

(1) Gianno: wanted limited letter  
 written to see tax impact on  
 78 budget 75% of 55. Every 78  
 etc. - won't go into effect. A  
 in '78 anyway. Need to have  
 the impact for 77 or 80 -  
 81 ~~budget~~ very concerned  
 about '78 because of deficit  
 and uncertainty in business  
 environment.  
 Delicate internal situation  
 - ~~the~~ tax reduction  
 lay out a tax reduction  
 looking toward '80 & '81 -  
 Don. & he. too much of a  
 reduction in '78.

IC Tax, econ programs have to  
 go to plan soon. Will say in State  
 of Union that may have to  
 revise as we're more able to  
 predict - Govs.

Whelan - IC should recommend  
 at lower end of tax reductions  
 + Congress will surely reduce  
 further - Pay - hold initial  
 recommendations to 20-  
 30% home + Senate will  
 always increase the needed

① WTM - to call  
Bill Miller  
Carl  
 ② Link of April - OK  
 ③ Stu: 7M. Whig??  
Carl??  
WES??  
 ③ Talking points

Econ Policy  
W-H  
Dec '9, '81

-3-  
Jim Wright  
 as 7 May 1 recovery and  
 he 36 was old. 4 of 5  
 = end. Most people credit  
 the act in H-J 60's with  
 the expansion -  
 \$35-40 b - should be tax  
 cut = equivalent 60s dollars.  
 Wants greater action in  
 June - don't overreact Oct.  
 - growth in water & rates  
 = holding in back -  
 Can start home building  
 + bio investment -  
 increased cost of business  
 confidence - TH to  
 abate Fed R B's leaders  
 to raise Spout + know with  
 rates to keep home building  
 live goes -  
Hyatt  
 trickle down goes Himsley  
 You get the greatest bang  
 in the economy by reclaim  
 \$ in the lower income  
 income groups.

-5-  
Yearly in house to  
do sth popular in  
an election year -  
all members want  
a tax cut to help  
election.

Tom Doney

Tax cut credit  
with other than cars  
next year

Dan  
You're - expert

next yr - election yr -  
must pass + pass as  
a partnership. Make it  
known you're flexible  
and want to work  
in partnership of Congress  
Home Sen - Pres  
joint effort.

Open is out to  
drive - never worse

-4-  
This stimulates his investment  
~~that~~ Structural problem - what's  
really ~~the~~ hurting us.  
Must get at Structural  
unemployment. Part of  
econ. is doing pretty  
well. Plea for minorities  
to get star to do besides  
roads, org, etc. Cities -  
incubators - you  
people

Tax credit does it  
helps the low income  
must get a handoff  
on the FRB - H - A bid  
requires coordination

Foley

Start at low side -  
tax cut - Congress will  
be on a savings  
bid get a lot there  
tax cut than anticipated  
anyone

-2-  
Dan Tax credit is an easier  
politically to swallow than  
appropriations.

Rever Five problems - 2 problems

(1) Structural unemployment -  
million welfare jobs should be  
detached + make that the  
big Jan ~~year~~ pitch + put  
in those parts of the program  
that relate to jobs -

(2) Then - go into the cyclical  
macro economic - with the  
recession, on long term tax cut  
unites see what program is  
made on (1) above + see  
what econ looks like in  
Jan than Feb.

Worst thing can do is  
get locked into a position  
like another 950 rebate -  
2 phases - clar. + put

to sign on phase 2 program  
how alarming the would  
about a big deficit

(2)

Brud - don't come up a  
Sect treaty before Russian  
is moved.

St. ~~Se~~ Sobering 1978  
Agenda - no time when  
look at # of days

Disastering blow to

USA -

1977M look at how Pres

+ Censor looks to Am people.  
Preson delay in for trip.

Disasters of ~~can't~~ see on

For trip who Ensign bill -  
will be seen as against  
interests of Pres + censor to  
work effectively

Public will succeed failure  
must have enough bill  
before SC leaves on for trip.

(1)

11/29/77

Jim Salomon - plane

Memo - SS conf - Herd  
Keep threat down

Pres - Jackson and 'til now.  
Very persuasive.

