

Leish Bltst 3/16/78

3C Arms sales
Turkey Arms Embargo
Civil Serv. Reform
unemployment rate
mit 1979 goal already
Inflation
Energy
Airline dereg
Hosp cost cont'l + bid

Tip
RCB - must be very selective on
what we take up - most things
will have to await next
year.

Prime minister - Dan Larsson
support

Baker ① SALT
2 personally he strong supporter
of SALT.

3C. probably intend agreement this
yr but not submit to
Senate.

② Cielbans

↓
Fm - one staff of each Leish
member to each Bltst

2b. 40,000 Cielbans
1000 So Yemen
17,000 ~~And~~ Ethiopians
20,000 Gypsies
Arms reduction ~~not to~~ goal
consensus - Rebels left
Kitchin - get together
w/ Leish.

Rebels Get other ~~to~~ 50 Am
countries to put pressure on
Cuba.

-2-

Phobes:
Inflation - glad Pae is now
working of Reps on infl and
other issues.

Pae No Reps support for
Budget reduction -
How can we get Reps
support. % GDP of Fed
spending = 23% - goal 21%
Phobes - prospects = 25%
Pae - would be glad to meet
w/ Reps.

Harper's Press - May
Kevin Phillips -
The Balkanization of
America

Energy pkg - impossible
to administer - not picking
in conference

SIENAS

USDA what deis.
COUPS analysts
Home mut deis

OFFICE OF THE VICE PRESIDENT
WASHINGTON

May 2, 1978

MEMORANDUM FOR THE VICE PRESIDENT

FROM: Bill Smith *WCS*
RE: Leadership Breakfast, May 2, 1978: Discussion of
Legislative Priorities

Almost all the discussion was on legislative priorities with Byrd, the Speaker and the President, in turn, giving their lists and comments on each item.

Your absence was duly noted by the President who said you must be working hard because he'd seen your picture in the New York Times playing tennis in Honolulu.

After saying that he did not want any lists to be made public, the President gave the floor to Byrd.

Senate Priorities

Byrd presented a complete laundry list of just about everything pending before the Senate broken down in the following categories. Comments, if any, were Byrd's.

A. Matters that the Senate will take up this year.

1. Waterway User Fees - To be disposed of by Thursday, May 4.
2. Labor Law Reform - Scheduled for the week of May 15. Byrd noted it will be tough to break a filibuster.
3. Energy Conference Reports - Expects a filibuster but probably not a major one.
4. Hospital Cost Containment
5. Arms Sales

6. Airline Deregulation - Already passed the Senate.
7. Countercyclical Revenue Sharing
8. Tax Reform and Tax Reduction
9. Humphrey-Hawkins - Hopes to avoid a filibuster.
10. Civil Service Reform - There are a lot of problems connected with this bill in view of the short time period between now and the end of the session.

B. Bills that have passed the House; to be taken up in the Senate.

1. International Banking Institutions
2. International Monetary Fund
3. Victims of Crime
4. Postal Reform Bill
5. Consumer Cooperative Bank
6. Lobby Law Reform

C. Bills passed by the Senate still to be taken up in the House.

1. Criminal Code Reform
2. Public Officials Integrity Act
3. Foreign Intelligence Surveillance

D. Bills in Conference.

1. Omnibus Judgeships
2. Outer Continental Shelf
3. Energy Bills
4. D.C. Appropriations
5. Insecticide Act

E. Other bills pending in the Senate.

1. Local Public Works Jobs - There is nothing planned in the committees on this subject.
2. Tuition Tax Credits - Both the Pell and Finance Committee bills are on the calendar. Did not say whether he would or would not take them up.
3. CETA
4. Debt Limit - July deadline.
5. Highways
6. Rivers and Harbors
7. Elementary and Secondary Education Act - Committee has ordered reported.
8. Veterans' Pensions - Will be reported shortly.
9. Department of Education - Coming along in committee. If the House takes it up the Senate will also.
10. Extension of Housing Authority
11. Export-Import Bank
12. Deep Seabed Mining
13. No-Fault Insurance - Doubtful if the Senate could take this up.
14. Omnibus Parks - Johnston has a problem with this bill.

