

6/13/78

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Memo	Kraft & Gammill to Pres. Carter, w/attachments 24 pp., re: recommendation	6/13/78	C

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THE PRESIDENT'S SCHEDULE

Tuesday - June 13, 1978

- 8:15 Dr. Zbigniew Brzezinski - The Oval Office.
- 9:00 Mr. Frank Moore - The Oval Office.
- 10:00 Mr. Jody Powell - The Oval Office.
- 10:30 Arrival Ceremony for His Excellency Morarji Desai, The Prime Minister of India - South Lawn.
- 11:00 Meeting with Prime Minister Morarji Desai.
(60 min.) (Dr. Zbigniew Brzezinski) - The Oval Office
and the Cabinet Room.
- 1:30 Mr. James McIntyre and Mr. Jack Watson.
(30 min.) The Oval Office.
- 7:30 Working Dinner with Prime Minister Morarji Desai.
(Business Suit) - The State Dining Room.

THE WHITE HOUSE
WASHINGTON

Congressional Liaison delivered
the letters on the morning of
June 13, 1978

THE WHITE HOUSE
WASHINGTON

June 12, 1978

C
/

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE

F.M./BR

Senator John Heinz (R-Pa) just committed to invoking cloture. His office is now on the telephone notifying labor people in Pennsylvania. This is #59--not counting Senator Bumpers.

THE WHITE HOUSE

WASHINGTON

June 12, 1978

To Members of the House of Representatives

I am very concerned about the Public Works Appropriations bill pending in the House of Representatives. This bill is inconsistent with my Fiscal Year 1979 Budget request and contains excessive appropriations, leading to even larger expenditures in coming years.

I am particularly concerned about:

- o restoration of eight unsound water projects the Congress agreed to halt last year after lengthy consideration of my recommendations to delete these and ten other projects;
- o recommended appropriations for 46 new water project construction starts which would cost about \$1.4 billion, in contrast to the recommendations I announced last week for 26 construction projects which are all consistent with my new water policy criteria and which would cost a total of about \$700 million, as well as 10 planning starts;
- o rejection of the Administration's proposal to fully fund new project starts, thereby continuing the illadvised practice of incremental funding; and
- o increases of more than \$100 million in accelerated funding and operation and maintenance of ongoing projects.

When this important bill reaches the floor of the House, I urge you to support amendments which will bring this bill into line with the Budget. The amendments I am supporting include the Edgar amendment to remove the eight unacceptable water projects halted by the Congress last year, the Miller amendment to make the bill consistent

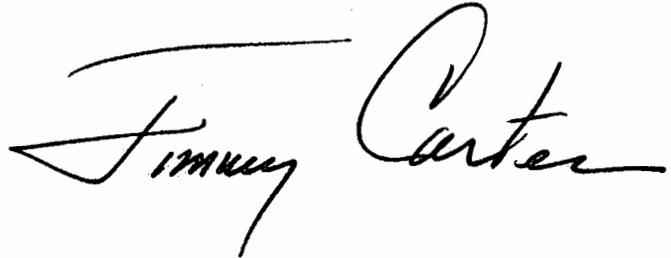
-2-

with my request for funding of new water projects starts and the Derrick amendment for full funding of new water projects.

I have requested over \$2.1 billion for continuing water projects and for the new water project starts. These requests will continue a healthy water resources program which is fiscally sound and consistent with water policy considerations.

Budgetary constraints and inflation make it imperative that the appropriations process be responsible and restrained. Sound projects and programs should be funded at reasonable rather than excessive levels. I cannot approve the proposed legislation in its present form.

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 word "Sincerely,".

June 12, 1978

To Members of the House of Representatives

Frank E
Stu -
Check is 3
Congressmen - Return
to me without
delay for
sending
JC

I am very concerned about the Public Works Appropriations bill pending in the House of Representatives. This bill is inconsistent with my Fiscal Year 1979 Budget request and contains excessive appropriations, leading to even larger expenditures in coming years.

I am particularly concerned about:

-- restoration of eight unsound water projects the Congress agreed to halt last year after lengthy consideration of my recommendations to delete these and ^{ten}~~nine~~ other projects;

-- recommended appropriations for 46 new water project construction starts which would cost about \$1.4 billion, in contrast to the recommendations I

announced last week for ~~26~~ construction projects ~~and~~
~~10 planning projects~~ which are ^{all} consistent with my

new water policy criteria and which would cost a total
of about \$700 million, *as well as 10 planning starts*

-- rejection of the Administration's proposal

to fully fund new project starts, thereby continuing
unadvised
the practice of incremental funding; and

-- increases of more than \$100 million in ^{accelerated} funding
and operation and maintenance of ongoing projects.

When this important bill reaches the floor of
the House, I urge you to support amendments which will
bring this bill into line with the Budget. The amendments
I am supporting include the Edgar amendment to remove
the eight unacceptable water projects halted by the
Congress last year, the Miller amendment to make the
bill consistent with my request for funding of new

water projects starts and the Derrick amendment *for full*
funding of
~~fully fund~~ new water projects.

I ^{*have*} requested over \$2.1 billion for continuing

water projects and for the new water project starts.

These requests will continue a healthy water resources
program which is fiscally sound and consistent with
water policy considerations.

Budgetary constraints and inflation make it
imperative that the appropriations process be responsible
and restrained. Sound projects and programs should be
funded at reasonable rather than excessive levels.
I cannot approve the proposed legislation in its present
form.

Sincerely,

ON THE OCCASION OF
THE VISIT OF
THE PRIME MINISTER OF INDIA

SCENARIO
WORKING DINNER

7:15 P.M. Dinner guests begin arrival via Diplomatic Entrance, to Blue Room for juice.

U.S.M.C. String Quartet in Main Hall.

7:28 P.M. The PRESIDENT arrives Main Hall, and moves to North Portico.

7:30 P.M. The Prime Minister arrives Northwest Gate to North Portico to be greeted by the PRESIDENT. Proceed to Blue Room for juice.

7:45 P.M. Dinner is served in State Dining Room.

8:45 P.M. Dessert is served. Coffee service begins.

9:15 P.M. The PRESIDENT escorts the Prime Minister to North Portico for departure.

The PRESIDENT departs Main Hall.

All guests depart via Diplomatic Reception Room.

NOTE: Due to dietary restrictions a special menu is being constructed. Further information will be available next week.

THE WHITE HOUSE

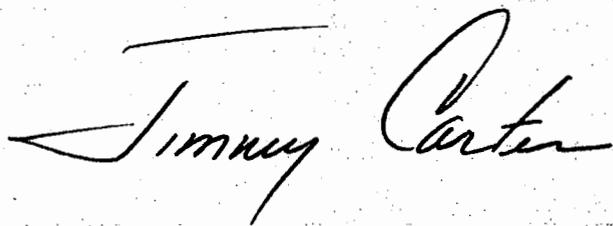
WASHINGTON

June 16, 1978

On March 27, 1978 I announced a comprehensive national urban policy. This urban policy is based upon a New Partnership including all levels of government, the private sector, labor, and neighborhood and voluntary organizations. It represents a long-term commitment to the revitalization of America's communities.

I am pleased to make available this urban policy status report. This report outlines the status of the initiatives announced on March 27, as well as changes and improvements which have already been accomplished.

The job of revitalizing America's communities cannot be done by the Federal Government alone; the national urban policy recognizes and encourages local initiative and leadership. I have been most encouraged by the positive responses from all levels and branches of government, the private sector, labor, and neighborhood and voluntary organizations. I am optimistic that working together we will continue the progress which we have begun.

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned in the lower right quadrant of the page.

THE WHITE HOUSE
WASHINGTON

6/13/78

Mr. President:

Anne Wexler requests that you sign the attached.

