As part of DOE's review of Energy Supply Initiatives, a variety of approaches were evaluated for encouraging the commercial demonstration of oil shale technology. The alternatives evaluated include GOCO facilities, government guarantee of price through purchase agreements, and a limited production tax credit. Our basic objective is to have several commercial modules in operation by the mid-1980's. A decision to build a large domestic shale oil industry, should conditions warrant, could be made sometime in the future.

We have concluded that the best approach involves limiting the \$3 per barrel tax credit proposed by Senator Talmadge and included in the Senate version of NEA. The credit, as proposed, would be available to all shale oil production and is the equivalent of a \$5 to \$6 per barrel increase in selling price, since a credit is a tax reduction after all deductions have been taken.

Based on discussions with industry we believe that the tax credit will provide an effective mechanism for stimulating the commercial development and demonstration of oil shale technology. OMB has indicated its support for the limited tax credit.

The GOCO approach, while appearing to address many of the same issues as the limited tax credit, suffers from several key flaws:

- It involved the Federal Government in detailed technical decisionmaking and program management. This effectively stifles the creativity of private firms and will likely lead to a high cost plant and product.
- The approach requires competitive procurements and other administrative procedures which could add two or more years to the design and construction cycle.
- It would discourage existing firms from building their own commercial modules and gaining the necessary experience. If this legislation were fully successful, by the mid-1980's three technically successful, but high cost, demonstrations would have been achieved. There would, however, be no industrial base for rapid expansion.

The Haskell Bill was voted on this morning in the Senate Energy and Natural Resources Committee and was reported out favorably by a vote of 12 to 6. Prior to this vote, I spoke with Senator Haskell and indicated some of our substantive misgivings outlined above regarding the GOCO approach. Nonetheless, in view of his political circumstances and his support of the natural gas bill, I indicated that we would study his legislation and not take a position of active opposition at this juncture. The support in Committee for the bill reflects primarily the desire of his Democratic colleagues to help in a difficult election race. There seems to be little likelihood either of strong House support for the bill or of the bill's becoming law.



THE VICE PRESIDENT
WASHINGTON

April 28, 1978

*Tim -
may be ok
J*

MEMORANDUM FOR THE PRESIDENT

FROM: THE VICE PRESIDENT *[Signature]*

When the farm bill comes over and, assuming that you have decided to sign it, I think it would be well to hold a public ceremony signing the legislation and noting the improved farm income.

I think this would be a good chance to turn around farm attitudes by getting the main farm leadership involved in that event.

Revised:
1/27/78
3:30 p.m.

THE PRESIDENT'S SCHEDULE

Friday - April 28, 1978

7:30 (20 min.)	Meeting with Vice President Walter P. Mondale, Secretary Cyrus Vance, Dr. Zbigniew Brzezinski, and Mr. Hamilton Jordan - The Oval Office.
7:50	Dr. Zbigniew Brzezinski - The Oval Office.
9:00	Mr. Frank Moore - The Oval Office.
10:30	Mr. Jody Powell - The Oval Office.
11:00 (20 min.)	Mr. Charles Schultze - The Oval Office.
1:00 (30 min.)	Meeting with Editors. (Mr. Jody Powell). The Cabinet Room.
2:00 (10 min.)	Message Filming. (Mr. Barry Jagoda). The East Garden.
2:15 (15 min.)	Planting of a Cedars of Lebanon Tree. (Mr. Rex Scouten) - The Southwest Jefferson Mound.
4:30 (15 min.)	Drop-By Reception for Delegates to the 1978 Convention of the National Federation of Democratic Women. The East Room.
5:00	Depart South Grounds via Helicopter en route Camp David.

Anti-inflation
Airline dereg
Hosp Cost Cont
Bureaucracy
Civil Service
Tax reform
Energy
SALT
S Africa
Mid East Arms
Turkey
H2O ~~policy~~ policy

THE WHITE HOUSE

WASHINGTON

April 28, 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.

Stu - please notify Sec. Adams of the Presidents decision.

Rick Hutcheson

cc: The Vice President
Jody Powell

RE: LOCKS AND DAM 26 WATERWAY USER CHARGES

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

STH - PLS NOTIFY
ADAMS

ACTION
FYI

	ADMIN CONFID
	CONFIDENTIAL
	SECRET
	EYES ONLY

/	VICE PRESIDENT
/	EIZENSTAT
	JORDAN
	KRAFT
	LIPSHUTZ
/	MOORE
/	POWELL
	WATSON
	WEXLER
	BRZEZINSKI
/	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
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	PRESS
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE
WASHINGTON

ok
J

MEMORANDUM FOR THE PRESIDENT

FROM: BROCK ADAMS
JIM McINTYRE *W. Adams/for*
FRANK MOORE *EM / for*
STU EIZENSTAT *Stu*

SUBJECT: Lock and Dam 26/Waterway User Charges

We expect the waterway user charge bill to reach the Senate floor on Wednesday May 3. We have been unable to forge a compromise that is mutually acceptable to everyone. As a result there will be two alternatives under consideration:

Long-Eastland

- 10¢ user fee scheduled to become fully effective in 1988. This tax would be deferred until construction begins on Lock and Dam 26. Since construction is likely to be delayed by environmental lawsuits, this deferral could turn out to be indefinite.
- No cost sharing requirement for new inland waterway projects.

Stevenson-Domenici

- 12¢ user charge fully effective in 1984, with initial phase-in to begin no later than FY 1980.
- A requirement that at least 10% of the capital costs of projects initiated prior to the completion of the DOT study of waterway user fees be recovered from users.

We have encouraged and participated in the development of the Stevenson-Domenici proposal. If it is to prevail we must move quickly to support it, and to oppose the Long-Eastland amendment.

Attached is a letter from Secretary Adams to all members of the Senate in which he indicates:

1) Your support for the Stevenson-Domenici compromise as the "minimum acceptable basis from which to develop an adequate House-Senate conference bill."

2) Your intention to veto any bill which does not provide for a "firm timetable with an early commencement date for the implementation of a fuel tax which would recover a substantial proportion of operating costs." In addition, "acceptable legislation would provide for some capital cost recovery on new waterway construction" pending the Congressional action on the DOT study.

We are reluctant to oppose Senator Long in a floor fight and to put you in the position of threatening to veto legislation that may be seen as a reasonable "compromise." However, we believe that we have already retreated far from our original position, and that we have little to lose by backing the Stevenson-Domenici substitute. If we win, the conference bill will provide a good start toward full recovery of O and M costs, and your leadership will have visibly and decisively affected the outcome. If we lose, you will be in the position of having given fair warning of your intentions to veto.

We recommend that you authorize Secretary Adams to send this letter.

Dear Senator _____:

I am writing to advise you of the Administration's views on legislation now pending before the Senate concerning Lock and Dam 26 and waterway user charges.

