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9/8/74

POLICY ISSUES BEFORE
CONGRESS

August 1974

MEMORANDUM OF INFORMATION FOR THE FILE

EXECUTIVE

DATE September 8, 1974

~~LETTER, MEMO, ETC.~~

TO: Al Haig

FROM: Jerry H. Jones

SUBJECT: Legislative Strategy Follow Up

(Twenty Four Legislative Strategy
Issues prepared by Timons etc.
on August 15th requiring follow-up)

LE
PR 5-2
TN 7
FG 999
FG 383
FE 14-1
JL 5
TN 2
FG 6-7
WE
HE 9-4
VA 3
ND 4-2
FI 4/FG 20
PL
IS 1
HS
LA 9
BE 4-14
WH 1
AG 5
FG 6-15-1
FG 17-13
FG 11
TA
LA 9
IS
FG 1

Chrome
Consumer Protective
Agency

CORRESPONDENCE FILED CENTRAL FILES - CONFIDENTIAL FILE

THE WHITE HOUSE
WASHINGTON

Can this whole
package now
be retired to
Pres. handwriting?

THE WHITE HOUSE

WASHINGTON

September 8, 1974

MEMORANDUM FOR: AL HAIG

FROM: JERRY H. JONES

SUBJECT: Legislative Strategy Follow-up

Eleven of the twenty-four legislative strategy issues prepared by Timmons, Cole and Ash on the 15th of August required follow-up action. The status of these eleven items is as follows:

1. Cargo Preference -- The Senate has now passed its bill and there will have to be a Senate/House conference. We still do not have a firm Presidential position on this item. I understand that the waiver provisions in both the House and Senate bills are unacceptable to OMB and the Domestic Council. ~~You should hold a session with Ash, Timmons and Cole on the question of what we do from here.~~

2. Consumer Protection Agency -- See Tab A for Roy Ash's memorandum. Cole and Timmons concur with the Ash position.

3. Juvenile Delinquency -- The President signed ~~this bill last evening~~ *on*

4. National Health Insurance -- Ash is developing a paper on this issue starting from ground zero. The paper is due and I will insure that it gets in early next week.

5. Pension Reform -- The President signed this bill on Labor Day.

*Paul O'Neill
Bill Fisher
Don Barnier*
**Call
Barnier**

*Find
out
how
paper coming*

*Cole &
has
paper in
suggesting
meeting*

*Killed dead in Rules
Comm*

Barney [

6. Safe Drinking Water -- Ash indicates that he is holding work on this item pending further discussions with John Rhodes. I will follow-up on this early next week.

7. Strip Mining -- See Tab B for the Ash position. Timmons and Cole concur.

8. White House Authorization Bill -- See Tab C for Ebner memorandum on the status of this matter.

1

[

9. Trade Reform -- The worker adjustment assistance issue has been decided by the President. The negotiations between Jackson and Kissinger are on hold pending Jackson's checks with Meany. This should be followed up firmly next week with Secretary Kissinger.

10. Rhodesian Chrome -- The President decided in favor of repeal of the Byrd Amendment. We still need a detailed paper on the impact that such a repeal would have. I am uncertain as to whether Cole or the NSC will provide this information and will follow-up next week.

O'Neill

Barney [

11. Railroad Retirement -- See Tab D for the Ash position. Cole and Timmons concur.

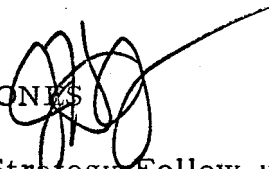
lost vote in the House

THE WHITE HOUSE

WASHINGTON

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EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 30 1974

ACTION

MEMORANDUM FOR THE PRESIDENT

THROUGH: Roy D. Ash

FROM: Paul H. O'Neill

SUBJECT: Meeting with Senators Ervin and Curtis on Consumer Protection Agency Legislation

This memorandum suggests talking points for your meeting with Senators Ervin and Curtis.

Background. The House bill (H.R. 13163) was passed in April. The Senate bill (S. 707) has been blocked by a filibuster -- led by Senator Ervin. A fourth attempt at cloture is expected soon after the recess.

In 1971 you voted for a CPA bill similar to that passed by the House but including the amendments proposed by Congressman Brown. The Brown amendments were rejected by the House in April. President Nixon sent Senator Curtis a letter in July announcing that he would veto S. 707 in its present form. The Senate sponsors (Ribicoff, Magnuson, Percy and Javits) have announced that they will recede on the three major objections to S. 707 of the previous Administration -- independent CPA interrogatory authority, term and removal of the CPA Administrator, and simultaneous budget and legislative submissions to Congress and OMB.

Talking Points. We recommend that you make the following points with Senators Ervin and Curtis:

- while the Senate sponsors have met some of your objections to S. 707, the bill still does not conform to legislation which you could support.
- you are prepared to support legislation along the lines that you supported previously, i.e., the House bill with the Brown amendments incorporated.
- you are prepared to send a letter to that effect to Senators Ervin and Curtis -- as well as the S. 707 sponsors -- if it will help them in bringing about acceptable CPA legislation.

Attachment: Brown Amendments to H.R. 13163

CONGRESSMAN BROWN'S PROPOSED AMENDMENTS TO H.R. 13163

CPA Access to Criminal Investigation Files. H.R. 13163 and S. 707 would force Federal agencies to produce such files for CPA review. The Brown amendment would safeguard these files.

Participation in Regulatory Agency Proceedings. The Brown amendment would not allow the CPA to become a party with equal rights to an agency prosecutor in that very small number of Federal adjudications in which a person, who has been formally charged with a violation of law, is being prosecuted before a Federal agency. H.R. 13163 and S. 707 would, in effect, allow CPA to be such a second prosecutor in most such situations, limiting the CPA's right to party status only where the forum agency, itself, directly imposes a fine or a forfeiture upon a person found guilty.