F. Bills Byrd will defer until 1979.

1. Alaska Lands - (See discussion below in connection with the Speaker's list.)
2. Panama Treaty Implementing Legislation
3. Health Insurance
4. Hatch Act Reform

5. Coal Slurry Pipeline

6. D.C. Voting Representation

The Speaker's Priorities

The Speaker pointedly said that he was going to list only what he considered priority legislation.

1. The Energy Bills
2. Tax Reform and Tax Reduction
3. Countercyclical Revenue Sharing - The Speaker doesn't think the committee will report the bill as required by the Budget Act by May 15 and hopes the Senate, as in past years, will attach this legislation to a House bill and send it over to the House.
4. Hospital Cost Containment - Commerce Committee will markup May 6.
5. Farm Bill - Scheduled for Conference Report floor action in the House Thursday although it may be postponed because of the cotton loan provision.
6. Arms Sales
7. Turkey Arms Embargo - Note: This was not on Byrd's list.
8. Airline Deregulation
9. Labor Law Reform
10. Humphrey-Hawkins
11. New York City Aid - Note: This was not on Byrd's list.
12. Civil Service Reform
13. Alaskan Lands - The Speaker said the House would take it up and that Mo Udall had a commitment from the Senate committee that the bill would be reported. Byrd said Mo had no commitment from him. The President said he hoped the Senate would take it up and pointed out that there was a December 18 deadline by which, if legislation is not passed, we would set back the Alaskan lands problem four or five years. The

President made a very strong pitch. Byrd said both Alaskan Senators were opposed and he was not going to bring up a bill which would effect one state in a major way when both Senators from the state were opposed. Someone might do that to West Virginia sometime. The President said he thought the Alaskan Senators' private and public positions might be different, asked if Byrd knew what was in the bill. Byrd said he didn't. The President suggested Byrd have his staff look into it. Byrd said there were other Senators that had problems with the bill, that he didn't want to discuss publicly and would talk to the President about this later.

The President's Priorities

1. Reducing Inflation. The President said this was the most important political issue of the year. He said he had just read a recent and sobering analysis by the OMB of budget-busting bills, including veterans' pensions, education bills and the highway bill. He said he will be very tough against any increases in the budget, and that the Congress would be wasting its time passing these bills. He said he would do everything in his power to oppose them, that he was directing each Cabinet officer to oppose such bills, and that there would be serious consequences if any member of the Cabinet did not follow this direction.

The Speaker said he thought the President was departing from decades of Democratic economics if he was going to fight inflation by reducing the deficit. He said that Democratic economists had taken the position for years that a \$25 billion increase in federal spending meant only two-tenths of one percent increase in inflation. He said the President was flying in the face of Democratic economics and espousing the Republican line.

The President said it was not just a matter of holding down federal spending but that the entire inter-related economic package was important. He said he would stand firm on the \$25 billion tax reduction because it would help reduce the unemployment rate but that to increase federal spending at the same time would be a step in the wrong direction. The President also pointed out that the White House was working with labor unions and auto manufacturers to hold down wages and prices.

The President then mentioned airline deregulation and hospital cost containment as the two priority bills to help reduce inflation.

2. Civil Service Reform. The President described this as the keystone to the Administration's reorganization efforts and said that this bill is "almost my top priority" and that he would now begin to work with the Senate committee, having spoken with nearly every member of the House committee.
3. New York City Aid. The President noted favorably that the bill was reported out by the House committee 13-2.
4. Turkey Arms Embargo. The President said this will take a lot of courage and there will be problems in the Senate.

The President, parenthetically, mentioned two items not, presumably, on the priority list. He said he hoped the Senate would pass the United States-United Kingdom Tax Treaty which Byrd said he would probably bring up next week. The President said he also wanted a sense of the Congress resolution reaffirming our commitment to the NATO Alliance which both Byrd and the Speaker agreed to do.

The President did not mention any further priorities, presumably, but not necessarily, because other items had already been mentioned by the Speaker who had virtually the same list the President was talking from.

The President said he thought it was an insult to him that the Senate Finance Committee had reported out Dole's resolution against oil import fees although he mentioned that Long had voted against Dole. Byrd said the resolution "may not be taken up" in the Senate.