It will be the first page of an urban policy status report which she plans to distribute widely.

Rick

ON THE OCCASION OF
THE VISIT OF
THE PRIME MINISTER OF INDIA

Q

ARRIVAL SCENARIO

- 10:00 A.M. Welcoming and Official Parties arrive White House, South Lawn.
- 10:20 A.M. Official Party preceding the Prime Minister arrives White House, takes South Lawn positions.
- 10:27 A.M. The PRESIDENT and MRS. CARTER arrive Diplomatic Reception Room.
- 10:29 A.M. The PRESIDENT and MRS. CARTER are announced, and enter grounds to edge of carpet.

(Mucis - "Man of the Hour")

- 10:30 A.M. The motorcade carrying the Prime Minister arrives - fanfare. Official introductions.

(Indian National Anthem.)

(U.S. National Anthem.)

(19-gun salute.)

The PRESIDENT and the Prime Minister descend platform for Inspection of Troops. Return to platform for remarks.

(All PRINCIPALS into new positions for remarks.)

(No translator.)

Following remarks, PRINCIPALS return to positions facing south as Commander of Troops closes ceremony.

ALL PRINCIPALS descend platform and ascend stairs to So. Portico Balcony for press photo session. Continue into Blue Room for receiving line.*

- 11:00 A.M. Coffee is served in Blue Room.
- 11:15 A.M. The PRESIDENT and the Prime Minister depart State floor for Oval Office.
- MRS. CARTER departs State floor.

* Receiving line: The PRESIDENT, the Prime Minister, MRS. CARTER, Mrs. Padma Desai, Mr. Kantibhai Desai.....

ARRIVAL REMARKS

THE WHITE HOUSE

WASHINGTON

June 12, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS, ^{JL} RICK HERTZBERG ^{Rick}

SUBJECT: Talking Points for Arrival Ceremony
of Prime Minister Desai

1. Salutation: "Mr. Prime Minister, Mr. Vice President, distinguished members of the Indian delegation, ladies and gentlemen."

2. One of the most stirring and significant events of the nineteen-seventies was India's reaffirmation, fifteen months ago, of her belief in democracy and the rule of law. The question was: Is democracy important? Can democracy be a political framework for economic and social development? The largest free electorate in the history of the world -- one fifth of humanity -- answered with a resounding and unmistakable "Yes."

3. Prime Minister Desai has proved his devotion to democracy again and again throughout his long career in Indian and international public life. He proved it when he went to prison for his beliefs, both during and after the period of British rule. He has proved it as Prime Minister by restoring the liberties which Indians treasure as much as Americans do.

4. Mr. Desai's democratic convictions are based on religious as well as political faith. As a disciple of Mahatma Gandhi, he believes that the means by which you reach your goal are as important as the goal itself. Mr. Desai put it well in a recent television interview seen by millions of Americans: "You cannot use untruth to further truth; you cannot use darkness to dispel darkness." (This is from Dan Rather's interview with Desai on "Sixty Minutes", broadcast June 4.)

5. During your own trip to India last January, you and the Prime Minister signed a Declaration of Common Principles, setting forth the ideals which both nations seek to advance in their national and foreign policies. That Declaration and now the Prime Minister's visit stand for a new chapter in the increasingly warm relations between India and the U.S.

6. India has made great strides in developing its economic and social foundations. India's industrial economy is now among the world's largest, and India's agricultural economy has become independent of food imports. India is also deeply engaged in the task of addressing its development efforts to the needs of its rural majority -- another Gandhian idea which Prime Minister Desai has been instrumental in reviving.

7. India's stature and influence reach far beyond its own borders. Perhaps the greatest change in global politics in the last generation has been the movement for freedom and independence in what has become known as the Third World. That movement began in India. India's has been a voice of principle, dedicated to greater justice and equality among nations. Today India is a major spokesman for the expansion of human rights.

8. Just four days ago (June 9), in his address to the Special Session on Disarmament, Prime Minister Desai solemnly pledged not only that his country will refrain from manufacturing nuclear weapons, but also that India will abjure nuclear explosions entirely, even for peaceful purposes. This is an act of moral leadership in the tradition of Mahatma Gandhi and Jawaharlal Nehru.

#

THE WHITE HOUSE
WASHINGTON

①

June 13, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM.*
BOB THOMSON *RB*

SUBJECT: LABOR REFORM - STATUS

Tomorrow is the key cloture vote. With all present, we have 59 firm votes.

The other vote must come from Bumpers, Zorinsky, Long or Bellmon, in descending order of likelihood. Senator Byrd has made strong personal appeals to Bumpers and Zorinsky. Bumpers will sit in on our 11:00 strategy meeting tomorrow at Byrd's invitation. The Majority Leader wants both Bumpers and Zorinsky for a total of 61 so no one Senator can be blamed for the vote.

Your press conference tomorrow precedes the 5:00 p.m. vote by two hours. Word has spread that tomorrow is the key test. Consequently, you may get a question on labor reform at your press conference. In response, you should explain that you strongly support the Byrd substitute bill. It contains compromises that satisfy major objections raised by opponents. You should express confidence that cloture will be secured "if not today, then in the near future."

I have attached talking points from a recent memorandum in case you want to familiarize yourself with the key compromises.

cc: Stu Eizenstat
Jerry Rafshoon

THE WHITE HOUSE
WASHINGTON

June 9, 1978

Frank J

*XC: FM
Thomson ✓
HL*

MEMORANDUM TO THE PRESIDENT

FROM: FRANK MOORE *FM*
BOB THOMSON *Bb*

SUBJECT: LABOR LAW REFORM - CALLS

A. CALL ASSIGNMENTS

As Senator Byrd told you, we have isolated seven key Senators for cloture on labor reform. All have voted against us twice. They are the following:

Chiles - no
Long - only if his amendments adopted
Bumpers - Fritz
Cannon - Strauss
Zorinsky - Strauss
Heinz - Strauss
Bellmon - Fritz

We need two of those to get 60 votes on Tuesday or Wednesday.

We recommend you call Chiles, Bumpers and Long. The Vice President should call Zorinsky and Bellmon. Bob Strauss should call Heinz, and Frank Moore should make the first call to Cannon. Please notify Frank if you wish to make additional calls. Otherwise, we will assign.

All calls should be made and reports should be submitted to Frank by noon on Monday.

Set out below are political backgrounds on each Senator. Generally applicable talking points follow.

B. BACKGROUNDS

1. Presidential Calls

Chiles - The Senator has told labor that he will support cloture "eventually". Ray Marshall received the same impression when he briefed him on the bill. His key staffer has told us Chiles would be yes on the third or fourth vote. He will vote against the bill, however.

(-)

Long - Labor in Louisiana is optimistic, but we take that report with a grain of salt. He told Secretary Marshall that he needed a number of amendments, particularly one weakening debarment penalties. Debarment would prohibit the federal government from giving federal contracts to those who flagrantly violate labor laws. L-

Bumpers - The Vice President has discussed cloture with the Senator. He has refused to see Secretary Marshall. The Vice President was mildly optimistic, reporting that Bumpers will probably be with us on the third or fourth vote. Our contacts with staff have been less optimistic. The Senator is under immense pressure from his state. He had supported cloture 32 straight times until this issue came along. He will vote against the bill.

2. Vice Presidential and Senior Staff Calls

Cannon (Moore) - the Senator is an unlikely prospect. He cites intense pressure from within his state as the reason. Marshall has been unable to meet with him. We have one positive report from the Bartenders' Union, but that is unconfirmed.

Zorinsky (VP) - The Senator has told state labor officials and the state party chairman he would vote for cloture eventually. His commitments are usually unreliable. However, Byrd has approached him personally and received a mildly favorable response. Marshall has been unable to see him.