SS Bill - more publicity, meet w/

X the cost of not this year

Plan bill

Home } 6-7th and local bus

Sen } billers 27 add. as  
SC read last.

Brud - long anxiety go bil. want  
meet after 10ed.

→ wants to make progress on SS funding

wants to get Panama Treaty  
out 7 for Red this year.

TIP - 200 + pieces 7 ~~to go~~ ~~public~~

to meet w/ 4000 Pres

to take into edn. SC

Smiled + looked at party.

Very persuasive - no bill  
by Xmas



Mrs Allen

Bumper + W

Dudrick

H B and mm

Orange

TK - Ethel

Jim Rand

Sherris

Dionna mm

Lee Loms

how Caroway

Bill Allen  
Sent  
Thomson

(5)

Inc Bumper + wife =

4 consessment  
11 ~~to~~ ~~to~~ Sewall  
4 Resale



10/25/77

→ Hatch Act - vehicle

→ Michael Jackson KABC - LA

Crawston

IC - energy - allude to fiscal problem.

Burd Complements Long for getting a bill out. Vital to success to get we pass a bill w/o undue delay. Cong = bottom line. ~~Want~~ Want to keep down costs. Every Senator has right.

Long 8 of 18 for Crude oil tax 4 votes for user tax "put taxes back into getting more energy": get votes. will try to work it out in conf consistent w/ Pres fiscal budget policy. Sen Danner - if conf have their way = kill bill. Have to have a maj of Dems + some conf Republicans.

Scarp: Your tax program: well head tax so econ goes to gov. it not to oil companies. For bill = \$40 b - we had been assumed it will go back to consumers - a complete repudiation of yr program. I understood we'd have a stepped down bill. This isn't a " " " This is the author's of what Pres proposed.

Long - if you have votes to impose user tax - ok

Scarp - read the report - wants to go to conf w/ bonebone proposal.

Rochefeller program

Paul Hanks - split Dems. Reps will have a field day. Agony over + well head taxes are dead. wants to kill the tax credits etc.

Long - if we're going to take well head tax - wants to move towards de-reg - at same point wants to phase out controls on oil - not talking about pipelines. Oil industry - wants to talk in conf about having ~~into~~ ~~down~~ pricing on a competitive basis.

Scarp - its a complete repudiation of yr program.

- IC I want 2 things
- ① a fair share for consumers
  - ② I want to cut back on consumption and ~~and~~ cut back on our dependence on for oil -
  - ③ Fiscal rule - no \$40 b deficit by 1985

5c  
-3-  
d'd he prefered a stopped down  
bill but to get a bill out  
had to met these terms in -  
when I saw ~~conf~~ report  
"must" - "may" problem -  
note to conferees -

I have no interest in  
what Senate does on the  
floor. will sent me of  
senate stops down bill  
on floor.

There is an inherent  
conflict here. I have no  
feeling re what happens  
on floor. I do re conference  
I would sign a bill not  
compatible w/ the 3  
goals -

has I'm not going to sign  
a ~~conf~~ conf report Pres  
will veto.

I have 4 big items -  
Fuel use tax 8 votes  
Energy title 13-1

Scary - ~~that~~ that's no  
excuse for \$46 billion  
deficit.

mutualism = idea of  
tax cuts

- ① Hatch Act Vehicle
- ② Crayton - Michael  
Jackson's No.
- ③ 11111 2:00  
Call David Garthel

- 4 -  
Long. B's value in car =  
how to spread the well head  
tax.

Meet goals in census  
Don't bust budget  
Fair to consumers

---

Campaign Financing - don't  
have the votes for  
no Repubs. ~~too~~

155 Dems send petition  
can't get Dems who have  
no difficulty in raising  
funds.



Byrd - Bakst - Panama

Oct 18  
Ldr SA Bkpt

IC - Panama

Non-~~prof~~ professional bill

Breeder - Clinch R. - I will oppose  
until last day Jan in office

Outside Cont Shelf

B-1: help, please -

Emergency IC + Cabinet + VP - private

Get from Sen of framework in which  
Conf. Cttee can exercise its judgt.  
will measure result against goals  
announced in April.

1st priority: make sure we don't  
grossly unbalance tax budget.