When I last wrote you on the issue of waterway user charges, it was to inform you of the President's intention to veto the House bill, H.R. 8309. We remain convinced that the 4¢/6¢ tax recommended by the House is inadequate.

The Administration would still prefer legislation recovering 100 percent of the costs of operation and maintenance, and 50 percent of the cost of new construction of the inland waterway system. This year those costs are approaching the half-billion dollar level.

In order to expedite this matter, however, we will accept the compromise substitute for H.R. 8309 that has been offered by Senators Stevenson and Domenici. This substitute offers the minimum acceptable basis from which to develop an adequate House-Senate conference bill.

In our view, the most important elements of the Stevenson-Domenici proposal are:

- 1) An adequate level of taxation implemented by a date certain. We support the Stevenson-Domenici proposal for a gradually phased-in fuel tax beginning no later than FY 1980,

and reaching 12¢ per gallon by the end of FY 1984. This tax will still be proportionally much less, for example, than the dedicated highway taxes paid by the trucking industry. Based on extensive studies, we believe that this tax would impose no serious hardship for barge companies or their shippers.

2) The principle of cost recovery. Both this Administration and the Senate have supported full recovery of operation and maintenance costs and 50% recovery of the cost of new construction on the inland waterway system. While we remain convinced of the correctness of our position, we are willing to postpone implementation of this level of recovery pending the outcome of a comprehensive study to be carried out by the Department of Transportation and other agencies.

In the meantime, the fuel tax discussed above should be implemented. For any projects initiated prior to the enactment or rejection of the recommendations of the DOT study, a minimum of 10% of capital costs should be recovered, as proposed in the Stevenson-Domenici substitute.

3) Comprehensive planning for the inland waterway system. As the costs of the current waterway system have escalated, the need for a comprehensive review of waterway development policy has grown. The commercial waterway industry, according to a recent CBO study, receives the equivalent of 40% of its annual revenues in federal subsidies in the form of free

federal waterway operation and construction; the equivalent federal subsidy of other modes is 3% or less. The Stevenson-Domenici study proposal offers an opportunity to develop a coordinated approach to waterway costs within the context of a national transportation system.

This Administration very much wants to establish a fair system of waterway user charges along with the waterway improvements that are needed. However, the President has asked me to emphasize that our desire to establish this system does not mean that we will accept legislation involving insubstantial taxes which are indefinitely delayed. He has asked me to advise you that he will not sign legislation authorizing a new lock and dam at Alton, Illinois unless it establishes a firm time-table with an early commencement date for the implementation of a fuel tax which would recover a substantial portion of operating costs. Moreover, acceptable legislation would provide for some capital cost recovery on new waterway construction, pending Congressional enactment or rejection of the recommendations of the DOT study. The Stevenson-Domenici proposal meets these criteria as compared with other proposals that have been circulated recently in the Senate which do not.

In addition the President has asked me to convey his hope that this bill will not be used as a vehicle for additional

costly or extraneous amendments that could jeopardize final enactment of this needed legislation.

I hope that you will be able to support the Stevenson-Domenici substitute, and that we can finally resolve this difficult issue.

Sincerely,

Brock Adams

THE WHITE HOUSE
WASHINGTON
April 28, 1978

Stu Eizenstat
Bob Lipshutz
Frank Moore Jim McIntyre
Zbig Brzezinski

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: CONSTITUTION FOR TERRITORY
OF GUAM



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

APR 25 1978

ACTION

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JAMES T. MCINTYRE, JR. *James T. McIntyre*

Subject:

Draft Constitution for
the Territory of Guam

LAST DAY FOR ACTION

April 29, 1978

BACKGROUND

Public Law 94-584 authorized the Territory of Guam for the first time to draft its own constitution relating to matters of local self-government. Until now, Guam's local government activities have been provided for by an organic act of the Congress.

On March 1, 1978, Guam's Governor officially submitted the draft constitution, prepared by a locally elected constitutional convention, to Secretary Andrus who accepted it on your behalf. By law, the President must transmit the document, with comments, to the Congress within 60 days of its receipt. Congress then will have an additional 60 days to modify or amend, approve or disapprove the constitution. If approved, it will be submitted in referendum to the voters of Guam.

AGENCY VIEWS

The Office of Management and Budget circulated the proposed constitution among the Executive Branch agencies for comment. Although all of the agencies have indicated that the constitution is a positive step toward greater degrees of self-government for the territory and should be approved, the Departments of Interior and Justice have pointed out a number of

troublesome features contained in the document, including the following which directly relate to the Federal-territorial relationship:

- The sovereignty of the United States and the supremacy of its laws are not recognized, which is a specific requirement of P.L. 94-584.
- The Governor of Guam is vested with authority to execute faithfully the Constitution and laws of the United States applicable to Guam, rather than such authority being vested in persons appointed in a manner consistent with the provisions of the U.S. Constitution.
- Legislative apportionment is based upon numbers of registered voters in a district, rather than on a permissible population basis as required by decisions of the Supreme Court.
- Guam's debt limitation formula is changed from a percentage of assessed valuation to a percentage of revenues collected in the previous fiscal year which, considering the territory's fragile economy and continued dependence on financial assistance from the United States, is not desirable.
- Wiretaps and electronic surveillance are prohibited, which the Department of Justice feels could inhibit Federal law enforcement efforts in the territory. We have asked the Attorney General to communicate directly with the Congress on this matter.

Additional problems involving draftsmanship, vagueness of intent, and a questionable amendment procedure also have been discussed by several of the agencies.

TRANSMITTAL LETTERS

The attached transmittal letters to the Congress point out those troublesome aspects of the Guam constitution which directly relate to the Federal-territorial relationship. The letters recommend that the Congress pay special attention to these issues during its review and take corrective actions if deemed necessary. In addition, the letters suggest that the Congress may wish to review the draft constitution on bases other

than just the Federal-territorial relationship and, accordingly, indicate that the Attorney General and the Secretary of the Interior are available to offer further comments and technical assistance to appropriate congressional committees.

Courtesy letters to the Attorney General and the Secretary of the Interior are also attached for your signature.

RECOMMENDATION

That you sign the attached transmittal letters to the Speaker of the House and the President of the Senate, and that you also sign the courtesy letters to Attorney General Bell and Secretary Andrus.

Attachments

THE WHITE HOUSE
WASHINGTON

Dear Mr. Secretary:

Enclosed for your information is a copy of the message I am sending to the Congress on the subject of the proposed constitution for the Territory of Guam.

This letter is to request that you provide the appropriate committees of the Congress with further comments and technical assistance as required. Any suggested language changes to the constitution or testimony on the subject should be processed through the normal channels.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter", written over a horizontal dashed line.