Exemptions from CPA. Under the Brown amendment, Labor relations would not be excluded from CPA advocacy and appeal as is the case in S. 707 and H.R. 13163. The Departments of Defense and State would be fully exempt from CPA intervention under the Brown amendment. H.R. 13163 and S. 707 only grant partial exemptions to these agencies.

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Judicial Representation. H.R. 13163 and S. 707 would allow CPA to hire and use its own trial lawyers and to proceed in court independently of the Justice Department. The Brown alternative would provide that the Justice Department would litigate court suits for the CPA, except where the Attorney General determines otherwise.

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Judicial Review of Agency Regulatory Decisions. H.R. 13163 and S. 707 would allow CPA to seek judicial review of virtually any action, including inaction of another agency, whether or not CPA appeared before it. The Brown amendment would allow CPA to seek judicial review only of another agency's decisions where that agency refused to grant CPA access to information to which CPA has a right under the bill or where CPA has been denied party status or any other CPA-requested opportunity to advocate consumer interests as provided in the bill.

B

THE WHITE HOUSE

WASHINGTON

AUG 30 1974

MEMORANDUM FOR THE PRESIDENT

FROM:

~~ROY L. ASH~~

SUBJECT:

MINED AREA PROTECTION

Background

Prior Administration proposed legislation to establish reclamation and environmental standards for mining of all types of minerals. Bills on surface mining of coal have passed both Houses with much controversy in the House, particularly because of potential coal production losses.

Issues Remaining (in approximate order of importance)

- o Senate bill prohibits surface mining where the U.S. has retained minerals but no longer owns the land, affecting large areas of several western States. The House bill drastically strengthens surface owner rights and may give surface owner windfall profits. It also prohibits surface mining in National Forest lands, legislatively taking existing rights.
- o Unique unemployment and economic assistance provisions would set precedent by providing special benefits to one narrow group.
- o House bill earmarks revenue from OCS leasing for reclamation of unrestored and abandoned strip mined lands. This approach could lead to windfalls for private landowners.
- o Gives U.S. too large a role in enforcing State programs.
- o Interim program requirements of the Senate bill may cause partial moratorium on surface mining.
- o Creates unnecessary Federally funded mining and mineral research centers. (Similar bill vetoed in 1972.)

Actions Taken and Underway

- o Conferees have met three times without resolving major issues and are expected to continue negotiations on September 11.
- o Secretary Morton and his staff are working to persuade conferees to adopt important changes.

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

August 28, 1974

MEMORANDUM FOR THE DIRECTOR

Subject: White House Authorization

The status of H.R. 14715, the conference bill to provide authority for White House and Vice Presidential Office appropriations, has not changed appreciably in the last two weeks. The bill is still pending action in the Senate, where Senator Weicker continues to hold forth on his amendment to limit access to IRS tax records.

Senators Fong and McGee were leery of bringing up the bill prior to recess, because of uncertainty as to whether they had sufficient votes to defeat the Weicker amendment. They plan to do another count next week when they return, and hope that they can turn around a sufficient number of Senators to defeat Weicker and pass the conference bill. They are looking for some help from the Administration in the form of proposed legislation or an Executive Order limiting tax data availability. Both of these are in the works.

This bill is far from essential at this point, since we now have the relevant appropriation act signed into law with last-minute provisions that we worked out with Congressional staff to avoid the necessity of specific authorization. However, at this point we should not publicly at least withdraw our support for the authorization bill.



Stanley Ebner
General Counsel

D

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

INFORMATION

AUG 30 1974

MEMORANDUM FOR THE PRESIDENT

Through: Roy L. Ash

From: Paul H. O'Neill



Subject: Further Developments on Railroad Retirement Legislation

Background

My memorandum of August 14 provided a brief summary of the present situation with respect to the problems of the Railroad Retirement system. At that time, based on conversations with the minority, there was some basis for optimism that we could defeat the proposal for a \$400 million per year Federal subsidy in the House Interstate and Foreign Commerce Committee or, alternatively, on the House floor.

Current Situation

Jim Broyhill has subsequently been in touch with us to indicate that he doubts we can win this unless the minority can offer a viable alternative. He has suggested a possible alternative which, unfortunately, still depends upon a temporary Federal subsidy. Our fear is that once we have started such a subsidy, it will become permanent. Even if it were only temporary, it would violate an important principle that the system should be self-supporting and financed by the industry it serves.

Our staff has developed a counter-proposal which uses some elements of the Broyhill idea, but avoids a Federal subsidy by phasing in the increased costs of liberalizing benefits over a five year time period, as financing becomes available from the industry to pay for them.

I will be discussing these ideas with Jim Broyhill and his staff in the next few days and will keep you advised of developments.

THE WHITE HOUSE

WASHINGTON

August 30, 1974

MEMORANDUM FOR:

JERRY JONES


FROM:

J. PATRICK GARNER *Pat*


SUBJECT:

Your Memo of 8/22, Legislative
Strategy Follow-up

Attached are papers dealing with the following items listed on your memo:

- 
- ~~1. Cargo Preference~~
 - 2. Consumer Protection Agency
 - 7. Mined Area Protection
 - 8. White House Authorization Bill
 - 11. Railroad Retirement

The following are not dealt with in this package:

- 3. Juvenile Delinquency - the enrolled bill memo has been prepared and it includes a veto statement.
-  4. Health Insurance - we were tasked to reconsider the issue from ground zero. This paper will follow by COB, Tuesday, September 3.
- 5. Pension Reform - all work completed for signing.
- 6. Safe Drinking Water - ~~holding pending further discussions with John Rhodes.~~
- 9. Trade Reform - Worker Adjustment Assistance issue has been decided by the President (your memo of 8/27).