Sen bill SS b deficit by 1985

Alternatives to what we proposed  
is basically the status quo - ~~some~~ some  
oil Co's may help us.

Byrd

Long has put together best he could.

Curtis - Baker - Long - Byrd to meet on  
floor strategy.

Panama Atty. reservations, etc = majority  
vote. Pranger citizens Cttee.  
wants to talk about how approach  
upcoming debate.

Non-~~prof~~ - McClure threatens  
filibuster. Baker says 11.

SS F.W. - Cttee will have out mid  
week. Start next wk.

11p

SS - floor Wed. Fed cos will come  
out as a study.

Supplemental - problem -

- (1) Breeder
- (2) 4 1/2 b - water polluter =  
only to pt 7 miles.

Sen to wk up a bare bones system.

SBA - IC wants to stock

from emergency provisions - Deal Smith

Foley again - everyone agrees

Wash. State 35 of 39 counties  
= disaster areas.

Schlesinger: when energy tax bill gets  
to floor - Republic tax act to  
assume defeat. May be attempt  
to knock out Long's flexibility.  
Cranston - strategy: should table  
energy act that comes up.

Borns stick together. Canner

Byrd keeps meeting on Byrd &  
Baker.

THE WHITE HOUSE

WASHINGTON

October 17, 1977

CONGRESSIONAL LEADERSHIP BREAKFAST

Tuesday, October 18, 1977

8:00 a.m.

Family Dining Room

From: Frank Moore

I. PARTICIPANTS

See attached list

II. PRESS PLAN

White House Photo only

III. AGENDA

1. Energy. You should stress the fact that you are hopeful that the conferees will resolve the differences in these bills in the Administration's favor. You might reiterate that you believe the energy program is the most important domestic policy initiative of your Administration, that the success of this legislation will determine the success of your Presidency's first year and that it could be a benchmark for your entire Presidency. You might also remind the leadership that you are not the only one with an important stake in this matter -- the American public will also be watching the Congress very closely to determine how it deals with our energy problems.

2. Energy Tax Bill. You might direct some comments on the energy tax bill toward Senator Byrd. The tax bill which will be reported by the Finance committee later this week represents an approach entirely different from that proposed by the Administration, but it is probably the only type of energy tax legislation which could pass the Senate at this time. We need to get a bill to conference and this bill cannot be one that is more generous with tax credits and tax incentives than the Finance committee's bill.

3. Panama Canal Treaties. You might want to discuss the treaties in light of the statement of understanding issued last Friday.

4. Nuclear Non-Proliferation Legislation. The bill which was passed unanimously by the House on September 28 and

reported unanimously by the Senate Foreign Relations and Governmental Affairs Committees is now on the Senate calendar. Senator Byrd, however, will not schedule any bill for which he cannot get a time agreement. Senators McClure and Domenici have several amendments they have threatened to bring up and they will not agree to a time limit. You should let Senator Byrd know of your interest in prompt consideration of this bill. We will lose 3 months in the renegotiating process if we do not pass this bill.

5. Social Security. We are working with the leadership to secure passage of a bill this year. In the Senate, the Finance Committee remains deadlocked at 9-9. Senator Nelson who is managing the Administration's proposal in the Committee is modifying his approach somewhat in an effort to pick-up enough votes to break the tie.

In the House, we are working to secure passage of the Fisher amendment. The bill as presently written makes no sense -- it legislates a study but requires universal coverage regardless of the outcome of the study. The Fisher amendment would revise the bill by authorizing a study and then implementing the findings of that study. Without the Fisher amendment, the votes are not there to pass the bill.

6. Hospital Cost Containment. The bill is probably dead for this year because there is no agreement on the major issues addressed in the bill. The Rostenkowski Ways and Means Subcommittee is the key to breaking the log-jam, and he is displeased with us because he believes we have ignored his candidates for slots within the Administration.

7. IFI's. The bill will be taken up by the House on Tuesday. You need to ask the leadership to take a major role during the floor debate. If they are not active, the bill is in real trouble. You should also ask the Speaker to get Mahon involved actively.