The Honorable Cecil D. Andrus
Secretary of the Interior
Washington, D.C. 20240

THE WHITE HOUSE

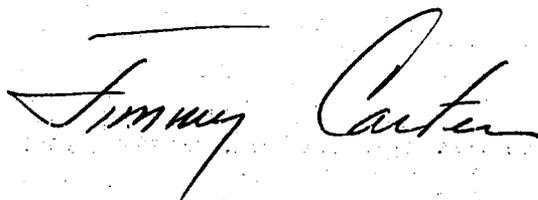
WASHINGTON

Dear Mr. Attorney General:

Enclosed for your information is a copy of the message I am sending to the Congress on the subject of the proposed constitution for the Territory of Guam.

This letter is to request that you provide the appropriate committees of the Congress with further comments and technical assistance as required. Any suggested language changes to the constitution or testimony on the subject should be processed through the normal channels.

Sincerely,

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the typed name.

The Honorable Griffin B. Bell
The Attorney General
Washington, D.C. 20530

TO THE CONGRESS OF THE UNITED STATES:

In accordance with the provisions of Section 5 of the Act of October 21, 1976 (Public Law 94-584), I am hereby transmitting for the consideration of the Congress a proposed constitution for the Territory of Guam. The constitution, drafted by a territorial constitutional convention, was officially submitted to the Secretary of the Interior, who accepted it on my behalf, by the Honorable Ricardo J. Bordallo, Governor of Guam, on March 1, 1978.

Public Law 94-584 requires that I submit the constitution to the Congress, along with my comments. I am confident that the Congress will share my belief that the basic principles incorporated into the constitution provide a firm foundation upon which the people of Guam can assume greater responsibilities of local self-government in political union with the United States. Because it is their constitution, and must be respected as such, I shall confine my comments to those aspects of the document which relate directly and significantly to the territorial-Federal relationship. Accordingly, I would like to bring to the attention of the Congress the following aspects of the proposed constitution:

- Contrary to the express requirement of Section 2(b)(1) of Public Law 94-584 (the Enabling Act), the constitution does not explicitly recognize the sovereignty of the United States over Guam or the supremacy of its laws, a point noted by the Departments of State, Justice, and Interior in their reviews of the document. Accordingly, I ask the Congress to consider complications which could arise with respect to future claims of sovereignty and supremacy should it decline to take any of the corrective actions prescribed in Section 5 of the Enabling Act.

- Article IV, Section 1, of the constitution vests in the elected Governor responsibility for the faithful execution of the Constitution and laws of the United States applicable to Guam. In view of the Supreme Court's decision in Buckley v. Valeo (424 U.S. 1) that persons who enforce the laws of the United States must be appointed in the constitutionally prescribed manner, I ask the Congress to give careful consideration to this provision. Moreover, I suggest to the Congress that responsibility for the execution of Federal law is not a matter of local self-government and invite the Congress to consider whether the inclusion of such a clause, even if deemed constitutionally permissible, could lead to friction between the Governor and the Federal Government.
- Article V, Section 4(a), of the constitution provides for legislative apportionment on the basis of the number of registered voters in each district. I call to the attention of the Congress the Supreme Court's admonition in Burns v. Richardson (384 U.S. 73) and Ely v. Klahr (403 U.S. 108) that the use of voter registration as a basis may perpetuate underrepresentation of groups constitutionally entitled to participate in the electoral process and is permissible only if it produces a distribution of legislators not substantially different from that which would have resulted from the use of a permissible population basis.
- Article X, Section 4, of the constitution would amend the provision in Section 11 of the Organic Act of Guam (48 U.S. 1423a), which imposes public debt limitations on the territory. In light of the territory's fragile local economy and the continued financial responsibility

of the Federal Government for Guam, I ask the Congress to give careful consideration to this provision.

In view of its responsibility under the Territories Clause of the United States Constitution, the Congress may wish to review the proposed constitution for Guam on bases other than just the effect of its provisions on the territorial-Federal relationship to which I have limited my comments.

Specifically, the appropriate committees of the Congress may wish to examine whether certain provisions of the Guam constitution are drafted with sufficient clarity to avoid the type of litigation that could preclude effective government. For example, the elevation to constitutional status of certain rights in Article II of the proposed constitution could cause such a result. Under our own system, many of these same rights are provided for by statute, not by the Constitution itself.

Also, the amendment procedure contained in Article XIV of the proposed constitution does not provide for review by the Congress, a requirement which does pertain to the basic document. The Congress may wish to consider the friction which could arise between Guam and the Federal Government should the constitution be amended in a way which would conflict with United States law.

Accordingly, I have directed the Attorney General and the Secretary of the Interior to provide the appropriate committees of both Houses with such technical advice and assistance as may be required. Both Departments have conducted thorough analyses of the proposed constitution and can offer the Congress additional information and recommended changes in language should the Congress choose to take any of the corrective actions prescribed in Section 5 of the Enabling Act.

I trust these comments will be of use to the Congress
in its review.

Jimmy Carter

THE WHITE HOUSE,

1:00 p.m.

THE WHITE HOUSE
WASHINGTON

April 28, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: STUART EIZENSTAT *Stu*
SUBJECT: Western Editors' Interview

The editors you are meeting this afternoon will have been briefed by a number of Administration officials on Western issues. You are therefore likely to be asked a great many "national" questions, rather than purely Western ones. However, you are certain to get some purely Western questions.

Attached are answers for the Western questions I think you are most likely to be asked.

AMTRAK SERVICE

Q: The Department of Transportation will release a study of AMTRAK routes on May 8. This study is reported to call for the elimination of some passenger service in the Northwest. Will you allow passenger service to be curtailed in this area?

A: Faced with mounting deficits that now total approximately \$500 million annually, the Congress ordered the Department of Transportation to study the route structure and to make recommendations for needed changes.

I agree with the Congress that if we are to use Federal funds to sustain high-quality rail passenger service to areas which most need it, we must insure that the Federal dollars are not wasted on high-cost service benefiting only very small numbers of riders.

We will only consider cutbacks in service based on firmly stated criteria that are applied even-handedly to all routes and areas of the country. We will only recommend reductions of service after all other alternatives have been thoroughly investigated.

CLEAN AIR ACT AND TRANSPORTATION CONTROL PLANNING

Q. What is the status of the EPA/DOT letter of agreement on implementation of the transportation planning provisions of the Clean Air Act for metropolitan areas?

A. As you know, I recommended in my FY 1979 budget that the Environmental Protection Agency and the Department of Transportation work together to better coordinate their responsibilities for transportation planning. EPA and DOT have just recently reached an agreement in principle on how they can cooperate to ensure that the transportation planning process takes into account related air quality analysis and requirements. It is my understanding that the two agencies should reach final agreement shortly on the details of the procedures for this joint effort.

As part of this agreement, I have also recommended that \$25 million in additional funding be provided to EPA in FY 1979 to assist municipalities in carrying out their responsibilities under this program.