Heinz (Strauss) - The Senator has been cooling off rapidly on this issue. We believe he will only vote for cloture after we have 60 votes. Marshall reports he is particularly concerned about the equal access provisions of the bill. The Senator had been very positive to state labor in the beginning, but he has been under intense business pressure since then.

Bellmon (VP) - The Senator is the least likely prospect. He is on the list at Javits' insistence.

C. TALKING POINTS

1. Key cloture votes will occur on Tuesday and Wednesday. We need your support to end the labor reform filibuster. I have been reluctant to get directly involved in the fight for cloture until now, since the issue of labor reform deserves full Senate debate. However, the debate has now consumed almost three weeks of valuable time and the issues have been exhaustively discussed. It is now time to vote on the substance of the bill.

2. As you know, Senator Byrd has introduced a substitute bill which I support. The substitute presents substantial compromises in key areas of concern. We have been flexible in the following areas:

- a) Equal Access - The substitute provides that unions may reply to employer "captive audience" speeches during election campaigns only during non-working hours. The amendment also sets out numerous conditions on the nature and extent of access, based on the NLRB-J.P. Stevens agreement governing union access to the latter's plants.
- b) Make Whole Remedy - The National Labor Relations Act now provides no incentive for a party to bargain in good faith for a first contract. Therefore, my original bill provides that the NLRB may award damages as compensation to affected employees when an employer illegally delays bargaining. The substitute adopts a different index than the one originally used to compute such damages. The new index takes into account lower collective bargaining wage increases for small businesses and would have the effect of reducing civil penalties for illegal delays in bargaining.
- c) Debarment - The substitute provides that the Secretary of Labor must remove the bar to federal contracts once the NLRB determines an employer is no longer in violation of federal labor laws. In my original bill, the Secretary had the power to continue debarment as a penalty after the employer corrected his violations.
- d) Election Time Limits - To meet small business criticisms that the original time limits within which elections must be held were too short and complex, the substitute lengthens the time limits substantially and makes them easier to understand.

3. The Byrd substitute is a reasonable compromise. The Senate should have an opportunity to vote on it and express its will.

4. You know as well as I that there are a great number of important matters that must be considered by the Senate before October. Senator Byrd has indicated he will keep the labor reform bill on the floor until cloture is invoked and the Senate has a chance to vote on the bill. I strongly support his decision, but I am also concerned about inordinate delays of other important legislation.

THE WHITE HOUSE
WASHINGTON
June 19, 1978

Landon Butler

The attached was returned in the President's outbox today and is forwarded to you for your information. The original has been sent to Stripping for mailing.

Rick Hutcheson

ERA



MEMORANDUM

THE WHITE HOUSE

WASHINGTON

MEMORANDUM TO THE PRESIDENT

FROM: LONDON BUTLER 

DATE: JUNE 12, 1978

SUBJECT: GEORGE MEANY

George Meany has written you in response to your speech before the Illinois Legislature indicating his continued support of Labor Law Reform and the ERA.

Attached is a suggested response for your signature: the AFL-CIO will probably use quotes from the letter in their publications.

THE WHITE HOUSE

WASHINGTON

June 12, 1978

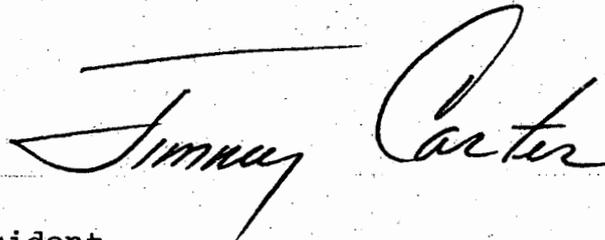
To President George Meany

Thank you for your kind words regarding my appearance before the Illinois State Legislature.

We who are working for Labor Law Reform must counter the emotionalism and misinformation of the opposition with straight, honest talk about the real need for reform and the real effect on American business of this modest reform legislation.

I was disappointed by the failure of the Illinois Legislature to pass the Equal Rights Amendment, but will continue to work with the AFL-CIO and others to win final ratification.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

George Meany, President
AFL-CIO
815 Sixteenth Street, NW
Washington, DC 20006

AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS

EXECUTIVE COUNCIL

GEORGE MEANY

PRESIDENT

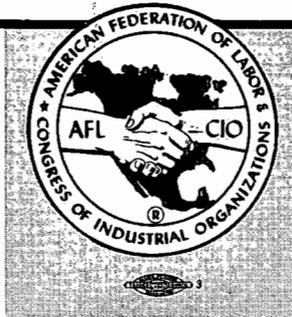
LANE KIRKLAND

SECRETARY-TREASURER

PAUL HALL
MATTHEW GUINAN
FREDERICK O'NEAL
GEORGE HARDY
WILLIAM SIDELL
ALBERT SHANKER
SOL C. CHAIKIN
CHARLES H. PILLARD
LLOYD McBRIDE
EMMET ANDREWS
WM. W. WINPISINGER

JOHN H. LYONS
PETER BOMMARITO
JERRY WURF
AL H. CHESSE
MURRAY H. FINLEY
C. L. DELLUMS
EDWARD T. HANLEY
WILLIAM H. McCLENNAN
DAVID J. FITZMAURICE
ALVIN E. HEAPS
WILLIAM H. WYNN

A. F. GROSPIRON
THOMAS W. GLEASON
S. FRANK RAFTERY
MARTIN J. WARD
JOSEPH P. TONELLI
GLENN E. WATTS
ANGELO FOSCO
J. C. TURNER
KENNETH T. BLAYLOCK
HARRY R. POOLE
FRED J. KROLL



815 SIXTEENTH STREET, N.W.
WASHINGTON, D.C. 20006

(202) 637-8000

June 2, 1978

The President
The White House
Washington, D. C.

Mr. President:

I just finished reading your answers to the questions about labor law reform when you spoke to the Illinois legislature, and I want to express my personal appreciation to your out-front leadership on this issue.

Your cogent answers to even hostile questions is helping meet much of the manufactured emotionalism being used against this legislation you recommended to the Congress and which you so accurately describe as both modest and necessary.

Also, I was pleased with your support for ERA, still pending in that legislature. It was timely and, I am sure, will be helpful. Our Illinois State Federation is working closely with other ERA supporters in this campaign. As you know, it's a tough and close fight and your remarks may well make the difference.

Sincerely,

President

THE WHITE HOUSE
WASHINGTON

June 13, 1978

Frank Moore

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

Rick Hutcheson

PRESIDENTIAL LETTER TO HOUSE
MEMBERS ON FOREIGN AID

THE WHITE HOUSE
WASHINGTON

C
/

ACTION

June 12, 1978

MEMORANDUM

THE PRESIDENT

FROM:

FRANK MOORE *F.M. / ER*

SUBJECT:

Presidential Letter to House
Members on Foreign Aid

Attached at TAB A, for your approval, is a proposed letter to all members of the House urging them to oppose any further cuts in the foreign aid bill next week. As you know, the Appropriations Committee has already imposed cuts of over a billion dollars on your recommendations. At the moment we are facing the distinct possibility that aid opponents will succeed in cutting another \$600-\$800 million on the floor. I should point out that in the post-Proposition 13 atmosphere, however, your urging the House to avoid further reductions in a program with no domestic constituency will not be particularly well received.

Approve ✓ Disapprove _____

J

(If approved, the letter would be individually typed and autopenned.)

A

DRAFT PRESIDENTIAL LETTER

I am writing to urge your support of the Foreign Assistance Appropriation Bill, (H.R. 12931) which is scheduled to come before the House of Representatives on June 21.