THE WHITE HOUSE

WASHINGTON

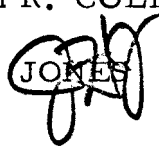
September 6, 1974

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

WILLIAM E. TIMMONS
✓KENNETH R. COLE, JR.

FROM:

JERRY H. JONES 

Attached are position papers on the following topics:

1. Consumer Protection Agency
2. Railroad Retirement Legislation
3. Mined Area Protection
4. White House Authorization

These were the result of my memorandum of August 22 concerning legislation strategy follow-up. In addition, Roy Ash states that two other issues will be handled as follows:

1. Safe Drinking Water -- holding pending further discussions with John Rhodes.
2. Trade Reform -- worker adjustment assistance issue has been decided by the President.

Do you agree with this assessment of these issues? Could we have your comments and recommendations by cob, Saturday, September 7.

Thank you.

STAFFING

THE WHITE HOUSE

WASHINGTON

September 6, 1974

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

~~WILLIAM E. TIMMONS~~
~~KENNETH T. COLE, JR.~~

JERRY H. JONES *[Signature]*

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Thank you.

Jerry -
yes, okay!
BJ

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

AUG 30 1974

ACTION

MEMORANDUM FOR THE PRESIDENT

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FROM: Paul H. O'Neill

SUBJECT: Meeting with Senators Ervin and Curtis on Consumer
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Background. The House bill (H.R. 13163) was passed in April. The Senate bill (S. 707) has been blocked by a filibuster -- led by Senator Ervin. A fourth attempt at cloture is expected soon after the recess.

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OFFICE OF MANAGEMENT AND BUDGET


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AUG 30 1974

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THE WHITE HOUSE

WASHINGTON

AUG 30 1974

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FROM:

ROY L. ASH

SUBJECT:

MINED AREA PROTECTION

Background

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Actions Taken and Underway

- o Conferees have met three times without resolving major issues and are expected to continue negotiations on September 11.
- o Secretary Morton and his staff are working to persuade conferees to adopt important changes.

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

August 28, 1974


MEMORANDUM FOR THE DIRECTOR

Subject: White House Authorization

The status of H.R. 14715, the conference bill to provide authority for White House and Vice Presidential Office appropriations, has not changed appreciably in the last two weeks. The bill is still pending action in the Senate, where Senator Weicker continues to hold forth on his amendment to limit access to IRS tax records.

Senators Fong and McGee were leery of bringing up the bill prior to recess, because of uncertainty as to whether they had sufficient votes to defeat the Weicker amendment. They plan to do another count next week when they return, and hope that they can turn around a sufficient number of Senators to defeat Weicker and pass the conference bill. They are looking for some help from the Administration in the form of proposed legislation or an Executive Order limiting tax data availability. Both of these are in the works.

This bill is far from essential at this point, since we now have the relevant appropriation act signed into law with last-minute provisions that we worked out with Congressional staff to avoid the necessity of specific authorization. However, at this point we should not publicly at least withdraw our support for the authorization bill.


Stanley Ebner
General Counsel

THE WHITE HOUSE

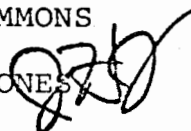
WASHINGTON

August 22, 1974

MEMORANDUM FOR:

ROY ASH
KEN COLE
BRENT SCOWCROFT
BILL TIMMONS

FROM:

JERRY JONES 

SUBJECT:

Legislative Strategy Follow-up

It is my understanding that the following actions are due as agreed in your meeting this afternoon with General Haig:

1. Cargo Preference - Roy Ash will examine possible compromise options and submit a paper to the President.
2. Consumer Protection Act - Roy Ash will develop a strategy design to get no bill and submit a paper.
3. Juvenile Delinquency - Wait for the enrolled bill report and develop a veto statement if appropriate.
4. National Health Insurance - Roy Ash will reconsider the entire matter from ground zero and develop an information paper for the President.
5. Pension Reform - To be signed on Labor Day; a signing statement is required.
6. Safe Drinking Water - Roy Ash is to write a status report.
7. Strip Mining - Agency problems in way of veto to be resolved by Cole, Ash, and Timmons.
8. White House Authorization Bill - Roy Ash will write a status report.
9. Trade Reform - NSC will write a status report.
10. Rhodesian Chrome - Ken Cole will develop a decision paper for the President.
11. Railroad Retirement - Roy Ash will write a status report.

Each of these actions should be coordinated between Ash, Timmons, Cole and the NSC where necessary. Please call me if your understanding on the above follow-up actions differs from what I stated.

THE WHITE HOUSE
WASHINGTON

September 6, 1974

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

WILLIAM E. TIMMONS
KENNETH R. COLE, JR.

FROM:

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ok / Cole
ok / Timmons

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WASHINGTON, D.C. 20503

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Stanley Ebner
General Counsel

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OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 30 1974

ACTION

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FROM: Paul H. O'Neill

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Attachment: Brown Amendments to H.R. 13163

CPA Access to Criminal Investigation Files. H.R. 13163 and S. 707 would force Federal agencies to produce such files for CPA review. The Brown amendment would safeguard these files.

Participation in Regulatory Agency Proceedings. The Brown amendment would not allow the CPA to become a party with equal rights to an agency prosecutor in that very small number of Federal adjudications in which a person, who has been formally charged with a violation of law, is being prosecuted before a Federal agency. H.R. 13163 and S. 707 would, in effect, allow CPA to be such a second prosecutor in most such situations, limiting the CPA's right to party status only where the forum agency, itself, directly imposes a fine or a forfeiture upon a person found guilty.