Overall, I believe that this joint DOT/EPA effort will give our cities a more effective planning tool, will minimize duplication of efforts and overlap at the federal level, and will help ensure that transportation plans take into account closely related air quality considerations.

FARM LEGISLATION

Q. Would you sign any new farm legislation this year and if so, of what nature?

A. I believe the 1977 Farm Act provides us with most of the authorities we need to maintain a viable agriculture. But we must have the patience and the political courage to give these authorities an opportunity to work. The evidence that they are beginning to work is already mounting. Prices and returns to farmers have improved significantly from the harvest-time lows of last summer and fall. The price of both wheat and corn is up about 60¢ per bushel over the low levels of last year; the price of hogs and cattle are both up very sharply, by over \$10.00 per hundredweight for certain grades. These higher prices, in turn, are pointing to an increase in net farm income for 1978 of about \$3.5 billion to nearly \$24 billion.

We have accomplished this by carefully tailoring the use of existing authorities to the current situation -- a situation, I might add, that is always changing and therefore necessitating adjustments in policy. We have a farmer-held grain reserve well under way. A program for removing excess acreage in the production of wheat and feedgrains is in place. Deficiency payments of \$1.7 billion are now being distributed.

The one action that we are unable to do with existing authority that we feel is desirable is to increase the target price for wheat to \$3.40 per bushel for this crop year. If the Congress were to pass legislation that would enable us to do that and not be encumbered with other extraneous program changes, I would be pleased to sign it.

FEDERAL COAL LEASING

Q: What has the Administration done to resolve the impasse on Federal coal leasing?

A: The Interior Department has reached a settlement with the Natural Resources Defense Council over the injunction on Federal coal leasing. This settlement will allow needed Federal coal leasing while the Department prepares a permanent, environmentally-sensitive coal leasing program, as the Court has ordered. Interior intends to have completed work on the overall program in 1980, but in the meantime there will be no shortage of Federally-leased coal.

GARRISON DIVERSION PROJECT

Q: What is the Administration's current position on the Garrison Diversion project in North Dakota? Are you contemplating sending up a deferral of FY1978 funds on this project?

A: The Garrison project was enjoined some time ago because of a number of difficult environmental and other problems. The Canadian government has also expressed grave concerns about the project and its potential impact on Canadian water quality and fisheries. The Interior and State Departments are studying the issues, but it is unclear at this point what the outcome may be. Of course, we must respect our treaty agreements with Canada and the injunction imposed in domestic litigation. We may have to send up a deferral of funds, but this proposed action has not yet reached my desk.

(NOTE: It would not be advisable to bring up the deferral issue unless specifically raised in a question.)

GRAZING FEE INCREASES

Q. What is the Administration's position on the Congressional bills for a moratorium on grazing fee increases?

A. We are opposed to a moratorium on grazing fee increases for the following reasons:

- (1) It is unfair to the public, who has entrusted the Government with the management of these lands, to under-price their use for the benefit of a selected few individuals.
- (2) It is equally unfair to the more than 600,000 commercial farmers and ranchers who raise livestock but do not share in the Federal land grazing privilege.
- (3) Though livestock prices have been depressed for several years, they are now at a profitable level and increasing.

Thus, increasing these fees to bring them in line with a fair market value would not impose a severe financial hardship on those producers who are affected. We also believe that the Western ranges are far below their productive potential, either for livestock or wildlife, and are supporting an increased level of public investment.

IMPACT ASSISTANCE

- Q. When do you expect to announce your policy on impact assistance for inland communities adversely affected by energy development?
- A. The Departments of Commerce and Energy, along with members of my own staff, have been engaged in extensive study and consultation with the Governors of states experiencing adverse impacts as a result of energy development, and with members of their Congressional delegations. A major study of this issue has been completed and I expect to be receiving recommendations on how to approach this problem very shortly.

INDIAN AFFAIRS

Q: What can you tell us about the negotiations, scheduled to end May 1, on the Northwest Fishery dispute?

A: A Federal Task Force consisting of officials of the Interior, Justice and Commerce Departments have been working for months with Indian and non-Indian fishermen and the State of Washington. I understand that they are close to reaching a proposed solution, but negotiations are still taking place. I am hopeful that this difficult problem can be solved to the satisfaction of both Indians and non-Indians.

INDIAN AFFAIRS

Q: What is the Administration doing to resolve the question of Indian water and mineral rights? Land claims? Energy development on Indian land?

A: Uncertainty over Indian claims hurts both Indians and non-Indians, and the Administration hopes to encourage negotiated settlements to the many disputes over land and other resources between Indians and non-Indians and among Indian tribes. As trustee for the Indian tribes, the Federal government has a special responsibility to see that the rights of Indians are protected. In Maine I appointed a special negotiator and I hope that the solution we have proposed will prove successful. Energy development on Indian land is a special concern. Top officials in the Administration (Schlesinger, Andrus) have been working with the Council of Energy Resource Tribes (CERT) on proposals for increasing the tribes' knowledge of their resources, and the Interior Department has been working closely with all the tribes to help insure that energy development helps the Indians as well as the nation as a whole.

MINING LAW

Q: Do you see any hope for the Administration-proposed mining legislation?

A: Legislation is pending in the Congress to substantially reform the archaic 1872 Mining Law. The Administration has proposed to establish a leasing system for Federally-owned minerals to replace the existing "finders-keepers" system. I do not know whether a bill will pass this session, but I am hopeful that there will be mining law reform in the near future. A new system will help immeasurably with public land management, so that withdrawal of large land areas from mining will not be the only tool for protecting public lands.

OIL SHALE DEVELOPMENT

Q: What is the Administration doing to promote the development of oil shale?

A: The Interior Department has an ongoing prototype oil shale leasing program under which two development projects in Colorado are expected to begin coming on line in 1980. There are a number of environmental concerns about oil shale development, and the economics have yet to be proven, but the Department of Energy is examining possible proposals for oil shale-related initiatives.

160-ACRE LIMITATION

- Q: Will the Administration make any special concessions to the Imperial Valley (California) in its 160-acre limitation proposal?
- A: Secretary Andrus has already presented to the Congress the Administration's proposal to modernize the 1902 Reclamation Act. Our proposal would increase the acreage allotment allowed to each individual and would explicitly allow for limited leasing as well. At the same time, it would retain the concept of the Reclamation program -- to provide low-cost, heavily-subsidized irrigation water to family farm operations. The proposal does not make any special proposals with respect to any particular Reclamation project area. The matter of the Imperial Valley has not been finally settled by the Courts, and the Interior Department has made a commitment not to enforce acreage limitations or to cut off water supplies until that matter is finally determined.

RARE II

Q: What is the status of RARE II? When will it be completed?