The Appropriations Committee has cut more than one billion dollars from the amounts I recommended. The cuts in funds for the World Bank group of \$686 million and the Inter-American Development Bank of \$100 million are especially severe, and I urge that you reject any additional reductions. I am also concerned about ~~any~~ amendments that ~~may be offered to~~ place additional constraints on our ability to act effectively in the international development banks and UN programs, such as UNDP or the IAEA nuclear safeguards program. The Committee has already gone far in these cuts and restrictions, and I believe that ^{such} ~~to do~~ *Constraints do* ~~any more~~ would not serve our national interest.

The problems of hunger, poverty, and unemployment in Asia and Latin America and Africa directly and seriously affect the prosperity and security of our own country. It is in the poorer countries that our adversaries are most likely to probe. Those countries already buy 35 percent of U.S. exports; both as markets as well as sources of supply, they will be critical to U.S. economic health in years ahead. We must continue to provide support to the Middle

East to improve the prospects for peace. I urge that you support the Committee's bill without further cuts or restrictive amendments.

Jimmy Carter

DATE: 12 JUN 78

FOR ACTION: JIM FALLOWS - *being rechecked*

INFO ONLY:

SUBJECT: MOORE MEMO RE PRESIDENTIAL LETTER TO HOUSE MEMBERS
ON FOREIGN AID

+++++

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

+ BY: +

+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND REQUESTED

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

PLEASE NOTE OTHER COMMENTS BELOW:

<input checked="" type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input checked="" type="checkbox"/>	IMMEDIATE TURNAROUND
<input type="checkbox"/>	NO DEADLINE
<input type="checkbox"/>	LAST DAY FOR ACTION -

ACTION
FYI

<input type="checkbox"/>	ADMIN CONFID
<input type="checkbox"/>	CONFIDENTIAL
<input type="checkbox"/>	SECRET
<input type="checkbox"/>	EYES ONLY

<input type="checkbox"/>	VICE PRESIDENT
<input type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON
<input type="checkbox"/>	WEXLER
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	MCINTYRE
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<input type="checkbox"/>	FIRST LADY
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<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
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<input type="checkbox"/>	MITCHELL
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<input type="checkbox"/>	WARREN
<input type="checkbox"/>	WISE

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<input type="checkbox"/>	ANDRUS
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<input type="checkbox"/>	BERGLAND
<input type="checkbox"/>	BLUMENTHAL
<input type="checkbox"/>	BROWN
<input type="checkbox"/>	CALIFANO
<input type="checkbox"/>	HARRIS
<input type="checkbox"/>	KREPS
<input type="checkbox"/>	MARSHALL
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VANCE

DRAFT PRESIDENTIAL LETTER

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The Appropriations Committee has cut over one billion dollars from the amounts I recommended. The cuts in funds for the World Bank group of \$686 million and the Inter-American Development Bank of \$100 million are especially severe, and I urge that additional reductions be rejected. I am also concerned that there may be amendments offered to place additional constraints on our ability to act effectively in the international development banks and UN programs such as UNDP or the IAEA nuclear safeguards program. The Committee has gone as far, indeed farther, in these cuts and restrictions than I believe serves our national interest.

The problems of hunger, poverty and unemployment in Asia and Latin America and Africa impact directly and seriously on the prosperity and security of our own country. It is in the poorer countries that our adversaries are most likely to probe. Those countries, which now buy 35 percent of U.S. exports, represent markets as well as sources of supply which will be critical to U.S. economic health in years ahead. We must continue to provide support to the Middle East to foster the prospects for peace. I urge that you support the Committee's bill without further cuts or restrictive amendments.

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

Mr. President --

"They" are anxious to
have this back....apparently
are holding up testimony.

--SSC

THE WHITE HOUSE

WASHINGTON

June 9, 1978

Mr. President:

If you do not plan to veto the Magnuson bill, then it seems to me we should not oppose it. Otherwise we have the worst of all worlds. Why not simply endorse it if you do not strongly oppose the bill in order to get the political benefit in the Northwest?

Stu
Stu Eizenstat

Point out problems
with it - Suggest
2 year interim
application
J

THE WHITE HOUSE

WASHINGTON

C.
/

MEMORANDUM FOR

THE PRESIDENT

FROM

STU EIZENSTAT
JIM McINTYRE

Stu
Jim

SUBJECT:

Regulation of Foreign Fish Processing
Vessels in the U. S. 200-mile Fishery
Conservation Zone

This memorandum requests your decision on the Administration's position on legislation relating to foreign fishing and fish processing vessels involved in fishing in our fishery conservation zone.

BACKGROUND: The Fishery Conservation and Management Act of 1976 requires foreign fishing vessels and foreign fish processing vessels (where fish are cleaned and packaged) to acquire a permit from the Commerce Department before fishing in the U. S. fishery conservation zone or buying and processing fish taken from the zone.

Two foreign processors have formed so-called "joint ventures" with U. S. fishermen and filed permit applications. The foreign processing vessels would buy types of fish, such as hake, for which there is presently only a small American market and processing capability.

Domestic processors are just beginning to develop the capability to process these species of fish, and want to avoid competition from foreign processors for the fish. Domestic producers strongly oppose issuance of permits to foreign processors. This is a very emotional issue in the Pacific Northwest and Alaska.

The Commerce Department has determined that the Secretary does not have sufficient legal authority to deny permits requested by foreign fish processing vessels, reversing an earlier position taken by the Department. Accordingly, Commerce plans to approve the two pending permit applications within the next few days.

PROPOSED LEGISLATION: Senator Magnuson has introduced a bill (S. 3050) with Senators Jackson and Stevens to amend the 1976 Act. Similar legislation has been introduced in the House by a number of Representatives.

The legislation has two principal provisions:

First, the bill gives U. S. fish processors preferential treatment by prohibiting Commerce from granting permits to foreign processors unless the U. S. processing capability is inadequate for processing the particular species of fish involved.

Second, Commerce would be given discretion to withhold permits from a foreign processing vessel if that vessel's nation has greater trade barriers against the importation of fish or fish products than those imposed by the U. S.

ISSUES NEEDING RESOLUTION:

1. Should Commerce be prohibited from granting permits to foreign processing vessels unless U. S. processing capability is inadequate for processing the particular species of fish involved?

Arguments in favor of this provision are:

- Domestic processors would receive the same type of protection given to the rest of the U. S. fishing industry, i.e., preference over foreign nations within our fishery zone.
- Supporters argue that domestic processors of fish species for which there is now only a small American market need protection from foreign competitors which generally pay lower wages and have lower safety and environmental regulations with which to comply.
- Opposition to this provision will probably be unsuccessful, short of a veto, due to apparent strong Congressional support. A veto would work political damage in the Northwest.

Arguments against this provision are:

- The case has not been proven that the U. S. processors would in fact be at competitive economic disadvantage vis a vis foreign processors.
- These export controls would violate the General Agreement on Tariff and Trade (GATT), and be inconsistent with our efforts to supplement the existing rules in the Multilateral Trade Negotiations (MTN). Such a GATT violation could prompt retaliation against the U. S.
- As a general policy, this Administration has opposed export controls. Export controls have been used at times to help remedy serious domestic shortages of raw materials, but never simply to provide low-priced raw materials. This bill could be a dangerous precedent, leading to the use of export controls by foreign nations on critical raw materials imported by the United States.
- S. 3050 would effectively require American fishermen to sell their entire catch to U. S. fish processors even if the foreign processing vessels offered higher prices. This threatens to establish a guaranteed market share for domestic firms regardless of their operating efficiency, which could result in higher prices for fish in U. S. food markets.
- Many U. S. fishermen would like competition for their products to break the "monopoly" which they see domestic processors exerting while others regard selling to foreign processors as "un-American" and favor a strong protectionist bill. Administration opposition to S. 3050 would be supported by fishermen, perhaps a majority.
- Although enactment of S. 3050 would have little impact on foreign fish processors in the near future, the protectionist policy would be established statutorily, and it is doubtful that such a policy could ever be abandoned.