The discussion then turned to the Agriculture Conference Report and the 48 cent cotton loan provision, whether the conference report should come up in the House Thursday, how, at Jim Wright's suggestion, the House procedural situation could be turned around to enable the House to vote for something affirmative since it had been asked to walk the plank before, and whether it would be possible to fashion a rule for floor action which would accomplish this result. There was no resolution but it is likely that House action on the conference report will be postponed.

cc: Gail Harrison
Dick Moe

THE WHITE HOUSE
WASHINGTON

Anti To Commun

Pres. Saw Zig pic in NYT
playing tennis in Honolulu -
as I'm seeing his disputes
about how hard he's working -
I'm sure it won't make
tennis -

Priorities - Byrd

Sen - Hse joint

Senate

Waterway Fee

Colman - Monday

Labor, ref - Wd after next

Energy Org reports - fullbright

Hosp costs

Arms Sales

Air line

THE WHITE HOUSE
WASHINGTON

Consideration: H.W. Sta-

Tax reform - cut

Hepby - Hawkins - will try
avoid fiddle

Civil Serv. reform - lots of problems
and short time

Past Hse

Int'l banking

INF

Violence of Crime

Postal Act

Consumer Cons. Bank

Lobby reform

Past Senate

Comm'l. coll. rel

Public off. act

Winstap

Conference

Teddy's

Driscoll

ICF

Energy

DC Airport

THE WHITE HOUSE
WASHINGTON

Other Senate Bills

Local P.W. jobs - mostly planned
in committee

Twelve Tax Credits - both
bills on calendar

CETA

Debt Limit

Highways

Rivers & Harbors - Taken up to
we

ESEA - ordered reported
Veterans Pensioners bill
shortly.

DOE - coming along in title
of the day we will too

Housing - interest of auto
Export - import

Deep See Bill

No Fault don't know

Omibus fault - problem

THE WHITE HOUSE
WASHINGTON

Alaska lands - won't get to it
Welfare reform ?? - have sth on
it

Romano Bill - next yr

Health

Hatch

Coal Sherry

DL Voting

} not this
year.

TIP - Priorities

(1) Energy

(2) Taxes

(3) Commerce Dept Rev-Sh.

can't get bill out by May 15

Hope Sen will attach to
Stimulus

(4) Hosp Costs - Commerce work-up
May 6

(5) Farm Bill - Floor Thru

(6) Arms Sales

THE WHITE HOUSE
WASHINGTON

(7) Greek Turkey

(8) Arthur De res.

(9) haco. haco Ref

(10) HHH - H.

(11) NY Aid

(12) Airl Sew. Ref

(13) Boston Lanes - we'll bring
up. moe - has committed
for Cees - Byrd he
doesn't he a committed
for me.

Pro. pitch - in's survival
legs - Put'ing gravel in face?

There are the problems

↳ If 2 Senators from one
state are against
Byrd will defect. -
Don't run str down
throat

THE WHITE HOUSE
WASHINGTON

Byrd - There are other votes involved
Pres - make just lot into it.
If don't act by Dec 15 -
set back 4-5 yrs. Probably
can't get

Pace Priorities

- (1) Inflation - most imp political
issue - recent sobering
analysis of budget breeding
bills - Veterans, Educ.
Humph - will be very
tough against means
in budget - waste & long
time - ~~not~~ for Congress
time on time - will do
everything in my power to
oppose - if I catch cabinet
members not holding line -
serious consequences.

THE WHITE HOUSE
WASHINGTON

Tip - you're drifting from
economists - 256

deficit = $2/10$ of 190

inflation - you're flying
in face of some economists.
You're using the Bluebird
line.

Pres needs 25% tax reduction
+ help employment. Wants to
hold on net figs. But
to increase spending at
same time - step in wrong
direction

Jim Wright wants common
effort to hold line on Budget
not as reported by
other in House

Pres floats up labor union &
auto mfgs.

THE WHITE HOUSE
WASHINGTON

Pres William Darg - Hosp cost bills
need to help draft.

Priority - cont'd

(2) Civil Serv. Reform - keystone
to our recon efforts. That's
almost my top priority. I'll
work w/ Sen Clee now.

(3) NYC - Home Ctee 13-2

(4) Turkey Arms Embargo -
will take courage. Prob's
in Senate.