8. Supplemental Appropriations (B-1 and Clinch River Breeder Reactor). Will be taken up on the Floor of the House on Wednesday. A move will be made to remove the contingent authority from the \$80M appropriation for CRBR. If this is done, it will be questionable if a veto of the ERDA Authorization bill would actually stop funds from going to the CRBR.

Congressman Sikes plans to offer an amendment to authorize \$1.4B for FY'78 to continue production of the B-1.

You should let the leadership know just how seriously you view these moves.

Miscellaneous

1. You should speak privately with Senator Byrd either before the breakfast or ask him to stay for a few minutes following the meeting. You should advise him that you are meeting this week with various Senators on energy and that Frank will keep him advised of the time and participants of these meetings. You should tell him that you welcome him to sit in on any or all of these meetings.
2. The Speaker will be having breakfast with the Vice President on Wednesday.
3. As a result of your asking at last week's breakfast, two things have happened:
  - a. The Outer Continental Shelf bill will be given a rule on Wednesday.
  - b. The conferees have agreed to a 4-year extension on minimum wage.

You should thank Senator Byrd and the Speaker for their help on this.

PARTICIPANTS

The President

The Vice President

Senate

Robert Byrd  
Alan Cranston  
James Eastland

House

Tip O'Neill  
Jim Wright  
John Brademas  
Tom Foley  
Dan Rostenkowski  
Shirley Chisholm

Staff

Jim Schlesinger  
Frank Moore  
Stu Eizenstat  
Dan Tate  
Bob Thomson  
Bill Cable  
Bill Smith



3:30 Even VP

Finn's Summary - Byrd

Day when Ser's out?

R

Charlie - Tip -

2:30 Ed Dr

Hern

Str

NO

Calp

11:15 VP?

10:00 Thurs

Fri MORN

Will be  
Every  
SS F.R.  
Copy Reports  
Supplemental

3:30 not today  
Don't take up -  
large problems =  
Camp friends =

NO Sen Sess Thurs or Fri  
Tip: it's unclear - the problem  
one piece.

Bring OK to get involved in  
HEW RPT. fight. Not the answer  
Cont. flood - Colleague -  
frustrating: tip - diagnose + ask for  
a copy on 4 bills while you  
try to get a bill. Don't  
wait for long bill.

Tip - will try on camp fin  
bill  
Very steep - not a good  
way to handle - cross shift  
work behind with budget -  
with budget - seed - with = OK  
variety on something in  
with Andr - with 5 day Saturday

Every  
B-1  
No HEW bill - projects  
SS Fin - must be in yr.  
IFI

THE WHITE HOUSE

WASHINGTON

October 11, 1977

CONGRESSIONAL LEADERSHIP BREAKFAST

Wednesday, October 12, 1977

The Family Dining Room

8:00 a.m.

From: Frank Moore

I. PARTICIPANTS

See Tab A

II. PRESS PLAN

White House photo. FYI -- Congressman Brademas will be filmed briefly in the State Dining Room prior to breakfast.

III. AGENDA

1. Energy. You should emphasize the need to reach a resolution on this bill. The public is expecting legislation from this session of Congress. You should state that you are willing to do what you can on this matter so that the mutually agreed upon adjournment date can be met.

2. ERDA Authorization (Clinch River Breeder). This bill contains \$80M for the Clinch River Breeder. Your present intention is to veto the ERDA authorization. You should be aware that the supplemental appropriations, which will be taken up by the House this week, contains \$150M for the breeder contingent upon authorization. The information we have is that the supplemental appropriations bill will be amended to strike the phrase "subject to authorization" which will in turn make a veto of the authorization bill useless. You should discuss this issue with the Speaker.

Supplemental Appropriations. You asked for a report on the provisions of the supplemental. I have attached a copy of the House report with appropriate passages marked. (Tab B)

3. B-1. The supplemental appropriations will also be used as a vehicle to fight the B-1 issue in the House. Congressman Sikes plans to author an amendment authorizing \$1.4B to go ahead with full scale production. You should let the leadership know that this is very much on your mind.

4. White House Authorization. You should mention privately to the Speaker that the Vice President is working with Congressman Udall to develop the bill that you will be sending to the Hill shortly on White House authorizations. You should ask the Speaker for his assistance in seeing that the bill is passed as submitted.