Exemptions from CPA. Under the Brown amendment, Labor relations would not be excluded from CPA advocacy and appeal as is the case in S. 707 and H.R. 13163. The Departments of Defense and State would be fully exempt from CPA intervention under the Brown amendment. H.R. 13163 and S. 707 only grant partial exemptions to these agencies.

CPA Access to Agency Interrogatory Powers. H.R. 13163 would force existing agencies to use their subpoena powers against individuals and companies which the CPA, alone, is investigating. S. 707 would give CPA independent interrogatory authority. The Brown substitute would allow existing Federal agencies to refuse any CPA requests for them to use their subpoena power to get information only of interest to CPA.

Judicial Representation. H.R. 13163 and S. 707 would allow CPA to hire and use its own trial lawyers and to proceed in court independently of the Justice Department. The Brown alternative would provide that the Justice Department would litigate court suits for the CPA, except where the Attorney General determines otherwise.

CPA Access to Trade Secrets and Confidential Information. The Brown amendment would allow Federal agencies to refuse CPA access to trade secrets and confidential information which were voluntarily given to these agencies. S. 707 and H.R. 13163 would force these agencies to disclose to the CPA virtually all such material given to the Federal Government in confidence.

Judicial Review of Agency Regulatory Decisions. H.R. 13163 and S. 707 would allow CPA to seek judicial review of virtually any action, including inaction of another agency, whether or not CPA appeared before it. The Brown amendment would allow CPA to seek judicial review only of another agency's decisions where that agency refused to grant CPA access to information to which CPA has a right under the bill or where CPA has been denied party status or any other CPA-requested opportunity to advocate consumer interests as provided in the bill.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

INFORMATION

AUG 30 1974

MEMORANDUM FOR THE PRESIDENT

Through: Roy L. Ash

From: Paul H. O'Neill



Subject: Further Developments on Railroad Retirement
Legislation

Background

My memorandum of August 14 provided a brief summary of the present situation with respect to the problems of the Railroad Retirement system. At that time, based on conversations with the minority, there was some basis for optimism that we could defeat the proposal for a \$400 million per year Federal subsidy in the House Interstate and Foreign Commerce Committee or, alternatively, on the House floor.

Current Situation

Jim Broyhill has subsequently been in touch with us to indicate that he doubts we can win this unless the minority can offer a viable alternative. He has suggested a possible alternative which, unfortunately, still depends upon a temporary Federal subsidy. Our fear is that once we have started such a subsidy, it will become permanent. Even if it were only temporary, it would violate an important principle that the system should be self-supporting and financed by the industry it serves.

Our staff has developed a counter-proposal which uses some elements of the Broyhill idea, but avoids a Federal subsidy by phasing in the increased costs of liberalizing benefits over a five year time period, as financing becomes available from the industry to pay for them.

I will be discussing these ideas with Jim Broyhill and his staff in the next few days and will keep you advised of developments.

THE WHITE HOUSE

WASHINGTON

AUG 30 1974

MEMORANDUM FOR THE PRESIDENT

FROM:

ROY L. ASH

SUBJECT:

MINED AREA PROTECTION

Background

Prior Administration proposed legislation to establish reclamation and environmental standards for mining of all types of minerals. Bills on surface mining of coal have passed both Houses with much controversy in the House, particularly because of potential coal production losses.

Issues Remaining (in approximate order of importance)

- o Senate bill prohibits surface mining where the U.S. has retained minerals but no longer owns the land, affecting large areas of several western States. The House bill drastically strengthens surface owner rights and may give surface owner windfall profits. It also prohibits surface mining in National Forest lands, legislatively taking existing rights.
- o Unique unemployment and economic assistance provisions would set precedent by providing special benefits to one narrow group.
- o House bill earmarks revenue from OCS leasing for reclamation of unrestored and abandoned strip mined lands. This approach could lead to windfalls for private landowners.
- o Gives U.S. too large a role in enforcing State programs.
- o Interim program requirements of the Senate bill may cause partial moratorium on surface mining.
- o Creates unnecessary Federally funded mining and mineral research centers. (Similar bill vetoed in 1972.)

Actions Taken and Underway

- o Conferees have met three times without resolving major issues and are expected to continue negotiations on September 11.
- o Secretary Morton and his staff are working to persuade conferees to adopt important changes.

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

August 28, 1974


MEMORANDUM FOR THE DIRECTOR

Subject: White House Authorization

The status of H.R. 14715, the conference bill to provide authority for White House and Vice Presidential Office appropriations, has not changed appreciably in the last two weeks. The bill is still pending action in the Senate, where Senator Weicker continues to hold forth on his amendment to limit access to IRS tax records.

Senators Fong and McGee were leery of bringing up the bill prior to recess, because of uncertainty as to whether they had sufficient votes to defeat the Weicker amendment. They plan to do another count next week when they return, and hope that they can turn around a sufficient number of Senators to defeat Weicker and pass the conference bill. They are looking for some help from the Administration in the form of proposed legislation or an Executive Order limiting tax data availability. Both of these are in the works.

This bill is far from essential at this point, since we now have the relevant appropriation act signed into law with last-minute provisions that we worked out with Congressional staff to avoid the necessity of specific authorization. However, at this point we should not publicly at least withdraw our support for the authorization bill.