(5) [US-UK tax treaty - mental
to Board - Board -
probably next week]

NATO
Pres

[wants Sense 7 Ans
resolution reaffirming
our commitment to
NATO alliance]
meeting comes up

THE WHITE HOUSE
WASHINGTON

Byrd -

Price - those are the main things.

assault - ?? already mentioned.

~~Grain~~ ~~Trade~~

Pass Sen. Zie still endorsing
Dole Res. against oil Imp fees -
Instruct to ~~pass~~ me
Byrd. ^{it} may not be taken up

Cotton - 48¢ Loan

Sup vote - House

✓ voted down -

Conf report vote down

Last Bkfst 4-19-78

JK - Thanks for Panama

Inflation - most imp for Dems -
overcome free spender image
Farm bill ~~help~~ note helped -
w/ Cy Vance etc.

"I + will suit me if the Congr
& its comm will reduce the
deficit"

Airlines dereg. - good for next problem

Civil Service Reform -

Speeches around the country - major
Admin effort. Good political issue.

Tax Reform: good political ~~issue~~
~~reform~~ must stand firm on
reform to be able to say to ~~every~~
every taxpayer - net reduction in
your taxes.
Good political argument - campaign platform

Byrd never seen finer demonstration
of effectiveness' team work by
Clark & Sarbanes - complete grasp
of every issue.

Panama - remarkable setback.
Tom McIntire, Dee H., Sam Rums
- never once framed a sail.

JK - rather than lose & Sen.
vote Every bill down than
have it drag on - Conferees
bogged down in details; They're
ready to agree.

- 2 -

↓ DEWIS CLIFT - 10:30 mtg ↓

↓ WFM to reassess
priorities then sit
down w/ Lds ship - in
secret & draw up a
priority plan.

Byrd - top people on other
staff - bkfst tomorrow.
Start up staff directors

WCS - memo to WFM
re Congr info

(to set up)
2bis - full day mtg on
for policy matters - re
note, salt, HORN, Adams
Sato, Rodenier - etc.

Waitt Home problem
For Aid Bill
Tax Act
Budget Resolution

Mae - Hatfield - Landon

Box T: probably OK - model
his usual

Pres Inflation 4-5-7%
& decline

Splinter Newton bomb - no focus

Pres production
deployment
Success - Turkey
Mid east

Will veto Farm bill

Soc Secy → request W + M
attal to consider.

Pres - would be a mistake to
re-open.

Senate against social funding
Pres will point out publicly
that this year's taxes didn't
go up - ought to be handled
on a 20-25 yr basis.

of Congr must act. Pres would
prefer a link between COET &
SS tax.

COET - Long: more flexible.

15 billion COET - "healthy
reserve" Reserves may be
from 5 to 15 billion.

Nuclear waste - What
can be made } SPT

THE VICE PRESIDENT
WASHINGTON

Bulb
Agnew Soc Sec and not be
re-opened - hopes Adm will make a
strong case. Bugs
Supports Orick - truly, pres pos-
sibly strongly support product
of another bomb - not
Speaks for anyone else
Barbara shooting for 18th
Debate wearing thin people
want to get behind us.

Rper
Indication to Reagan &
get panicky on all the things
that pester in or us. call
me & tell me to call who you
think of shared.
VP will want about - would w/
indiscreet 7 cast.

Wym - Farm Girl
1977 - Vent most Partridge
same bird in history.
B4B - adin 5 steps - now used as
on the defense - ~~there~~
bill is bad for farmers -
food grain, etc.
w/ return.