A: The Forest Service is now preparing an environmental impact statement which will be published in draft form and circulated for public comment in June. A final environmental impact statement will be issued in December, and the Administration's recommendations on which areas should be designated as wilderness and which should be opened up to non-wilderness uses will be made in January. RARE II was initiated early in my Administration by Secretary Bergland for the purpose of resolving in the quickest possible manner, consistent with the law, controversy and uncertainty over the roadless areas that make up one-third of our National Forests. We are committed to completing the RARE II study on time, so that areas which should be provided wilderness protection will have it and so that others can be released from wilderness consideration and opened up to non-wilderness uses, including logging.

RURAL DEVELOPMENT

- Q. Now that you have announced an urban policy, what will you be doing for rural distressed areas?
- A. It has long been evident to me that there is no neat way to divide this nation up for policy making purposes. This nation is simply too big and diverse in its make-up, in its needs, in its opportunities. Furthermore, this diversity is one of its greatest strengths and is not something that Federal policy should cause to be reduced for the sake of administrative convenience. I do not, therefore, think in terms of a rural/urban dicotomy when I think of this nation's development policies. Instead, I believe we need a set of consistent policies that are patterned on the unique needs one finds in different parts of the country. We recognized this as we designed the recently announced urban policy. As a result, though important parts of that program are designed for the unique needs one finds in America's urban areas, many of the programs are designed for use in both urban and rural areas. For example, the National Development Bank, a cornerstone of this policy, would be available to all qualified areas, rural and urban. Likewise, the proposed grant program for State governments would be designed for all communities experiencing the effects of decline or distress, regardless of size.

Beyond this, we are taking a special look at rural areas and the effectiveness of Federal programs in meeting the needs of rural people and rural communities. We have recently asked all the major departments and agencies to look at their programs from this vantage point and to make recommendations for correcting existing shortcomings and inequities.

Also, we recently conducted a White House Conference on Balanced National Growth and Economic Development, through which we brought together 500 citizens from around the country to discuss the major development issues facing us as a nation and to make recommendations to me and to the Congress. Governor Jay Rockefeller is chairing an advisory committee that is now putting the final touches on their report. This report and the work of the Conference will be another source of important information as we attempt to make our development policies more effective and better targetted.

30-DAY TIMBER STUDY

Q: Will the Administration be increasing timber harvests from public lands as an inflation measure?

A: Increasing sales of public timber is one of several possible actions that are being analyzed as the result of my directive that a report be prepared on ways to dampen the long-term upward trend of lumber prices. Other options being considered are increasing timber production from State and private forest lands and increasing the utilization of the wood we already cut. Each option will be evaluated in terms of its economic efficiency, environmental acceptability, and its budget costs. Another important factor that will be considered is the effect various actions would have on local communities in the West whose economies depend on the timber industry. I am not looking for "quick fixes" in this area, but for a balanced approach to the problem over the longer term.

WATER

Q: What is the status of new water project starts? Will the Administration continue to stretch out funding of water projects already under construction?

A: I hope to send up some new water project starts for FY1979 shortly after I consider the water policy recommendations. In my Budget sent up in January, I said that although there were no new start proposals for the time being, that Budget amendments were possible after the completion of the water policy review. With respect to construction schedules for ongoing projects, each year the Office of Management and Budget works with the agencies to determine the best funding level considering the precise situation with each project and the overall Budget picture. It is not always possible to fund every project at the maximum possible level.

WATER

Q: What is the status of the Administration's water policy?

A: I will be receiving the final recommendations of Secretary Andrus, Jim McIntyre and Charles Warren within a few days. I then intend to consult with interested governors, Members of Congress and others before I make final decisions.

(NOTE: The water policy recommendations will cover the following areas:

- improving the planning process for Federal water projects, including better cost-benefit analysis and consistency among agencies;
- water conservation initiatives, including taking water conservation into account in all Federal programs, such as water and sewage treatment, housing and agricultural assistance programs, and State grants for water conservation programs;
- environmental protection, including enforcing existing laws and encouraging non-structural flood protection;
- cost-sharing between Federal and non-Federal interests for water projects, including involving the States in part of the financing of projects (would require legislation);

-- Federal/State cooperation in planning and water conservation, instream flows and groundwater, and working to resolve Federal reserved water rights and Indian water rights.)

WEST COAST LNG FACILITIES

Q. What is your policy on liquid natural gas (LNG) imports and will you advocate LNG terminals on the West Coast?

A. The Department of Energy currently has the question of overall LNG policy under study. The Department is reviewing a number of issues, including siting, pricing, level and desirability of imports, and safety.

Last December, the Department did, however, issue a tentative approval of a proposal by PAC/Indonesia to import approximately 200 billion cubic feet of LNG into California. The Department's approval was conditioned upon resolution of two critical issues, however: pricing and escalation of prices, and final site determination. The State of California has responsibilities for site selection under its own laws, and this decision is still under consideration in the State. On the price escalation question, the Department turned down PAC/Indonesia's request for an automatic price escalation, and it is my understanding that this question is still being discussed between PAC/Indonesia and the sponsors of the project.

WEST COAST OIL SURPLUS

Q: What is the Administration doing to solve the oil glut now being experienced by West Coast states? Will you allow the sale or swap of Alaskan crude oil to Japan?

A: When oil began flowing through the Trans-Alaska Pipeline System, excess supplies of crude oil began to build up in California and other west coast states. To help relieve this oil glut, and to ensure that domestic production of California crude oil is not jeopardized, we have worked closely with California officials toward completion of arrangements for the Sohio pipeline, which will permit shipment of crude oil from the West Coast to Texas. We have had strong cooperation from the State, and I understand that a general agreement has been reached. While details remain to be worked out, I am hopeful that these, and the necessary administrative processes, can be completed soon.

My Administration has also supported a provision in the Energy legislation now pending in Conference to establish expedited procedures for the evaluation and possible selection of a west to east oil pipeline to serve the northern part of the country.

As for a swap of Alaskan or other crude oil with Japan, the Departments of Energy and Commerce have had several proposals under consideration. While I would, of course, insist that any proposal permit interruption

of exports in the event of a shortage of domestic supply, some exports or exchange may aid our overall balance of payments and oil imports problem. I expect to be receiving recommendations and proposals in this area soon.

WESTERN PERCEPTION

Q: Is the Administration concerned about the view in the West that it is unconcerned with Western problems? If so, what is the Administration doing to change that very prevalent perception?

A: I am obviously very concerned about the view that some Westerners apparently hold about the Administration. However, I believe the view that we are unconcerned about Western problems to be totally unfounded. We are dedicated to helping the Western part of this country as much as every other part.

The actions we have taken, especially during the last several months, indicate clearly that we are very concerned about Western attitudes and the needs of the West:

-- The Vice President traveled throughout the West earlier this year, listening and learning about many Western problems and concerns. He made a complete report to me about his findings, and the Administration has begun to act to correct many of the problems he found.