Recommendations: Commerce recommends supporting the Magnuson bill with an amendment limiting it to a two-year interim period. Commerce is conducting a

study of measures to develop further the U. S. fishing industry and suggests that a review of the policy established by the bill could be made once the present studies are completed.

Stu Eizenstat and Jim McIntyre favor the Commerce position (a) as a reasonable compromise, particularly when viewed in light of the domestic processors' preferred policy of excluding foreign processing vessels altogether from our fishery zone, and (b) because total opposition of the kind necessary to stop the bill will alienate domestic processors and others in the Northwest (including Governor Straub, Senators Magnuson and Jackson, and other Democratic officeholders), and inflict more damage than the issue is worth.

Treasury, State, STR, and CWPS are opposed. These agencies are not convinced of the need for this legislation and believe that its enactment would be inconsistent with U. S. export policy and the positions we have taken in trade negotiations.

Decision:

- _____ Support provision (not recommended by any agency)
- ✓
_____ Support as an interim measure (favored by Commerce, DPS, OMB)
- ~~_____~~ Oppose provision (favored by State, STR, CWPS, Treasury)

I prefer a more lenient position - Take a position - minimize opposition - GATT - not veto

2. Should Commerce have discretion to withhold permits from a foreign processing vessel if that vessel's nation has greater trade barriers against the importation of fish or fish products than those imposed by the U. S.?

All of the concerned agencies are opposed to the provision allowing Commerce to consider trade barriers in a foreign vessel's home nation when issuing permits for fishing and processing in our

fishery zone. Most attention and political support appears focused on preferential rights for U. S. processors rather than this provision of S. 3050, and the chances of successfully opposing this provision seem better.

Decision:

- _____ Support (not recommended by any agency)
- _____ Oppose (favored by State, STR, CWPS, Treasury, OMB, DPS - Commerce defers)

PENDING PERMITS

Domestic fish processors have been exerting pressure to stop Secretary Krepes from approving the two pending permit applications for foreign processing vessels, and a story has appeared in an Oregon newspaper claiming that while on your Western trip you told Governor Straub you would prevent issuance of these permits until Congress has a chance to act on the legislation proposed by Senator Magnuson.

Commerce believes that the Department does not have any legal authority to deny or hold up approval, and fears a court order requiring the issuance of the permits. Further, approval of these permits would be consistent with the policy that would be established by the Magnuson legislation since U. S. processors currently do not have the capability to process the species of fish involved and the legislation permits permitting in that case.

- _____ Proceed to issue permits (all concur)
- _____ Hold permits pending outcome of court case or adoption of legislation

Should we give Governor Straub special notice of our action in this matter?

- _____ Yes (all concur)
- _____ No

THE WHITE HOUSE

WASHINGTON

June 12, 1978

MEMORANDUM TO THE PRESIDENT

FROM: Jack Watson *Jack*

SUBJECT: INTERAGENCY COORDINATING COUNCIL

As background for the meeting which Jim McIntyre and I will have with you tomorrow regarding the staffing requirements of the Interagency Coordinating Council ("IACC"), I thought it might be useful for you to have a brief summary of the kinds of activities the Council is already working on. Since its first meeting on May 15, 1978, we have:

- o Taken the lead for the White House (and the Administration) in developing a coordinated analysis and response on Proposition 13. We are becoming increasingly aware of serious programmatic and political issues which are certain to evolve over the next several weeks and which will require all federal departments to speak with a consistent if not a unified voice. The issues range from possible changes in federal matching requirements to the application across agency lines of equal employment opportunity laws which could result in the cut-off of major funding as lay-offs begin to affect minorities disproportionately.
- o Identified two dozen previously separate and unconnected agency selection processes for selecting target communities for special help from federal programs, e.g., UDAG, EDA, DOT, EPA, etc. We are instituting a process which will permit timely cross-reviews by interested agencies and, where appropriate, actual joint selections, or combined selections. We think we can build coordinated strategies around such issues as neighborhood crime prevention, targetting Title XX social services, etc.

- o Begun negotiations among four agencies (EPA, HUD, EDA, DOT) to find \$10-million to fund EPA's Air Quality technical assistance program which you announced in the Urban Policy statement. In effect, we announced a program which EPA is not funded to deliver. I believe we can strike an agreement among EPA, HUD, EDA and DOT to fund the initiative because it is so important to all their interests.
- o Coordinated for the First Lady the announcement (this Thursday) of a new HUD/HEW pilot program for the deinstitutionalization of the mentally ill and their successful integration into community housing that offers the necessary support services.
- o Begun building on a proposal developed by Frank Moore and Tim Kraft for coordinating grant announcements through the White House. The IACC would serve as a flow point for major grant announcement information -- not to check off on individual grant decisions (which would continue to be made by the agencies themselves) but to assure White House awareness of impending grant announcements; to promote interagency packaging or joint funding wherever it is possible, and to exchange this information among agencies so that a total "picture" is developed on each city's awards.
- o Begun working with the agencies that operate programs largely controlled by the states (e.g., water and sewer grants, highways, social services and certain housing programs) to develop a series of informal interagency pilot efforts that would reward certain states for linking or targetting programs to urban areas. This might mean, for example, extra Section 8 housing subsidy units from Larry Simons for states that come up with a proposal to target some of their Title XX funds to support a federally-assisted housing complex. It could also mean a cooperative HEW-DOL effort to promote state plans for placing AFDC recipients in private sector jobs with extra on-the-job training money.

- o Begun working with the various agencies which are developing neighborhood strategies to see that those strategies are designed and implemented in a coordinated fashion.
- o Begun coordinating efforts to steer federal procurement contracts into distressed urban areas. We have asked GSA to begin working with the affected agencies to determine appropriate procurement goals under each relevant program. We shall also help GSA monitor implementation of those goals.
- o Begun acting as the interagency forum for dealing with coordinated approaches presented by state and local governments. Although the Council will not function as an intake point for such local strategies, specific proposals involving multi-agency participation can be brought to the Council, where necessary, for negotiation of a coordinated, possibly joint-funded, response to the local packaging effort.
- o Instituted a central clearing house process for information on innovative packaging projects at the local level. Many agencies have been collecting data on such local efforts independently (often through separate and overlapping research contracts) and holding the information or "models" in an in-house data file that is then used by agency officials in an attempt to "educate" local officials on "what can be done." Having a central repository for these innovative models will enhance the quality of the materials, cut down on duplication in research contracts, simplify local efforts to obtain information on such models, and, we think, serve as a valuable technical assistance tool for all agencies operating programs in urban areas.
- o Begun to spend a substantial portion of our time on attempting to reconcile what promises to be a very divisive issue for central cities -- namely, the impending clash between federal environmental goals for reducing air and water pollution in urban areas (most of which areas are now out of compliance),

with attempts of distressed urban areas to maintain and enhance industrial growth and other economic development. The air quality technical assistance effort I mentioned above is one example of the kind of interagency effort that can be mounted in this area.

Several initiatives are breaking in the economic development and employment fields that should be coordinated by the IACC in order to enhance their success. For example, the Labor Department's Private Sector Initiatives Program, which has already begun on a pilot basis with the establishment of Private Industrial Councils (PICs) in 35 cities, should be used to form valuable links between ongoing federally-funded economic development efforts and job placement. When an EDA loan to an individual business is made in a PIC city, EDA should communicate its estimates of the types of jobs to be created (which estimates are produced routinely as loans are made) to the local PIC, which then in turn could gear its training effort to the appropriate occupations and discuss with the EDA-assisted business possible placement of the long-term unemployed.