Stanley Ebner
General Counsel

THE WHITE HOUSE

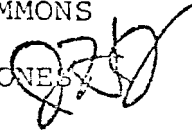
WASHINGTON

August 22, 1974

MEMORANDUM FOR:

ROY ASH
KEN COLE
BRENT SCOWCROFT
BILL TIMMONS

FROM:

JERRY JONES 

SUBJECT:

Legislative Strategy Follow-up

It is my understanding that the following actions are due as agreed in your meeting this afternoon with General Haig:

1. Cargo Preference - Roy Ash will examine possible compromise options and submit a paper to the President.
2. Consumer Protection Act - Roy Ash will develop a strategy design to get no bill and submit a paper.
3. Juvenile Delinquency - Wait for the enrolled bill report and develop a veto statement if appropriate.
4. National Health Insurance - Roy Ash will reconsider the entire matter from ground zero and develop an information paper for the President.
5. Pension Reform - To be signed on Labor Day; a signing statement is required.
6. Safe Drinking Water - Roy Ash is to write a status report.
7. Strip Mining - Agency problems in way of veto to be resolved by Cole, Ash, and Timmons.
8. White House Authorization Bill - Roy Ash will write a status report.
9. Trade Reform - NSC will write a status report.
10. Rhodesian Chrome - Ken Cole will develop a decision paper for the President.
11. Railroad Retirement - Roy Ash will write a status report.

Each of these actions should be coordinated between Ash, Timmons, Cole and the NSC where necessary. Please call me if your understanding on the above follow-up actions differs from what I stated.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET

Date: 8-24

TO: *Jerry Jones*
FROM: J. Patrick Garner *Pat*

ACTION:

Approval/Signature _____
Comment _____
Information ☒ _____
File _____
Draft response for
Roy L. Ash's signature _____
For your handling _____

REMARKS:

*Tasks are assigned and
we will have 1 page
papers to you by C.O.B. Wed.*

THE WHITE HOUSE

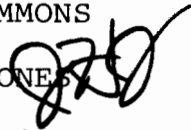
WASHINGTON

August 22, 1974

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THE WHITE HOUSE


WASHINGTON

August 22, 1974

MEMORANDUM FOR:

ROY ASH
KEN COLE
BRENT SCOWCROFT
BILL TIMMONS

FROM:

JERRY JONES 

SUBJECT:

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File

THE WHITE HOUSE

WASHINGTON

August 19, 1974

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: ROY L. ASH
KENNETH R. COLE, JR.
WILLIAM E. TIMMONS

FROM: JERRY H. JONES

SUBJECT: Decision and Information Memoranda
Dealing with Policy Issues Before Congress

Your memoranda to the President on the above subject have been noted and the following notations were made on memoranda as they were numbered in the notebook:

- ✓ 3. Ash memo (8/12/74) re: Cargo Preference Legislation
-- I would like further discussion in White House with me.
- ✓ 4. O'Neill/Ash memo (8/12/74) re: Consumer Protection Agency (CPA) Legislation
-- I tend to agree with Timmons.
- ✓ 5. Ash memo (8/12/74) re: Status of Legislation to create an Energy Research and Development Administration (ERDA)
-- Do our best to preserve Holifield bill.
- ✓ 6. Ash memo (8/12/74) re: Freedom of Information Act Amendments (H. R. 12471)
-- A veto presents problems. How serious are our objections.
- ✓ 7. O'Neill/Ash memo (8/12/74) re: Juvenile Delinquency Legislation (S. 821)
-- Help Timmons to delay.
- ✓ 8. Scott/Ash memo (8/12/74) re: Pending Mass Transit Legislation
-- Option 2 -- Oppose present H. R. 12859 subsidy structure. Support operating subsidies only on a formula basis which would permit local capital/operating trade-offs.-- was approved.

10. O'Neill/Ash memo (8/12/74) re: OEO Community Action Program

-- I agree.

13. Ash memo (8/12/74) re: Safe Drinking Water Legislation

-- Agree.

15. O'Neill/Ash memo (8/12/74) re: Veterans Education Bill

-- I agree.

21. Timmons memo (8/15/74) re: Rhodesian Chrome

-- Before deciding I want all arguments pro and con.

Please follow-up with the appropriate action.

Thank you.

cc: Al Haig

THE WHITE HOUSE

WASHINGTON

August 19, 1974

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR:

ROY L. ASH
KENNETH R. COLE, JR.
WILLIAM E. TIMMONS

FROM:

JERRY H. JONES

SUBJECT:

Decision and Information Memoranda
Dealing with Policy Issues Before Congress

As will discussed
George

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Please follow-up with the appropriate action.

Thank you.

cc: Al Haig

THE WHITE HOUSE

WASHINGTON

August 15, 1974

MEMORANDUM FOR: THE PRESIDENT

FROM: ROY L. ASH

KEN COLE

WILLIAM E. TIMMONS

Attached are decision and information memoranda that deal with the most pressing policy issues before Congress that now confront you.

If you think it worthwhile, we would welcome an opportunity to discuss these measures with you.

TABLE OF CONTENTS

1. Agriculture Appropriation Act
2. Campaign Reform
3. Cargo Preference
4. Consumer Protection Agency
5. ERDA (Energy Research and Development Administration)
6. Freedom of Information Act Amendments
7. Juvenile Delinquency
8. Mass Transit
9. National Health Insurance
10. OEO Community Action Program
11. Omnibus Housing Bill (Better Communities)
12. Pension Reform
13. Safe Drinking
14. Surface Mining
15. Veterans Education Bill
16. White House Authorization
17. Deputy U.S. Marshals Veto
18. Veterinarians Veto
19. Trade Reform
20. State Department Authorization

- 21. Rhodesian Chrome
- 22. Railroad Retirement Benefits
- 23. No-Fault Insurance
- 24. Privacy Legislation

THE WHITE HOUSE

WASHINGTON

INFORMATION

August 12, 1974

MEMORANDUM FOR:

THE PRESIDENT

FROM:

~~ROY L. ASH~~

held.