Bulb

Barbara

dot

Becky

Adrian P. Kest
3-21-78

Rosent - polish parade
May 1

Cable

Thurs noon drop net
9:30 Thursdays

Steele, & pol Lincoln

Pres

Veto - Dole Farm bill version

Pres to meet w/ S + H FRC,
re Begin and Arms Sales

Byrd ① Compl - Veto, 7M, VP
Dong + learn

② Don't send Arms Sales
until after Treaty -
could defeat treaty

③ Energy = fragile

Dole Adt → must defeat
all out effort

→ V.P. Chair Dole Adt
→

→ Donovan Book - Truman

→ Barclay South Bend
Kickoff Camp
June
Frank Sullivan
Kisbey

Birdsick
Ford
Nat
Rafey
Randy
Zorin

→ W7m - Brooke

→ Rostker - Pol's May Day Parade
May - Chicago220

Coal - T-H

Panama

Energy

Civil Service } reform plegs.
Civil Rts }

Tito

Begin - Med-East

Settlements
242 - West BankTIP

Byrd -

Coal - NO what happens if

Energy - Disken

Panama -

Bayer

Mum

Taluppl

Randolph

Nat'l security
account

→ Inouye - Honolulu Speech
→ T-75 Dodge / Roz Wyzma

Paes -

B-1 - Home

Winteren Facility

Med East Asian sales pks

Egypt - surrounded - can't leave defenses

Energy

Ethiopia - Iran, Saudi, Egypt might become involved in behalf of Somalia if Ethiopian crosses. USSR has announced

Begin mfg.

Settlements - 1 yr intl ext commitment.
5 hr cabinet mfg.

Coal Strike

Collecting info as necessary to involve T-H.
Econ concept of coal strike = serious. Vorge of settlement on 2 occasions - Indus settl't - Gulf subsidizing - Union bars. Council accepted. Operators will meet at 11 am to see if Indus agreement can be basis for settl't. Council accepted 26-13.

Options

(1) Admin recommend a settlement - impartial arbitrator on non-econ items - In dispute: stability problem - wildcat strikes - Increase of productivity. Union considers three time-honored practices - Recon. settl't - give parties some time to consider the second.

(2) T-H → advantage - established procedure. Fast. disadv: response of workers. If obey & sign work back to work - we don't know worker's response

Hansen Picture

Denim meeting

3 parties

{ Expense
Labor
Budget } Hansen
Chairman

→ See Nick

T-H Cont'd - There's likely to be widespread disobedience, violence, destruction of property. Might go to work and conduct a slow-down. Impact = solely on workers - no pressure on employers.

Easier to make constitutional case for seizure. T-H wouldn't solve the problem - might make it more difficult to get workers back to work.

(3) Compulsory arbitration - Consensus pass law. Mechanism to impose a settled. Will be resisted by both sides -

(4) Seizure.
Adv: evenhanded - impact on both sides -
less interference in collective bargaining than. Less subject

most likely to encourage voluntary back to work. Gov't = temporary employed. Workers will ^{not} go back ~~under~~ under old K. New rules

Disadv would have to have legislation T-H already on the books

President

Byrd
T-H not answer was. There no need for
legislation.

Panama - worried about debt.

Anna Salas

→ [30 days shouldn't run until
after Panama debate is over
Vance mentioned Aug 2 or 3
but put off until after election

11P

B-1 + 2

Baker

Country wants you to do whatever you
need to do to prevent a disaster. People
are generally apprehensive about energy
shortage. T-H and recovery.

Rhodes

Country expects some action.
Seizure - 40% of coal is mined by
Umw. 60% would look of favor of
being in competition of Fed for it.

Jim S

3 million unemployed April
4.5 weeks of grace before 90%
shut down.

Row don't say anything that would endorse
the option.

Adrian B. 2-7-78



WFM - Panama - Schwecker's
Baker

IC - Salad briefing

WFM - Ham at
b/fats

~~WFM - Ham at
b/fats~~

Park - Korea

Jaworski - Arab Kim - no talking
- dipl. immunity

Korea - Approaching - lose exports

Jaworski - 5% of case

Dipl immunity

Aid Bill - no pass home

IC. Winteren Faculty

Issue - Herkin act

Sch - next week

Not Ad 8.
Sound business

Emerging Ho to be. Repbs -
Definitive - key

Consumer Protection

College Tuition

announce tomorrow

Panama - most imp. vote of Boarding
welfare

Bob T get the State
Dent Notebook

Intell - Intell other report
on verification - Report
says verification = no big
problem - intell other stuff
report.

Alan Cranston

Loch.
Budget
Joint Ldrsh
1-24-78

Rothchild - ~~FA~~ MA

WFM Byrd - Baker - hope to agree
on Panama procedural

2:00 Meeting Agenda: Talk to Dick,
et al.

[purpose?]

Find Byrd's list

See Tom Hart

Pres Budget / Energy

B-1

Panama

No Pelicote = important

Civil Service reform

For. Aid

* Middle East.

Sinian settlements = sticky point

Byrd Sait II: ? = whether we're better
of w/ or w/o a Sait agreement.

Glad not rushing it.