Based on the early meetings of the Council, I am excited and optimistic about its potentialities. Judging from the response I'm getting from the Assistant Secretaries, it is clear that they share that view. Adequately staffed, the Council can be an extremely helpful and very effective mechanism.

cc: James McIntyre

THE WHITE HOUSE
WASHINGTON

June 13, 1978

C
/

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *J.M./p.d.*

FYI - NO ACTION REQUIRED

The results of today's cloture vote:

54-43 - with Weicker absent (He will vote with us.)

I will give you a further report tomorrow.

3103

THE WHITE HOUSE
WASHINGTON

June 13, 1978

Frank Moore

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

Rick Hutcheson

THE WHITE HOUSE
WASHINGTON

Q

June 12, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
FRANK MOORE
SUBJECT: Designation of the New GPO Building
as a "Public Building"

Attached is a letter to Bizz Johnson, Chairman of the House Public Works Committee, designating the new Government Printing Office as a Public Building under the Public Buildings Act of 1959. Chairman Johnson has requested that you take this step to enable construction to proceed expeditiously. If you make the designation, the Committee plans to earmark \$18 million of FY 1979 authorizations to begin construction on the new \$162 million structure.

GSA agrees that this new building is needed, and has no objection to your signing the letter. OMB has no objection provided that the money is part of the Legislative, rather than the Executive budget. The Committee has agreed that this will be the case.

Chairman Johnson has expressed very great interest in proceeding with this building, and has linked the issue with his committee's progress on our airline reform bill. We strongly recommend that you sign this letter.

Frank - Pursue
←

A similar letter to Chairman Randolph is also attached.

TWO SIGNATURES REQUESTED

THE WHITE HOUSE

WASHINGTON

June 13, 1978

To Chairman Harold T. Johnson

Thank you for your letter requesting that I designate the proposed new Government Printing Office as a Public Building, so that the project can proceed expeditiously. I understand that your Committee will soon consider funding to begin construction of the new building.

I have concluded that the new facility is indeed warranted, and I therefore am pleased to accede to your request.

Pursuant to section 13 of the Public Buildings Act of 1959 (40 U.S.C. 612), I hereby designate the proposed Government Printing Office Building to be located in Washington, D.C., as a public building.

Sincerely,

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

Honorable Harold T. Johnson
Chairman
Committee on Public Works
and Transportation
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

WASHINGTON

June 13, 1978

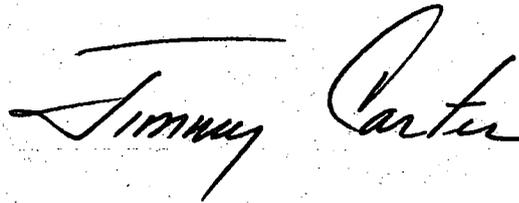
To Chairman Jennings Randolph

I understand that your Committee may soon consider funding for a new Government Printing Office.

I believe that this project is both needed and timely. Therefore I am designating the new facility as a Public Building in order to facilitate its construction.

Pursuant to section 3 of the Public Buildings Act of 1959 (40 U.S.C. 612), I hereby designate the proposed Government Printing Office Building to be located in Washington, D.C., as a public building.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

Honorable Jennings Randolph
Chairman
Committee on Environment and
Public Works
United States Senate
Washington, D. C. 20510

3101

THE WHITE HOUSE
WASHINGTON

June 13, 1978

Frank Moore

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

Rick Hutcheson

CALL TO MAHON

	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
	RAF'SHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

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

THE WHITE HOUSE
WASHINGTON

June 12, 1978

*done
J*

MEMORANDUM FOR THE PRESIDENT

FROM: Frank Moore *F.M./LF*
Les Francis *LES FRANCIS*

SUBJECT: Agriculture Appropriations Bill Mark-Up/Call to
Chairman Mahon

On Tuesday (June 13) at 9:30 a.m., the full Appropriations Committee will mark-up the Agriculture bill. At this point, prospects are not good for improving the bill as reported by the subcommittee (chaired by Jamie Whitten).

Secretary Bergland has met personally with Chairman Mahon and with the entire subcommittee in an effort to hold the line. In addition, the CL staff from USDA has been meeting with members of the full Committee. To date, however, these efforts have not produced any discernible results.

We will take the issue to the floor if necessary, but would prefer to correct the situation in committee; USDA and OMB feel that a call from you to Mahon is our only chance, and even that may not turn the tide. We concur with their request.

Talking points are attached.

*Against any CI
OSHA*

TALKING POINTS

USDA Appropriations

I am concerned about two aspects of the Agriculture and Related Agencies appropriation bill for 1979 which your Committee will be addressing Tuesday (June 13) -- increased personnel and increased spending.

Increased Personnel

- I understand that the bill may specify, for a number of USDA bureaus, an amount that may be used only for personnel compensation.
- The intent is to require the hiring of as many employees as the funds permit, i.e., to effectively preclude the establishment of personnel ceilings for these bureaus . . . It forces a need to send up rescissions if money provided is not spent.
- Employment ceilings involve the management of an agency and should be left to the discretion of those responsible for managing the agency.

Increased Spending

- The pending bill would increase programs by more than \$400M; the increase is disguised somewhat by a bookkeeping reduction of \$411M for the Commodity Credit Corporation. The bookkeeping reduction is not real - it does not affect the CCC programs or spending.

THE WHITE HOUSE
WASHINGTON

June 13, 1978

Stu Eizenstat

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

Rick Hutcheson

Bill was signed and given to
B. Linder's office

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	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
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

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

THE WHITE HOUSE

WASHINGTON

June 12, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Enrolled Bill S. 1792
Administrative Conference
Appropriations Authorization

THE BILL

The enrolled bill would authorize appropriations for the Administrative Conference of the United States for the next four fiscal years. The authorization includes \$1.7 million for 1979, \$2 million for 1980 and \$2.3 million for 1981 and 1982. The 1979 authorization is over your budget request for 1979 by \$638,000 and is probably excessive. However, the House Appropriations Committee has approved an appropriation for the Conference identical to your request. We believe the final funding level will be more reasonable.

VOTES IN CONGRESS

The enrolled bill passed both House and Senate by voice vote.

AGENCY AND STAFF RECOMMENDATIONS

OMB and the Administrative Conference recommend approval, as do Bob, Frank, Anne and myself.

DECISION

Sign S. 1792
 Veto S. 1792

*Briefly, what
have they accom-
plished?*
J

THE WHITE HOUSE
WASHINGTON
June 13, 1978

Frank Moore

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

Rick Hutcheson

The Attorney General has
also received an info copy.

THE WHITE HOUSE
WASHINGTON

June 13, 1978

Attorney General Bell

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

June 12, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M/BR*
BILL CABLE *Bill*

SUBJECT: Attached Congressional Record Insert

On Monday, May 24, Rep. Joe Minish (D-N.J.) saw a morning T.V. news story which carried a person criticizing the Carter Administration as insensitive and unresponsive to the needs of Mexican Americans. He informed Rep. Henry Gonzalez (D-Texas) of the story and asked him to look into the facts. Henry responded by inserting the attached remarks in the Congressional Record of May 24.

I have attached a letter for you to send to Henry expressing your thanks for his thoughtfulness.

2059

THE WHITE HOUSE

WASHINGTON

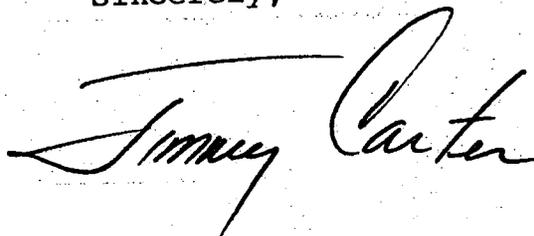
June 12, 1978

To Congressman Henry Gonzalez

I read with interest your generous remarks in the Congressional Record of May 24, relating to my Administration's actions with regard to Americans of Mexican descent.