SUBJECT:

Agriculture-Environmental and
Consumer Protection Appropriation
Act, 1975

On August 8, 1974, the President vetoed the 1975 appropriation bill providing funds for the Department of Agriculture, the Environmental Protection Agency, and other related agencies and programs. The major reasons are:

- It would have increased budget outlays by about \$150 million in 1975 and \$300 million in 1976, largely as a result of increased grants for rural water and sewer facilities and agricultural conservation practices.
- It would have further added to inflationary pressures by increasing USDA loan programs by about \$500 million.
- It would have transferred from HUD to EPA a \$175 million program to clean up the Great Lakes, even though the feasibility of such a program has not been proven.

House action, if any, will not be taken before August 22. We do not believe that either House will override the veto. Therefore, the likely course of action will be to prepare a new bill. We are working with Secretary Butz and the Appropriations Committee to develop an acceptable compromise.

THE WHITE HOUSE

WASHINGTON

AUG 12 1974

MEMORANDUM FOR: THE PRESIDENT

FROM: ROY L. ASH

11e low
INFORMATION

SUBJECT: Campaign Reform Legislation

The Senate and House are now ready to confer on campaign reform. A serious effort in conference is not expected prior to the Labor Day recess since conferees have not yet been appointed. Final Congressional action prior to elections is unlikely because of wide differences on every major provision and most minor ones as well.

These are the main features of the bills, as contrasted with the Administration bill on which you and Bryce Harlow labored:

-- PUBLIC FINANCING. House - For Presidential elections only; full funding for general election, matching of small contributions for primaries. Senate - For Presidential and Congressional elections; full funding in general elections; matching of small contributions in primaries. Administration - No public financing provision (but under present law Presidential candidate can elect public funding for general election).

-- EXPENDITURE LIMITATIONS. Imposed by both House and Senate bills; for Congressional races, House has much lower limitations. Administration - no limitations but preserves existing limits for Presidential candidate opting for public financing. (Both Houses will compromise on limitations.)

-- CONTRIBUTION LIMITATIONS. For individuals, relatively low in House bill, higher in Senate and Administration bills. For groups, similar limitations in House and Senate, no limitation in Administration bill. "In kind" contributions by groups prohibited in Administration bill; House and Senate permit up to contribution limitation.

-- "DIRTY TRICKS". Administration bill contained several specific prohibitions; Senate contains a few; House bill silent.

-- FEDERAL ELECTIONS COMMISSION. House - Appointed by Speaker and President of Senate; lacks prosecutorial power. Senate - appointed by President; has prosecutorial power. Administration - appointed by President with consent of Senate; lacks prosecutorial power. (House clearly vulnerable to the charge that it is policing itself.)

Since both the House and Senate bills contain some form of public financing and expenditure limitations, the conference could well produce a final product in serious conflict with the Administration position which favors neither.

EXECUTIVE OFFICE OF THE PRESIDENT


OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 12 1974

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ROY L. ASH 

SUBJECT: Cargo Preference Legislation

Senate floor action on the Energy Transportation Security Act of 1974, S.2089, is imminent. The bill would require a fixed percentage of all petroleum imported into the US to be carried on US flag vessels.

All concerned Agencies and Departments have opposed the bill on grounds that it runs contrary to the foreign and domestic economic and political goals of the Administration. In spite of agency opposition, the legislation passed the House by vote of 266 to 136. The prospect of defeat on the Senate floor is uncertain. A veto signal was recommended to President Nixon by Rush, Simon, Timmons, Eberle, Flanigan and me, while Baroody and Cole were opposed. The veto signal was not given to the Congress, but Executive Agencies were urged to continue their opposition and to warn that they would recommend veto to the President.

Advocates of this legislation cite increased employment for shipyard workers and seamen, improved security of oil supply in emergencies due to an increased tanker fleet, and a balance of payments benefit. The Maritime industry strongly supports enactment.

Opponents argue that passage would whet protectionist appetites, increase domestic cost of oil and feed inflation, and violate our international treaties and obligations. They argue that the best means to expand the US-flag tanker fleet is through the direct subsidy program which has provided the largest shipbuilding program in our peacetime history.

Recommendation:

That you authorize a veto signal. All concerned Departments and Agencies support this recommendation.

Agree _____

Disagree ✓

*I would like further discussion
in W/H with me*

[clip]


SEE NEXT PAGE ...>

THE WHITE HOUSE

WASHINGTON

August 14, 1974

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM J. BAROODY, JR. 
SUBJECT: Cargo Preference Legislation

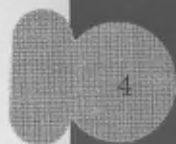
This legislation has been hotly debated within the Administration for some time. On previous occasions opponents of the legislation have requested that the President send a veto message to the Hill. On two occasions I argued against that position, recommending that no such signal be sent in advance of a Senate vote. On both occasions President Nixon concurred and no veto signal was sent.

On the basis of these two clear Presidential decisions and with President Nixon's approval, I assured Paul Hall and other labor leaders that no veto signal would be sent in advance of a Senate vote. A reversal of position by you now may not defeat the legislation in the Senate, but it clearly would be interpreted as a slap in the face to the maritime unions. As you already know, Paul Hall is very much upset by the award of a Defense contract on nine Falcon tankers and a reversal by you on cargo preference would be a major irritant to our good relationship with him. In addition, if your meeting with George Meany yesterday before meeting with labor leaders who are recognized as friendly to the Administration, like Paul Hall, is followed by a clear reversal on cargo preference, the effect would be obvious and damaging.

The combination of the history of the issue, your own good relationship with Paul Hall and those he represents, and the fact that, in my view, the merits of the legislation are not overwhelmingly against the bill as others believe, leads me to urge you to disapprove the sending of a veto signal.