5. Public Financing. The House intends to pass and attach to the Senate-passed bill, a provision for public financing of House elections thus forcing the Senate to fish or cut bait. The Speaker may raise this issue tomorrow. You should stay far away from this internal struggle.

6. Tax reform package. If the question of the timing of your sending this package to the Congress is raised, you should avoid making a commitment. Discuss with the Speaker privately.

7. IFI's. You should thank the Speaker and Jim Wright for all of their help on this issue. The vote will be Wednesday afternoon.

Further on Jim Wright. Jim may bring up the matter of the move of HUD employees in Fort Worth. (See attached memorandum at Tab C). I have spoken to Jay Janis on this matter. He said it would require a decision by you for HUD to make this move. While Pat Harris is not insensitive to Jim Wright or caustic or rude, she does not want to be pushed around by him.

8. Hospital Cost Containment. Rostenkowski believes that there is no chance to pass this bill this session. There is simply no way to get the membership of the Health Subcommittee to agree on what the bill should contain in the time left.

9. Outer Continental Shelf. Now pending before the Rules Committee. Had been a high priority of ours earlier. You should talk to the Speaker. It is important that we get this bill passed this year. We will have a very hard time passing it next session. Industry will mount an intensive effort to kill it which they were not able to do this session because of their preoccupation with energy.

10. Charlie Ferris' Swearing-In. Speaker may discuss with you. (See Tab D)

11. Because of your interest, the stage in the Congressional process and outside pressures, the following could be passed in the House this session if we stress their importance:

- a) Bankruptcy; b) Regulation Q; c) Indo-China Refugees; and
- d) Public Officials Integrity.

12. Jim McIntyre will attend this meeting. You should introduce Jim to the Leadership and point out his importance to you during the budget process.

THE WHITE HOUSE

WASHINGTON

October 7, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

As you know, during the election, Jim Wright coordinated our North Texas campaign, stepping in with his personal prestige and settling the dispute between old and new Carter supporters.

He met with members of the Peanut Brigade, rode with them on the bus, and spoke well of you in every campaign appearance<sup>60-170</sup> he made while he was running for Majority Leader.

He had a completely different idea from you on economic stimulus, but once yours was decided upon, he backed it to the hilt. Wright helped us forge the coalition in the House that allowed us to defeat deregulation of natural gas which is tough for a Texas Congressman to do, and he took plenty of heat on it at home. He is out-front on the Panama Canal because he believes in it, but he could believe in it and do so quietly. He and Chairman Mahon are pulling our chestnuts out of the fire on IFI's.

Jim Wright has asked for three appointments; we have given him one part-time appointment. He asked for an Administration spokesman to go to address the Texas Municipal League; Pat Harris, Bob Embry nor any of the HUD hierarchy were able to help him. He has now asked me to help him on something and I think we should do it.

During the Nixon Administration, over 200 HUD employees were moved from the regional office in Forth Worth to quarters in Dallas. The building which HUD occupies in Dallas is shared by the Federal Courts, and they are about to make a formal request for use of the entire building. GSA has indicated that there is space available in Forth Worth for relocation of the HUD offices. In view of the fact that most of the HUD employees maintained their homes in Forth Worth after the move, Jim Wright asks that this move back to Forth Worth be approved.

Jim will continue to be a good soldier even if we do not deliver on this, but I hope that we can help.



PARTICIPANTS

The President

The Vice President

Majority Leader Byrd

Senator Cranston

Senator Eastland

Senator Inouye

Speaker O'Neill

Congressman Wright

Congressman Foley

Congressman Brademas

Congressman Rostenkowski

Congresswoman Chisholm

Secretary Schlesinger

Zbigniew Brzezinski

Frank Moore

Stu Eizenstat

Dan Tate

Bob Thomson

Bill Cable

Bill Smith

Jim McIntyre

TAB D -- Charlie Ferris' Swearing-In

There is a long-standing and strictly adhered to rule that only the President or member of the First Family may use the Rose Garden or other rooms in the residence (State Dining Room, East Room, etc.)