Thank you for your kind words. Judge Bell and I will try to remain worthy of your praise.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned below the typed name.

The Honorable Henry Gonzalez
U.S. House of Representatives
Washington, D.C. 20515

Best wishes - J

May 24, 1978

Remarks of the Honorable Henry B. Gonzalez

This morning there appeared on network television a person who says that the Carter administration is insensitive and unresponsive to the needs of Americans of Mexican descent. The same story appeared in my hometown newspaper this morning.

That is pure and simple hogwash.

There are statements that the Department of Justice is not vigorously defending the civil rights. The truth is that right now, today, the Department of Justice is pursuing no less than sixty police brutality cases involving Mexican-Americans.

Last year, not one month after he became Attorney General, Griffin Bell came to my office personally to tell me that he had reversed a long-standing policy of Justice Department inaction on civil rights cases that might involve a dual prosecution.

Before that change in policy, the U.S. Attorneys almost never investigated civil rights complaints, much less took action. In the case I was interested in, the Republican U.S. Attorney had publicly refused to act, even though the situation involved the cold-blooded murder of a hand-cuffed prisoner by a chief of police.

Griffin Bell changed that, and the case was investigated and prosecuted.

This was not the action of a man who was indecent or uncaring. It was the action of a man who truly wants to bring justice to all Americans, and who is matching his words with real action.

No administration has done more than this one has to bring justice to Hispanic Americans. No administration has been more sensitive or effective in this area.

It is unfair, unjust and bitterly disappointing to me that self-appointed spokesmen curse the very President and Attorney General who have brought real meaning to the word justice--these spokesmen have short memories, and do not remember that the previous administration not only did nothing, but adopted policies that prevented anything from being done.

Attorney General Bell and the President deserve praise for what they have done. They have not perfected the world, but they ought to be given credit for making the first real effort to make civil rights mean something in Texas.

+++++

THE WHITE HOUSE
WASHINGTON

June 13, 1978

Frank Moore

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

Rick Hutcheson

CALL TO O'NEILL

THE WHITE HOUSE
WASHINGTON

June 12, 1978

done

J

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE *F.M./BR*

SUBJECT:

SPEAKER O'NEILL TELEPHONE CALL

This is to request that you call Speaker O'Neill to remind him of last year's compromise on water projects and that the committee has put eight of the starts back in. You should ask the Speaker to help us hold the line and not go backward.

Cong. Robert Edgar (D-Pa) will be sponsoring our amendment to keep the eight bad projects out.

*I forgot to ask for
a delay in voting*

J

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

13 June 1978

TO: THE PRESIDENT
FROM: RICK HUTCHESON *R.H.*
SUBJECT: Memos Not Submitted

1. HENRY OWEN sent you a memo recommending "that you give 2-3 speeches a year -- outlining progress in your economic and budgetary policy, in general, and the war on inflation, in particular." ✓
2. CHARLIE SCHULTZE sent you a late-arriving comment on the Watson et al memo on Proposition 13, making these points:
 - Proposition 13 forces California to distribute \$5 billion of its accumulated surplus. For a year or so, therefore, the reduction in property taxes in California will not be fully matched by reductions in expenditures. This will stimulate the economy -- the additional purchases of private goods by taxpayers with more money in their pockets will increase output and employment by more than enough to offset the reductions caused by cutbacks in local spending and payrolls. ✓
 - Once the surpluses are used up, cuts in property taxes must be matched by cuts in expenditures. The overall economic impact would be roughly neutral, but significant local disruptions could occur. ✓
 - The Bureau of Labor Statistics estimates that the property tax reductions in California alone will reduce the consumer price index in December 1978 by about 0.2 percent (before seasonal adjustment). ✓
 - It is very important that reductions in state and local property taxes not be the occasion for pressure on the Federal government to make up for the loss in revenues through increased grants-in-aid. ✓

WASHINGTON

DATE: 02 JUN 78

FOR ACTION: STU EIZENSTAT

*Sta will fish
recomm. find it
NOT 9/10*

for summary

INFO ONLY: BOB STRAUSS

LONDON BUTLER

JERRY RAFSHOON

SUBJECT: OWEN MEMO RE ECONOMIC SPEECHES

+++++

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

+ BY: 1100 AM MONDAY 05 JUN 78 +

+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE

WASHINGTON

INFORMATION

June 1, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: HENRY OWEN ~~W~~

SUBJECT: Economic Speeches

I am sending this memo to endorse and amplify a suggestion that Stu Eizenstat made at our recent meeting with you on the FY 1980 budget. Stu suggested that you give a major speech at the turn of the year on prospects and policies for the economy and the budget -- explaining the constraints on both.

My suggestion is that you should give two or three speeches a year -- outlining progress in your economic and budgetary policy, in general, and the war on inflation, in particular. Unless the polls are way off, these are the central preoccupations of most Americans. Presidential speeches that address these concerns will not only make clear to Americans that you give top priority to the issues that interest them most, but also help to mobilize public support and thus to ensure that the larger interest of society in restraining inflation prevails over the specific interest of pressure groups in actions that will contribute to inflation.

Every four to six months or so there should be enough new developments to warrant a speech. For example, a speech late summer or fall might treat what's been happening on your deceleration policy (Bob Strauss says he may have some specific successes soon), the budgetary and personnel restraints you've imposed on the Executive Branch, foreign economic policy decisions you've taken to restrain inflation (MTN, Summit), and progress in reducing or removing regulations that unnecessarily increase costs.

If you don't like set speeches, you could achieve somewhat the same purpose by periodic televised Q & A sessions on economic issues with correspondents who specialize in these questions.

Last night my mother, who's ninety, asked me: "What's the President been doing to fight inflation since his big speech? I haven't heard him say anything about it lately." The periodic economic reports proposed above would help to answer her question.

We all tell each other that the basic problem is not our policies, which are good, but failure to communicate them effectively to the public. Here is one way to do something about it.

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<input type="checkbox"/>	FOR INFORMATION
<input type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND
<input type="checkbox"/>	NO DEADLINE
<input type="checkbox"/>	LAST DAY FOR ACTION -

ACTION
FYI

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<input type="checkbox"/>	SECRET
<input type="checkbox"/>	EYES ONLY

<input type="checkbox"/>	VICE PRESIDENT
<input checked="" type="checkbox"/>	EIZENSTAT
<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	KRAFT
<input type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	MOORE
<input type="checkbox"/>	POWELL
<input type="checkbox"/>	WATSON
<input type="checkbox"/>	WEXLER
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	MCINTYRE
<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ADAMS
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<input type="checkbox"/>	BELL
<input type="checkbox"/>	BERGLAND
<input type="checkbox"/>	BLUMENTHAL
<input type="checkbox"/>	BROWN
<input type="checkbox"/>	CALIFANO
<input type="checkbox"/>	HARRIS
<input type="checkbox"/>	KREPS
<input type="checkbox"/>	MARSHALL
<input type="checkbox"/>	SCHLESINGER
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<input type="checkbox"/>	VANCE

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
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<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	CRUIKSHANK
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	GAMMILL
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
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<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
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<input checked="" type="checkbox"/>	RAFSHOON
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN
<input type="checkbox"/>	WISE

THE WHITE HOUSE
WASHINGTON

June 1, 1978

MEMO FOR RICK HUTCHESON

FROM: RICK INDERFURTH

Please route the attached
through Stu Eizenstat before
sending to the President.
This one is in his bailiwick.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

June 10, 1978

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze ^{CLS}
Subject: Memo from Watson et. al. on Proposition 13

This is a good memo. I can add several points.