-- As a result of the Vice President's trip, we have established an Interagency Committee, chaired by the Vice President, to review actions of the Administration that will have a particular effect

on the West and to make sure that Western views are incorporated in our decision-making process.

- We have made a concerted effort to consult with Western Governors, Western members of Congress, and other officials about policies of particular concern to the West. The water policy is a perfect example of a case where we have done and will continue to do extensive consultations.
- As a result of our efforts to meet the needs of Westerners, we have recently developed an Energy Impact Assistance Program, which I will shortly be reviewing and we will soon announce. That program will provide financial assistance to communities which have been hard hit by rapid energy development in their area.
- I will be traveling to Colorado, California, Oregon and Washington next week and will continue our efforts to listen and learn about Western problems and to take steps designed to meet Western needs.

I regret that, perhaps because of a lack of consultation and certain decisions made very early in the Administration, we

have been viewed by some as unconcerned with Western problems. That perception is entirely false, and we are doing our best to correct that perception and to let the people of the West know that we are attempting to work with them to solve their energy, environment, water and other problems.

WHEAT AND FEEDGRAIN RESERVE PROGRAM

- Q. Are you satisfied with farmer response to the wheat and feedgrain reserve program?
- A. Yes, I have been very pleased with the response. We now have over 300 million bushels of wheat in the reserve and about 40 million of barley and oats. Feedgrains will be coming into the reserve later in the marketing year.

This farmer-held reserve is the cornerstone of this Administration's farm policy. It is extremely important that it work well and that it be well understood by both farmers and consumers, for both stand to gain from its use. It is already contributing to the strengthening of farm prices, which have been too low for farmers to survive over a long period of time. Once this reserve is in place, our consumers and our foreign customers will be provided with insurance against rapid price increases as a result of production short-falls.

2234

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

April 28, 1978

The Vice President
Zbig Brzezinski

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

Rick Hutcheson

VICE PRESIDENT'S REFUGEE INITIATIVE

CC: Stu Eizenstat
Jim McIntyre

DECLASSIFIED
E.O. 12958, SEC. 3.4(b)
WHITE HOUSE GUIDELINES, FEB. 24, 1992
BY Jay NARS, DATE 5/24/90

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	MOORE
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	WATSON
	WEXLER
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/	MCINTYRE
	SCHULTZE

	ARAGON
	BOURNE
	BUTLER
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	WISE

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	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

MEMORANDUM

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

CONFIDENTIAL - GDS

April 28, 1978

ACTION

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI *ZB.*

SUBJECT: Vice President's Refugee Initiative

You approved on March 27, the preparation of an initiative for the Vice President during his visit to Thailand regarding the permanent resettlement in Thailand of a large portion of the almost 100,000 refugees which are currently subsisting in camps there. This memorandum presents a recommended initiative for your approval concurred in by State, Justice, the Domestic Policy Staff, and OMB. (and the Vice President)

Resettlement in Thailand is an important part of the overall solution to the Indochinese refugee problem. The Vice President's presence there presents a unique opportunity to move the Thais toward a more forthcoming position on resettlement. U.S. support would be conditioned on two factors:

- It would be part of a broader international effort to assist in permanent resettlement.
- It would be carefully phased so that continued assistance would be conditioned on Thai progress toward resettlement.

The agencies have identified the following elements of a Vice Presidential resettlement initiative with the Thais.

1. U.S. Policy Toward Indochinese Refugees - Our continuing commitment to boat cases without resettlement offer and land refugees closely associated with the U.S., including U.S. acceptance of up to 25,000 per year, should do a great deal to allay Thai concerns over the continued growth of the refugee population in Thailand, and demonstrate the U.S. long-term commitment to Indochinese refugees.
2. INS Officers in Thailand - The Immigration and Naturalization Service plans to station two officers in Thailand to improve the processing of refugees reducing current delays, and to provide a better focus to resolve refugee problems.

CONFIDENTIAL - GDS*May 5/24/80*
~~CONFIDENTIAL~~

3. U.S. Financial Assistance - The U.S. would be willing to provide from \$1.0 to \$2.0 million for Thai resettlement planning and pledge additional U.S. assistance as part of a broader international effort during the actual resettlement program. This pledge would be conditioned on a Thai commitment to pursue resettlement seriously. The offer of planning money could require a supplemental appropriation.

Ultimately, the Thais might need to resettle as many as 80,000 refugees. The costs of such a program are uncertain but a recent study estimates \$1,500 per capita would be required yielding a total cost of \$120 million, of which the U.S. share would approach 50 percent or \$60 million. We expect such a program would require up to five years and would involve the significant participation of other countries such as Japan. ?

4. U.S. Acceptance of Additional Refugees - We would pledge, as part of an international effort, to consider accepting additional refugees beyond the current U.S. program after the Thai resettlement program became well established. We could help the Thais greatly by accepting those refugees which would be difficult to resettle in Thailand -- Cambodians and Vietnamese of which 15,000 and 2,000 respectively are living in camps in Thailand. Such a program would probably occur after new legislative authority were available and the additional refugees could be accommodated within the normal flow provisions.

RECOMMENDATION

That you approve a refugee permanent resettlement initiative by the Vice President when he meets with the Thais composed of four elements:

- 1. A full exposition and explanation of current U.S. policy toward Indochinese refugees.

Approve ✓ Disapprove

- 2. Announcement of plans by INS to station two officers in Thailand to improve refugee processing and assist the Thais in the resolution of refugee problems.

Approve ✓ Disapprove

- 3. The offer of \$1.0 - 2.0 million for resettlement planning and the pledge of support for an international program of assistance, conditioned on a Thai commitment to pursue resettlement seriously.

Approve ✓ Disapprove

THE WHITE HOUSE
WASHINGTON
April 28, 1978

Jack Watson

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

Rick Hutcheson
CABINET MINUTES DISTRIBUTION

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	COSTANZA
	CRUIKSHANK
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	MITCHELL
	MOE
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	PRESS
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	BROWN
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	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

THE WHITE HOUSE
WASHINGTON

*Jack
J*

MEMORANDUM TO: THE PRESIDENT

FROM:

Jack Watson *Jack*

April 26, 1978

RE:

Cabinet Minutes

Partly because of the change in format of the Cabinet meeting and partly because of the particular subjects that were discussed on Monday, these minutes, even with careful editing, contain some sensitive political comments. My custom as I prepare the minutes is to envision them in the newspapers. There are some parts of these minutes that should not be in the newspapers.

What do you think about their distribution?