The Vice President will swear-in Charlie on Monday, October 17 (you were asked to do the honors first, but regretted). Charlie, of course, wants to invite all Democrats in the House and the Senate -- many of whom will attend. There are far too many to fit into the Roosevelt Room. We have tried to sell a room in the EOB, but it is very important to Senator Byrd and Speaker O'Neill that Charlie, being a creature of the Congress, be sworn-in in the White House.

It is possible that the Speaker will raise this issue with you at breakfast. I have not had a chance to discuss this with you and the Vice President has been reluctant to do so. In order to have Charlie's swearing-in here, we would need your personal approval.

APPROVE \_\_\_\_\_

DISAPPROVE \_\_\_\_\_

OTHER \_\_\_\_\_

## BUSINESS TO RESOLVE

ENERGY

1. National Energy Act passed House. 4 segments passed Senate. Tax provisions in Finance Committee markup.

APPROPRIATIONS

2. Labor-HEW. Conferees reported in disagreement on abortion. House Floor Thursday. (See attached Califano letter.)
3. Foreign Aid. Conferees reported in disagreement on 8 issues relating to direct or indirect aid. House Floor Wednesday.
4. District. Passed House and Senate. Conferees meet Wednesday. Convention Center principal issue. (Senate added \$1.4 billion for Small Business disaster assistance throughout the nation.)
5. Supplemental. Now scheduled for House Floor Thursday. May be put off until military authorization passed. \$4.5 billion water pollution grants subject to point of order. The supplemental will be the vehicle for B-1 appropriations and/or rescissions. Also FB-111 study money.

HOUSE FLOOR THIS WEEK

6. Obey Commission  
Scheduled Wednesday
7. FTC Amendments  
Rule adopted. General debate concluded.
8. Navigation Development Act (waterway user fees)  
Rule adopted. General debate concluded.
9. Government Reorganization Plan No. 1  
Time expires October 19.
10. Federal Banking Agency Audit  
Rule adopted. General debate concluded.
11. Marine Protection Authorization (ocean dumping)  
Rule adopted. General debate concluded.

*SALT -  
Energy  
Economy*

MUST MEASURES

12. Social Security Financing  
Committee will file report Wednesday night. Will be referred to Post Office which will consider measure Thursday. (Coverage of Federal employees.) Present plan is to get rule October 18 and go to Floor October 19. (This is first Social Security bill in history in which tax increases exceed benefit additions.)
13. Canadian Pipeline Approval  
Full Committee will report October 18. House Floor October 25.
14. House TV  
Pending in Rules.

CONFERENCES

15. Mine Safety  
Filed October 3. Senate has approved.
16. Export-Import Bank  
Filed September 23. Senate has approved.
17. School Lunch (expired Sept. 30)  
Agreement reached. Will file Wednesday. House acts first.
18. Maritime Authorization (expired Sept. 30)  
Agreement reached. Will file this week.
19. Medicare-Anti Fraud  
Filed October 11. House acts first.
20. Environmental Research (expired Sept. 30)  
Conference not yet scheduled.

## CONFERENCES cont'd

21. ERDA Civilian (expired Sept. 30) (Breeder \$80 million)  
Agreement reached. Ordered reported. Senate acts first.
22. ERDA Military (expired Sept. 30)  
Will go to conference. Probably meet this week.  
(House conferees not yet appointed.)
23. Black Lung  
Conferees meet this week. Senate added tax provision. House  
version must prevail or Constitutional problems.
24. SEC Authorization (expired Sept. 30)  
Awaiting appointment of Senate conferees. (Probably appoint  
next Session.)
25. Nuclear Regulatory Agency (expired Sept. 30)  
Attempting to resolve without conference.
26. Water Pollution Control (funds exhausted)  
Conferees meeting.
27. Safe Drinking Water (expired Sept. 30)  
Senate will repass with amendment and House will accept.
28. USRA Authorization (expired Sept. 30)  
Trying to work out without conference. (House must pass  
Rail Counsel bill first.)
29. Wildlife Refuges.  
No decision yet on whether to go to conference.
30. Land and Water Conservation.  
Will go to conference, but not soon (not urgent).
31. Veterans Pensions  
House will probably accept Senate amendment.
32. Veterans Medical Services  
Will work out without conference.
33. Minimum Wage  
Conference not yet scheduled.