Different to take on both Panama
and Sait this yr. - not impossible.

Panama 2-3 weeks, hopefully 3 wks.

Hope for Pel other w/ report not
Treaty w/ changes. Wants Senate
to do that.

What action will require a new
pelicote.

Byrd - Energy filibuster on filling
vacancy on conference

Byrd

Hope B-1 Tues. or Wed.
much closer than it was
last year.

Home

OCS

Bankruptcy

Judship

Budget Res

98 expiring authorizations

Baker

Anal: invade Senate action
requiring concurrence of the
Panamaian govt - Rks 7
Adts.

Energy bill - derog = heart of
the problem. must have future
derog to break logjam.

Rhodes

Tip - moving toward derog
home wld probably vote
derog today.

WFM & problems - decreasing
internal confidence in the
dollar.

Bkfst
7:30

OFFICE OF THE VICE PRESIDENT
WASHINGTON

December 19, 1977

MEMORANDUM FOR THE VICE PRESIDENT

FROM: BILL SMITH
SUBJECT: CONGRESSIONAL ECONOMIC POLICY LUNCHEON

Below is a summary of the suggestions of Members of Congress after you left the luncheon today.

Giaimo: Suggested the President wait until late winter to present his tax-economic package to have time to determine the impact of social security and energy taxes. Any economic program should be directed toward future years, 1979, 1980 and 1981. Although he was concerned about fiscal '78 because of the large budget deficit and continued uncertainty in business investment, he would not recommend a large tax reduction in fiscal '78 but would direct the impact of any economic program toward fiscal '79 and beyond.

Ullman: Urged the President to recommend tax reductions at the lower end of the 20 to 30 billion dollar range since Congress will surely reduce taxes further. Thought the President should recommend a 20 billion dollar reduction.

Mahon: He was glad the President will be recommending tax credits which are politically more palatable than greater appropriations to stimulate the economy.

Reuss: Suggested that State of the Union and economic messages emphasize remedies for structural unemployment including a million welfare jobs and those parts of the tax program which are job related. Urged the President to withhold his long-term tax cut and other macro-economic recommendations pending an assessment of the progress in combating structural unemployment and the economic picture between January and July. Suggested the President not put dollar signs on his macro-economic recommendations in January. The worst thing the President could do would be to get locked into a position and have another \$50 rebate fiasco.

Wright: As of May 1st this economic recovery will be 36 months old. Four of the last five post-session recovery periods have ended after 36 months. The exception was the Kennedy-Johnson recovery of the '60's for which most people credit the Kennedy-Johnson tax reduction. Urged the President to recommend between 35 and 40 billion dollars in tax reduction which would be equivalent to the '60's reduction. Urged the President to make it effective in June, not to wait until October. Also was concerned about growth in interest rates which would stall home building and business investment. Emphasized the need to do something to abate the Federal Reserve Board's tendencies to raise short-term interest rates.

Humphrey: The greatest economic stimulus will be created by reducing taxes in the lower income brackets. These people will go out and spend immediately which in turn will stimulate business investment. What's really hurting this country are the structural economic problems, kids without hope out on the streets, both in urban and rural America. Tax credits don't help these low income people. Also emphasized getting a handle on the Federal Reserve Board and said the most important feature of the Humphrey-Hawkins bill was that which requires coordination of economic policy with the Federal Reserve Board.

Foley: Urged the President to start out at the low side of the tax cut. Congress will be on the rampage next year and whatever the President recommends he will get more than he bargained for. The House is yearning to do something popular during the election year and all Members will want big tax cuts.

Rostenkowski: The President, in presenting his economic package, should emphasize that he wants to work with the Congress in partnership. The President should make it known that he is flexible and wants his economic policy to be a joint effort. He has never seen a press more prone to creating divisions between the Congress and the President.

Humphrey closed the meeting by saying that he had never seen a President who had consulted more with the Congress and asked everybody to wish the President a merry Christmas.



MINNESOTA HISTORICAL SOCIETY

Copyright in the Walter F. Mondale Papers belongs to the Minnesota Historical Society and its content may not be copied without the copyright holder's express written permission. Users may print, download, link to, or email content, however, for individual use.

To request permission for commercial or educational use, please contact the Minnesota Historical Society.



www.mnhs.org