- No distribution
- Distribute only to the Cabinet Secretaries with a note that they not distribute the copies at all
- Customary distribution

C

THE WHITE HOUSE

WASHINGTON

MINUTES OF THE CABINET MEETING

Monday, April 24, 1978

The forty-seventh meeting of the Cabinet was called to order by the President at 9:02 a.m., Monday, April 24, 1978. All Cabinet members were present except Mr. Marshall, who was represented by Under Secretary of Labor Bob Brown; Mr. Vance, represented by Deputy Secretary of State Warren Christopher; and Mr. McIntyre. Other persons present were:

Joe Aragon	Bunny Mitchell
Zbigniew Brzezinski	Dick Moe
Landon Butler	Frank Moore
Alan Campbell	Dick Pettigrew
Hugh Carter	Frank Press
Doug Costle	Charles Schultze
Stu Eizenstat	Jay Solomon
Les Francis	Claudia Townsend
Jane Frank	Stansfield Turner
Jim Free	Charles Warren
Richard Harden	Anne Wexler
Hamilton Jordan	John White
Robert Lipshutz	Rosalynn Carter
	Jack Watson

1. The President welcomed Ambassador Young home from his recent trip to Africa. He said that the meeting with the Cabinet last weekend at Camp David had been very constructive, and that he would set up another such meeting in about three months.

-- The President said that he has asked the Vice President to reassess the priorities set for the Administration at the beginning of the year. The Vice President said that he and members of the senior White House staff are already doing so.

-- The President asked Cabinet members to designate a top person in their departments to meet with Mr. Jordan

and the senior White House staff on a regular basis. He asked Mr. Watson to coordinate this effort.

-- The President said that he had asked Mr. Moore to work with the Cabinet regarding their responsibility for personal contacts with Members of Congress with respect to the legislative priorities of the Administration. Mr. Moore will also meet with the Congressional Liaison staff in each agency this Friday to develop procedures for closer coordination between Cabinet departments and the White House. (They will also discuss ways to improve the procedures for announcements of grants and personnel appointments.)

-- The President said that he had completed a review of the White House staff operation, and that some changes were being made. He asked each Cabinet member to do a similar review of the Presidential appointees in their respective departments and to give him their recommendations for changes.

-- The President summarized developments on several current matters:

- He said that he had called all of the Senate conferees and several House conferees with respect to the tentative agreement on the natural gas portions of the national energy plan. He said that he was "pleasantly surprised" at the support many of them expressed for the compromise, and that he has given Mr. Moore a summary of his conversations.
- The President said that Mr. Bergland has recommended that the Administration support an amendment to the farm bill which has been introduced by Congressman Foley. The amendment would give the Secretary discretionary authority to increase target prices to compensate producers for participation in set-aside programs.
- Mr. Vance will return tonight from his trip to Moscow and will report to the President on his visit with Soviet President Brezhnev.

- The President is ready to send up the Mid-East arms sales package and is prepared for a tough Congressional battle.
- He mentioned the lifting of the arms embargo to Turkey and said that it is crucial that we restrengthen NATO.
- The President has decided to slow down the rate of withdrawal of troops from Korea; he noted that we will not diminish the strength of our overall military commitment in that area.
- The President will visit several Western states (Colorado, California, Oregon and Washington) on May 3-5; he asked that Cabinet members give Mr. Watson any information and suggestions they have about the places to be visited.

2. The President asked Dr. Schlesinger for a report on the natural gas compromise and the crude oil equalization tax (COET):

-- Dr. Schlesinger said that the compromise on natural gas basically follows the price trends suggested by the President. The plan would make available as much as two trillion additional feet of gas in the interstate market-- one trillion feet as soon as the price increase goes into effect. This would result in one million barrels less in fuel imports per day and constitute the largest impact on imports of any single portion of the national energy plan. He said that the compromise will provide a powerful incentive for producers to sell gas and, thereby, to generate cash flow for more drilling. The price of gas stocks went up over the weekend and orders for drill rigs, which have been weak, are likely to firm. He said that Congressman Phil Burton is gearing up for a fight against the provision in the House, and that producers are waiting to see the precise language in the conference report. He predicted that the producers will support the compromise, preferring certainty to the present situation. In the Senate, Senator Abourezk is likely to filibuster, and the Administration is hoping to head off a coalition between Senate Democratic liberals and Republican conservatives. Among House conferees, even with Congressman Waggoner's support, a thirteenth vote is needed in favor of the compromise. Dr. Schlesinger said that he believes either Congressman Corman or Rangel will

agree to favor it. The President said that he spoke to both men over the weekend, and they want to be constructive. The conference will meet on Wednesday or Thursday.

-- Dr. Schlesinger estimated the chances for COET to be 50/50. Congressman Ullman is supporting it, and Senator Long has been favorable in recent weeks. Independent producers have become more favorable and the majors, except for Mobil, are also favorable. He said that he hopes for a bill including the tax portion within thirty days.

-- In response to a question from Mr. Schultze, Dr. Schlesinger said that additional gas will not drive prices down, and that the Texas Railroad Commission will not be able to prorate it. The Attorney General said that the Justice Department is reviewing the antitrust implications of certain statutes affecting fuel transportation and pricing. Mr. Andrus said that the Interior Department has studied the domestic supply possibilities in public domain lands, and that more gas should be produced by enforcement of the "due diligence" clause. In response to a question from Mr. Bergland, Dr. Schlesinger said that the overall effect of COET will be counter-inflationary since the domestic oil will substitute for more expensive imported oil. Mr. Schultze added that fuel prices would go up substantially even without the bill. COET should add about 4¢ per gallon of gas, compared with a 25¢ or more price rise over the last five years. In response to a question from Mr. Califano about the effect of the price rise on hospital costs, Dr. Schlesinger said that hospitals and eleemosynary institutions are exempted from the legislation.

-- Dr. Schlesinger described the transportation problem in California and noted that Governor Brown came out for gas deregulation ten days ago in a speech to the independent producers. He said there is a need to straighten out how the California heavy crudes will be kept flowing before the President goes to California. Congressman Corman has indicated to Dr. Schlesinger that the entire California delegation will now support oil swaps with the Japanese. Several Cabinet members discussed the advisability of such a proposal, and the President asked Dr. Schlesinger for a memorandum on the subject.

3. The President said that the Administration's \$25 billion net tax cut proposal is still appropriate. He noted that the Administration's reform recommendations "have been savaged" by early votes in the Ways and Means

Committee and asked Mr. Blumenthal to report on the situation:

-- Mr. Blumenthal said that the committee votes have been disappointing. The twelve Republicans on the committee who are voting as a bloc are usually joined by enough Democrats to defeat the Administration's proposals. In the first week, the only significant positive move in the committee was its approval of the elimination of the deduction for gas taxes. Congressman Ullman has suspended committee work on the tax bill for a week pending action on the energy plan, and Mr. Blumenthal said that Mr. Ullman may be preparing his own proposal for a lower tax cut. The Administration is considering whether to participate in developing a compromise or to fight to strengthen the committee bill once it is reported to the full House. He said that the COET issue crucially affects the tax issue, and he predicted that there will be intense interest as to how the COET revenues should be spent. Dr. Schlesinger said that COET would yield about \$15 billion in gross revenues per year, \$12.5 to \$13 billion net.