RECOMMENDATION

I urge you to reaffirm the Administration's position that no veto signal will be sent in advance of a Senate vote.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 12 1974

ACTION

MEMORANDUM FOR THE PRESIDENT

THROUGH: Roy L. Ash

FROM: Paul M. O'Neill

SUBJECT: Consumer Protection Agency (CPA) Legislation

Vote 18 or 20th.

Background

The House passed legislation (H.R. 13163) to create a non-regulatory, Federal consumer protection agency in April by a vote of 293 to 94. The Senate has been filibustering a more liberal CPA bill (S. 707) since late July. Two cloture votes have failed by margins of 56 to 42 and 59 to 39. Another cloture vote is expected later this month.

Key Facts

As a result of Administration negotiations with the House and Senate sponsors over the past year, the legislation has been moderated in a number of respects. S. 707 still has three features which the previous Administration indicated were totally unacceptable.

Current Position

In a letter to Senator Curtis, President Nixon threatened to veto S. 707 if passed in its present form. Substitution of H.R. 13163 for S. 707 in the Senate is a remote possibility should the next attempt at cloture fail. Senator Ervin--the leader of the S. 707 opposition--is confident that he has the votes to block such a move. The Administration has not taken a position on H.R. 13163 since its passage by the House. Your options are to:

- remain silent pending the outcome on the Senate floor, or
- signal now a veto of H.R. 13163 should it be substituted by the Senate.

Recommendation

We recommend that you indicate your opposition to S. 707 but that you take no position on H.R. 13163 since a veto threat seems unnecessary at this point to prevent Senate passage of CPA legislation.

SEE NEXT PAGE ...>

ADDENDUM

Bill Timmons feels you must decide now on the CPA issue and recommends the President endorse the Administration substitute (Bud Brown) to the House legislation (Horton-Holifield). This was rejected 176-223 but had support of 135 Republicans and 41 southern Democrats. Timmons would not signal this position until necessary in hopes the Senate may continue to sustain its filibuster. He expects Senator Percy at some point to throw in the towel and ask what the President will accept.

*I tend to agree with
Timmons.*

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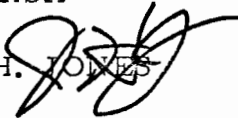


THE WHITE HOUSE
WASHINGTON

August 28, 1974

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR: ROY L. ASH

FROM: JERRY H. JONES 

SUBJECT: Status of Legislation to create an
Energy Research and Development
Administration (ERDA)

Your memorandum to the President of August 12 on the above subject has been reviewed and the following notation was made:

-- Do our best to preserve Holifield bill.

Please follow-up with the appropriate action.

Thank you.

cc: Al Haig

THE WHITE HOUSE

WASHINGTON

AUG 12 1974

Do our best to preserve Holifield bill

MEMORANDUM FOR THE PRESIDENT

FROM:

~~ROY L. ASH~~

SUBJECT:

Status of Legislation to create an Energy Research and Development Administration (ERDA)

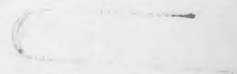
Last year the Administration submitted legislation to Congress to create an Energy Research and Development Administration (ERDA) by combining the nuclear R&D activities of AEC with nonnuclear R&D activities to be transferred from Interior, EPA, and NSF. The same legislation would also remove AEC's current licensing and regulation activities and set them up in a new independent Nuclear Energy Commission (NEC).

This legislation has already passed the House, and the full Government Operations Committee in the Senate. It is scheduled for floor debate in the Senate this week.

The bill which cleared the Senate Government Operations Committee is generally acceptable except for a provision creating a Council on Energy Policy. We feel that the Council would overlap and duplicate the role of existing mechanisms.

Our greatest concern, however, centers around numerous further amendments to the bill which may be pressed on the floor. Many about which we have information would be irrelevant and controversial and might be unacceptable to the Administration. Our intent is to oppose such amendments, with some prospect that Representative Holifield can clean up in conference those which we may not be able to prevent.

Timing remains critical. Our problems in managing our expanding energy R&D effort make it urgent that ERDA be enacted as soon as possible. Continued top level Administration support is needed to keep this legislation moving and to avoid unacceptable Senate amendments. OMB is also directing a substantial amount of planning time to insure an orderly transition when the bill is enacted. One short-term concern is the early designation of an Administrator for ERDA, and of the five-person Commission to head NEC. Recommendations will be made to you in the very near future for these appointments. [clap]



THE WHITE HOUSE

WASHINGTON

AUG 12 1974

*A veto presents problems -
How serious are our
objections, [clap]*

MEMORANDUM FOR: THE PRESIDENT
FROM: ROY A. ASH INFORMATION
SUBJECT: Freedom of Information Act Amendments
(H.R. 12471)

The Report of the Conference Committee on the Freedom of Information Act Amendments is imminent. The Committee is due to meet tomorrow (August 13) to resolve a final point of disagreement.

The probable amendments raise a number of serious administrative, financial, and Constitutional problems including provisions which would: set stringent deadlines for agency responses to requests for information; permit the award of attorney fees to successful plaintiffs in litigation over withheld information; permit in camera judicial examination of any withheld information (including classified information) to determine whether the information is appropriately withheld, with the burden of proof on the agency; limit the present law enforcement exemption to instances such as a clear invasion of personal privacy; and require court imposed sanctions against officials who withhold information "without a reasonable basis in law."

The Conference Committee will be requested to delay for one week its final meeting so that the conferees may have the benefit of your views prior to completing their report. Hopefully this process will permit further accommodation and make the bill more acceptable. This course is preferable to a decision now on whether to veto or approve the bill.

The Conference Committee is awaiting the President's position on this legislation. Justice, OMB and your staff are working on a Presidential letter outlining Administration objections to provisions of this bill. Timmons feels strongly that it will be impossible to clean up sufficiently and a veto is required. Ted Kennedy, John Moss and others will delay a week as a courtesy but have indicated they will not change provisions.