## PASSED HOUSE

Retirement. Allows final year to count instead of top three.

Nuclear Nonproliferation. Senate bill reported.

Victims of Crime. No Senate bill.

Legal Services Corporation. Senate bill on Floor this week.

## PENDING

Hospital Cost Containment  
Subcommittee markup

Bankruptcy  
Reported. Rules this week.

Regulation Q (expires Dec. 15)  
In subcommittee

Endangered Species (expired Sept. 15)  
Reported. Will go on suspension.

Cargo Preference.  
Reported. Rule granted.

Indo-China Refugees (expired Sept. 30)  
Reported in Senate. House may take Senate bill.

PENDING cont'd

Overseas Private Investment Corporation (expires Dec. 31)  
Reported.

Outer-Continental Shelf  
Reported. Passed Senate.

Corporate Bribery  
Reported. Passed Senate.

ERA  
Still undecided on whether to report this year.

FIFRA (expired Sept. 30)  
Reported. Rules Thursday.

Defense Supplemental Authorization  
Reported. Rule granted.

Campaign Financing  
Hearing October 13. Hope to report following week.

Public Officials Integrity  
Passed Senate. Pending in several committees.

Rail Counsel  
Reported. Rule granted.

Members' Pay Raise Effective Date  
Full Committee markup Wednesday, October 12.

FUTURE

Humphrey-Hawkins  
Consumer Agency (reported)  
Judgeships  
Renegotiation (reported)  
Voter Registration (reported)  
Korean Withdrawal  
Immigration  
Hatch Act (passed House)  
Airline Deregulation  
Redwoods (reported)  
Labor Reform (passed House)



October 11, 1977

MEMO TO: The Speaker  
FROM : Irv Sprague  
SUBJECT: Legislative Status Report (16 Measures)

SENT TO WHITE HOUSE (5)

Youth Employment (HR 6138)

Energy Department (S. 826)

Clean Air Act (HR 6161)

Housing and Community Development Act of 1977 (HR 6655)

Food Stamp Reform (S. 275)

IN CONFERENCE (1)

Minimum Wage (HR 3477)

PASSED HOUSE (3)

Hatch Act Reform (HR 10)

Comprehensive National Energy Program (HR 8444)

Nuclear Non-Proliferation (HR 8638)

REPORTED IN HOUSE (4)

Social Security Financing. Ordered reported October 6. Rules Committee October 18. Floor October 19.

Universal Voter Registration (HR 5400). Reported May 13 (17-8). Rule granted.

Renegotiation Reform Act of 1977 (HR 5959). Reported. Rule granted.

Consumer Agency (HR 6805). Reported May 16 (22-21).

PENDING (3)

Public Financing of Congressional Elections (HR 5157). House Administration plans to report in week of October 17.

Airline Deregulation. No bill introduced in House.

Hospital Cost Containment (HR 6575). Ways and Means and Interstate plan to report in October.



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

October 11, 1977

The Honorable Thomas F. O'Neill  
Speaker of the House  
House of Representatives  
Washington, D. C. 20510

Dear Tip:

As we discussed on the phone this morning, the failure of the Congress to enact the fiscal year 1978 Appropriations Bill for this Department and others has become a matter of grave concern. It is imperative, if this Department and State and local governments throughout the nation are to function responsibly, that the Congress either enact the Appropriations Bill this week or pass a continuing resolution.

As Secretary of Health, Education, and Welfare, I am, of course, immediately concerned with the more than 135,000 HEW employees who next Tuesday, October 18, will receive only half the paycheck to which they are entitled. But it is essential for the Congress to recognize that in addition to these Federal employees, we contribute to the salaries of 650,000 employees at the State and local level. Every single State and most cities and counties are affected by the inability of Congress to act.

The Department of Health, Education, and Welfare is the chosen instrument of the Congress to work with the most vulnerable citizens of our society -- the poor, the disabled and handicapped, the children, the sick, and the old. Thousands of these individuals will not receive benefits to which they are entitled if the Congress does not act this week. I know that you are as anxious as I am to avoid the profound and severe human suffering that will result if Congress does not act.