-- The President said there is a serious danger of retrogression on the tax issue in that Congress may even try to repeal some useful reforms that have been enacted over the past five or six years.

4. The President asked Mr. Christopher to give the Cabinet a brief report on SALT, the Mid-East arms sales, and the arms embargo issues.

-- Mr. Christopher said that Mr. Vance has had long sessions with Messrs. Gromyko and Brezhnev, and that some of the differences were narrowed on SALT. Mr. Vance will report to the President when he arrives later today.

-- Mr. Christopher said that the Mid-East arms sales package is scheduled to be sent to Congress on Wednesday, and that Congress will have thirty days in which to act on it. He pointed out that the "package" carefully balances the needs of the three countries involved, but that the three proposals are not legally tied together. The State Department has received a suggestion from the Hill that the Administration delay four to five days before sending up its proposals.

-- He said that the House International Relations Committee will start mark-up Thursday on the Administration's proposal to remove the arms embargo on Turkey. His trip to Turkey convinced him of the need to help the Turks

modernize their armed forces; our failure to do so might force that country to adopt a non-aligned status. The Senate hearings will begin May 2nd, and he hopes that the Administration will make the impressive case there that it did in the House when Secretary Brown and Acting Chairman of the Joint Chiefs David Jones testified. He added that progress on the Cyprus problem is closely connected to the Turkish embargo issue. Dr. Brzezinski and Dr. Brown commented on recent meetings with leading Turkish officials. Dr. Brown added that the President will attend a meeting of our NATO allies in Washington at the end of May, and that NATO will be discussed at the U.N. Special Session on Disarmament which the President will also visit.

5. The President asked Dr. Brown to comment on the withdrawal of troops from Korea:

-- Dr. Brown said that the Koreans so far have taken the decision well. The main concern is that Congress may feel that the pressure is off and not act on the proposed transfer of U.S. equipment. He suggested that the President call Congressman Zablocki to be sure that the issue is raised in the full House International Relations Committee.

6. The President said that his decision to escalate the inflation issue to the top of the Administration's economic agenda has already had a profound psychological impact. He said that Ambassador Strauss' new role as Special Counselor for Inflation in no way diminishes the critical roles of Messrs. Blumenthal, Schultze, McIntyre and Ms. Kreps. The President and his economic advisors met with a group of business leaders last week on the subject of inflation. The business leaders expressed their support for the President's efforts and pledged their own help in combatting inflation. They suggested that quarterly meetings would be helpful as a way to monitor progress. The President noted that UAW President Doug Fraser will address the National Press Club tomorrow, and that he is expected to say some very favorable things on the subject of inflation. Soon after, the President will meet with other major labor leaders on the subject. He reiterated his request to the Cabinet to search diligently for ways to hold down inflation in their respective departments through regulation reduction, elimination of unnecessary reporting requirements, cut-backs in paperwork generally, and all other reasonable means at their disposal. He added that he had suggested

at the meeting with business leaders last week that insurance companies, for example, might focus their advertising efforts on ways to hold down medical care costs and the cost of accidents. He asked Ambassador Strauss for a report on his own initial efforts in this area:

-- Ambassador Strauss commented that he thought Ms. Kreps had done an excellent job in structuring last week's meeting with business leaders, and the meeting itself was constructive. He has talked with Secretary Marshall about a meeting with George Meany prior to the President's meeting with other labor leaders. He has also been "touching other appropriate bases" and was chagrined that a recent article in the Washington Post by David Broder inaccurately stated that his first priority was to reduce the inflationary costs of environmental regulations. He said that his first priority is to reduce the inflationary impacts of government activity, wherever it is feasible to do so. His conception of his role is not to build a staff but to foster greater coordination and focus among the various departments and agencies of the government.

-- The President said that Ambassador Strauss is uniquely qualified for this assignment. He suggested that Mr. Strauss might call Doug Fraser before Mr. Fraser speaks to the National Press Club tomorrow on the subject of inflation.

7. The President underscored the importance to the Administration of civil service reform. He made specific assignments to each Cabinet member to contact in person certain members of the House Post Office and Civil Service Committee which is considering the legislation. He noted that the reorganization plan on the same subject will be sent up to the Hill on May 1.

-- He commended Mr. Bergland for his superb job in engendering support among his own people for the civil service reform legislation. Mr. Bergland explained that he had set up in USDA a task force under the Assistant Secretary for Administration to explain to USDA personnel, including those in the field offices, and to the public the importance of civil service reform. The President said that Congresswoman Gladys Spellman, a member of the House Post Office and Civil Service Committee, will be holding hearings in several departments on civil service reform.

-- Mr. Campbell said that the Cabinet has already been provided with speech materials on the subject, and that the concentration of effort must be on the House Post Office and Civil Service Committee where the opponents to the reform are also focusing. Mr. Campbell noted that the reform proposals have substantial support across the country. The Committee must complete its mark-up before the end of May if the legislation is to pass the House this session. The President commended Mr. Campbell for his superb work. He asked all Cabinet members to familiarize themselves with the details and overall thrusts of the civil service reform proposals.

9. The President said that he would like to hold Cabinet meetings every other Monday, and that he will select those items that he thinks are most important for discussion. Beginning next Monday, he will use the time previously occupied by Cabinet meetings to meet individually with two to four Cabinet members for approximately a half hour each.

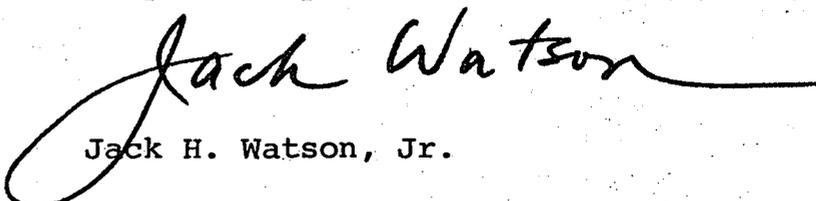
10. The President said that Members of Congress frequently complain that they do not see Cabinet members enough; he asked the Cabinet to make more telephone calls and more personal visits to the Hill.

11. The President welcomed Anne Wexler to the White House as a "new and important member" of the White House staff. He said that she is tough, competent, a "very knowledgeable politician in the finest sense of the word," and an excellent administrator.

12. The President left the Cabinet meeting at 10:35 a.m. and asked the Vice President and Mr. Moore to make specific assignments to the Cabinet in connection with contacting House members on the civil service reform legislation. They did so.

The meeting was adjourned by the Vice President at 10:46 a.m.

Respectfully submitted,


Jack H. Watson, Jr.