Economic impact

1. Proposition 13 is forcing California to distribute \$5 billion of its accumulated surplus. For a year or so, therefore, the reduction in property taxes in California will not be fully matched by reductions in expenditures. This will stimulate the economy -- the additional purchases of private goods by taxpayers with more money in their pockets will increase output and employment by more than enough to offset the reductions caused by cutbacks in local spending and payrolls. The increased output and employment will tend to spread nationwide, since the consumer goods Californians purchase are produced throughout the nation. The cutbacks in local employment, however, will affect California. From an employment standpoint, therefore, Proposition 13 may -- for a time -- benefit the nation as a whole while hurting California.
2. Many other states have surpluses. To the extent they use up those surpluses by tax reductions -- or grants to communities, which in turn reduce taxes -- economic activity will be stimulated on a broader basis (and California will then gain as its factories turn out more consumer goods for purchase in other states).
3. Once the surpluses are used up, cuts in property taxes must be matched by cuts in expenditures. The overall economic impact would be roughly neutral, but significant local disruptions could occur.

4. The Bureau of Labor Statistics estimates that the property tax reductions in California alone will reduce the consumer price index in December 1978 by about 0.2 percent (before seasonal adjustment).

Relationship to Federal budget policy

1. Over the last 15 years the share of GNP taken by state and local taxes and expenditures has grown sharply, while the Federal share has increased much less:

	(percent of GNP)	
	<u>1962</u>	<u>1977</u>
<u>State and local</u> (calendar years)		
Expenditures	10.3	14.0
Receipts (excluding Federal grants)	9.0	12.0
<u>Federal</u> (fiscal years)		
Expenditures	19.7	21.9
Receipts	18.4	19.4

2. The situation of the Federal Government is quite different from that of state and local governments. But, in the context of meeting the Federal Government's obligations to national defense and to domestic prosperity, your long-term budget strategy is quite consistent with the expressed desire of the voters to reduce the growth of government and of tax burdens:
 - A. You have set a strict limit on Federal expenditures, sufficient to produce a gradual decline in the share of national income spent by the Federal Government.
 - B. You have proposed tax reductions for Federal taxpayers. In the longer term, the combination of discipline over Federal spending and healthy economic growth will provide opportunity for further cuts, whose timing and magnitude will be chosen in a way to promote economic growth and permit progress toward a balanced budget.
3. It is very important that reductions in state and local property taxes not be the occasion for pressure on the Federal Government to make up for the loss in

revenues through increased grants-in-aid. Should that occur, the net result will not be relief for the taxpayers, but merely a shift in taxes from state and local sources to Federal sources, accompanied by a major centralization of government in the United States. I do not believe anyone wants that.

5:30 p.m.

THE WHITE HOUSE
WASHINGTON

June 13, 1978

MR. PRESIDENT

The attached talking points dictated
by Secretary Andrus are for your
meeting with Senators Hart and Haskell.

Frank Moore

THE WHITE HOUSE
WASHINGTON

you have never made a public statement in colorado about the narrows dam.... however, the only possibility for any sort of private comment was at the hastily-arranged three-person water policy meeting in denver on your last trip.

stu was the only one from the staff who was in that whole meeting, and i missed him on his way back from the hill to see if he recalls it.

-- rex granum

History of this project:

We studied it in our project review last year, requested further study for safety factors, failure to address nonstructural alternatives, adverse impact on fish and wildlife habitat, limited benefits with the displacement of 212 families, failure of the proposed reservoir, to meet state water quality standards.

The studies were completed and it was determined to be a marginal project which really could go either way. Because of the politics of the situation, the Vice President, Frank Moore and I supported the construction of the project. You responded to my memorandum by saying, "no, we should not build it." Frank Moore then met with you last week and reported to me that he was to advise me that the project should not be built.

The memorandum from Stu Eizenstat, Frank Moore and Jim McIntyre dated June 11 speaks to the Bob Edgar amendment which will remove the 8 projects we thought we had halted last year by mutual agreement. The Narrows project was one of these 8. If we change back now it means we will have to devise an alternative to the proposed Edgar amendment as set forth in the aforementioned memorandum.

The politics of this situation, Mr. President, is that to not build the Narrows dam will be devastating politically to Floyd Haskell's re-election efforts. This is my judgment, the Vice President's judgment and Sen. Gary Hart's judgment. The same result can be expected in the 1980 election as far as Colorado is concerned. By the same token, it will not be easy to change our mind again at this point in time without causing some problems with our supporters who are opposing the public works bill on the floor tomorrow.

THE WHITE HOUSE
WASHINGTON

June 13, 1978

Stu Eizenstat

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

Rick Hutcheson

cc: The Vice President
Bob Lipshutz
Jody Powell

SANFORD DAILY CASE AND POSSIBLE

-

	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
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	CRUIKSHANK
	FALLOWS
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	HUTCHESON
	JAGODA
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	PRESS
	RAFSHOON
	SCHNEIDERS
	VOORDE
	WARREN
	WISE

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

THE WHITE HOUSE

WASHINGTON

June 13, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
ANNIE GUTIERREZ

SUBJECT: Stanford Daily Case and Possible Response

Recently, the U.S. Supreme Court, in reviewing a search of the Stanford Daily newspaper by local police, held:

- o that the Constitution does not prevent a State from issuing a warrant to search for evidence simply because the owner or possessor of the place to be searched is not reasonably suspected of criminal activity;
- o that the safeguard of obtaining a proper warrant is sufficient to protect the news media's freedom of speech.

Note: It is often not necessary to search the premises of an innocent third party to obtain evidence. An alternative is a subpoena duces tecum asking the third party to produce the evidence without a search. Yet the Stanford case allows a search (permitting police to read and examine a wide range of papers unrelated to the case) even where this less extreme approach could be used.

This decision, vehemently criticized in the press, raises serious substantive and political problems. It raises the spectre of police searches not only of the press, but of all third parties including doctors, accountants and researchers. It raises questions as to what safeguards are minimally required under the Constitution and whether more stringent restrictions may be legislated as a matter of policy.

As an immediate response to the decision, Senators Bayh and Dole and Representatives Drinan and Quayle have each introduced separate pieces of legislation to restrict searches on third parties. These measures range from protections for the press only at the Federal, State and local level, to measures which extend protection to all third parties at the Federal only, and at the Federal, State and local level.

The key questions are:

- o Can/should protection be extended beyond the press to all third parties not accused of crime (e.g. doctors);
- o Can/should the federal government extend these protections to the activities of State and local law enforcement agents, or should federal protections be limited to the federal government?

The Department of Justice has responded administratively to the First Amendment problem at the Federal level, as noted in the Attorney General's last report to you. However, in view of the court decision, at a subsequent time, a future administration could use the Stanford Daily case as a justification for repeal or disregard of these administrative protections.

The serious substantive and policy issues presented by the decision convince us that a Presidential-level decision must be made with respect to the Administration's position. We will soon be called upon to testify on the newly introduced legislation, and we should decide whether we might take a lead in proposing our own bill.

We would therefore like to ask the Department of Justice to work closely with us on a comprehensive decision memo. In addition, the Vice President is scheduled to speak before Sigma Delta Chi, the national society of journalists. Questions regarding the Administration's response to this decision are anticipated.

We recommend that the Vice President be authorized to express your concern about the need for proper safeguards and to announce that we are studying the problem and will make recommendations in a few weeks.

Work closely with Department of Justice to prepare a comprehensive decision memo.

Agree

Disagree

Authorize the Vice President to express our concern and say we are studying the problem and will make recommendations.

Agree

Disagree

Bob Lipshutz strongly agrees with the need for this study and the Attorney General has authorized us to say that he also agrees.