Here are a few specific examples:

- If there is no appropriation by the end of the month, 475,000 Black Lung beneficiaries cannot receive their check due the first week in November.

- Under letters of credit, States are not allowed to draw cash to cover any FY 1978 costs for formula grants. Some allocations under the following formula grants are due in October:

Maternal and Child Health  
State Health Departments (314-D)  
Impact Aid  
Education for the Handicapped  
Aging  
Rehabilitation

We do not know what States will be able to operate with carryover funds; however:

- o Texas has informed us that it will furlough 612 employees on October 12 because of the lack of Maternal and Child Health and State Health Department formula grants;
- o Idaho does not have any carryover money to fund its nutrition and community service programs for the aging;
- o Kansas and Missouri report that they do not know how long they can keep their employees on the job to administer their 314-D and Maternal and Child Health Programs.

- State rehabilitation agencies are beginning to run out of money to process eligibility determinations for applicants for Social Security disability benefits. No obligations for this purpose can be made after October 1. This means that many eligible disabled people will not be able to receive benefits until there is an appropriation. We have been informed that as of October 12, New York State will be unable to meet its payroll for employees to process the determinations.
- About 12% of the Head Start programs serving 35,000 children would normally receive funding in October. A significant number of these programs will run out of funds this month. There will thus be no pay for Head Start workers in those programs, most of whom are among the poor or near poor. It will also mean that thousands of Head Start children will not be served.

-- There are more than 1,700 health project grants due for refunding in October, including grants for mental health and community health services. We do not know which grantees can continue on credit or carryover funds, but some will undoubtedly not be able to do so. For example, on Friday, we were informed by the North Memphis Health Center, which was due \$100,000 on October 1, that it does not know how long it can hold out.

-- More than 135,000 of our employees will receive only one week's pay (half their normal paycheck) on October 18 if we do not have an appropriation by Thursday, October 13, and no pay thereafter.

As you can see, the operations of this Department are being seriously disrupted. Critical problems are developing which affect our beneficiaries, grantees, and contractors for essential services. These problems are intensifying as each day passes. We have set up a daily reporting system within HEW to identify specific emergency situations and I shall keep you advised.

I realize that the House and Senate have been deadlocked on an issue of deep conviction to both sides -- under what circumstances Federal funds should be used to pay for abortions. I also realize that men of great talent and good faith on the Appropriations Committees of each house of Congress have been working to achieve a resolution of their differences and that these differences involve matters of public policy and conscience. If it will take more time to resolve their differences, then I think it grossly unfair to hold the vulnerable people of our nation and thousands of Federal and State employees hostage to these complex and emotional negotiations.

If it is impossible to reach agreement by Thursday, October 13, then I urge you to pass a continuing resolution, for however brief a period of time, so that public servants can continue to get paid and so that the old and the young, the disabled and the poor may receive benefits to which they are entitled. These are innocent bystanders to an issue that deeply troubles this nation and the Congress. They should not suffer because that issue, as it surfaces in the Appropriations Bill, has not be resolved.

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I know how deeply concerned you are about this matter and I ask you to do whatever you can to assist.

I am sending a similar letter to Chairmen Mahon and Flood.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by 'A. Califano, Jr.' in a cursive script.

Joseph A. Califano, Jr.



October 11, 1977

MEMO TO: Speaker O'Neill  
FROM : Steve Bourke  
SUBJECT: Canadian Gas Pipeline Approval Legislation

The Alaska Natural Gas Transportation Act of 1976 assigned to the President responsibility for selecting a route for bringing natural gas from Alaska to the lower 48 states and set forth a specific method by which Congress is to review the President's decision.

Under the statute, a Joint Resolution approving the President's decision must pass the Congress within 60 legislative days after the President reports his decision or the President must make a new decision. The Joint Resolution becomes privileged 30 days after the President submits his decision.

President Carter submitted his decision (the Canadian route) on September 22. The Dingell Energy Subcommittee of Commerce completes hearings on the decision this week and the full Committee will markup and report a Joint Resolution on October 18. The Committee will be ready to bring the Resolution (which is privileged after October 22) to the Floor on October 25. It must be considered this Session to meet the 60 legislative days requirement.



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