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

AUG 12 1974

MEMORANDUM FOR THE PRESIDENT

From: Paul H. O'Neill

Through: Roy L. Ash

Subject: Juvenile Delinquency Legislation (S. 821)

Help Timmons to delay
[clip]

Background:

The Administration sought a simple extension of HEW's juvenile delinquency program, and proposed funding it at \$15 million in fiscal year 1975. (The Justice Department, through the Law Enforcement Assistance Administration, expends approximately \$140 million on juvenile delinquency activities.) Both the Senate and House have passed bills authorizing major new programs.

Key Facts:

The House bill, passed by 329 to 20, would establish a \$75 million program in HEW. The Senate bill, passed by 88 to 1, would establish a program in Justice (LEAA), by adding \$75 million to Justice's current level of \$140 million. We understand that at the initial meeting of the conference committee, agreement was reached to place the program in Justice. The conference committee meets again on Thursday, August 15.

Current Position

The Administration has opposed both bills, on the basis that another Federal categorical service delivery program is not necessary in this area. Extension of the present HEW program, along with LEAA funding, is a sufficient Federal response to the problem of juvenile delinquency.

Recommendation:

Continue to oppose both bills. Either the House or Senate version should be regarded as a potential veto candidate.

Timmons Note: Because conferees are from House Education and Senate Judiciary Committees, there is outside possibility the conference will never agree. Timmons is working to that end.

SEE NEXT PAGE...>

ADDENDUM

Mel Laird called Timmons to report several million dollars in this bill to go to the Boy Scouts and Boys Clubs. Bill Whyte and many SOS C&M members are enthusiastic for this reason and will be "lobbying" the President.



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 12 1974

MEMORANDUM FOR THE PRESIDENT

FROM: Walter D. Scott *Walter D. Scott*

THRU: Roy L. Ash *A*

SUBJECT: Pending Mass Transit Legislation

Pressures have been building to expand Federal-aid to mass transit to include operating as well as capital costs. H.R. 12859, which supports one approach, is scheduled for House floor action on 8/14. Arguments in favor of Federal operating subsidies include:

...They would permit cities to receive adequate Federal transit funding without creating incentives for planning major uneconomic construction projects.

...They would help arrest deterioration of local service and/or prevent fare increases thus saving ridership.

Arguments opposing operating subsidies include:

...They would weaken local resolve to take a strong bargaining position in labor negotiations.

...They would substitute Federal funding for existing State and local funds.

...In a discretionary, non-formula, format, they would mandate detailed Federal involvement in wage negotiations, fare policy, and route structure.

Principal approaches to operating subsidies in connection with H.R. 12859:

1. Support H.R. 12859 which provides discretionary (non-formula) subsidies for about 10 cities and formula subsidies for others.
2. Oppose present H.R. 12859 subsidy structure. Support operating subsidies only on a formula basis which would permit local capital/operating trade-offs.

Recommendation: DOT: Support Option #1. With a tough stance on funding levels and other aspects of program structure, we can achieve a relatively acceptable bill. Otherwise, there may be risks of worse legislation. OMB/Domestic Council: While Option #1 may be acceptable as a fallback position later in the legislative cycle, we recommend that you support Option #2 now: operating assistance to be acceptable only in a formula format and preferably with a low matching share. Believe we can resist other potential worse legislation.

Agree with:

Option #1 _____

Option #2 ✓

[clio]

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET


ACTION

WASHINGTON, D.C. 20503

AUG 12 1974

MEMORANDUM FOR THE PRESIDENT

THROUGH: Roy L. Ash

FROM: Paul H. O'Neill 

SUBJECT: National Health Insurance

Background

On behalf of the Administration, HEW submitted to Congress the "Comprehensive Health Insurance Plan" (CHIP) legislation in February. While there are a dozen bills in Congress, major competitors to CHIP are the Kennedy-Mills bill and the Long-Ribicoff bill.

Key Facts

All three bills would provide for (1) cost-sharing to discourage over-utilization of services and (2) the regulation of hospital reimbursement rates and physician fees.

CHIP, however, is voluntary and it relies on State financial participation and regulation and builds on the private insurance industry. The Kennedy-Mills bill would mandate comprehensive benefit coverage and "federalize" health care by financing benefits through increased Social Security payroll taxes with Federal administration; private health insurance would be virtually eliminated. The Long-Ribicoff bill is a "gap filler," stressing insurance for catastrophic care and improvements in the Medicaid program for low income people. Medicare would be continued under all three bills.

Current Position

We are still pressing Congress to act on CHIP and we have indicated that there is room for compromise. On national television, Secretary Weinberger reaffirmed your support for CHIP and indicated you had participated in its development.

Recommendation

We recommend that you indicate support for national health insurance along the lines of CHIP, but that you strongly oppose a federalization of health care financing or an increase in social security payroll taxes for health insurance.

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

AUG 12 1974

MEMORANDUM FOR THE PRESIDENT

From: Paul H. O'Neill

Through: Roy L. Ash

Subject: OEO Community Action Program

(clip)

Background:

The Nixon Administration, from 1969 on, considered direct Federal support of the Community Action Program inappropriate. They first considered folding this program into Urban Community Development Revenue Sharing, but that option was subsequently dropped. The budgets for 1974 and 1975 then proposed termination of OEO and Community Action.

Key Facts:

The Congress is considering bills which would either continue Community Action in a new, separate agency, or transfer it to HEW. (A transfer bill has passed the House 331-53.) State and local officials across the political spectrum strongly support Community Action as a Federal program. The Community Action appropriations authorization expired June 30, 1974, and the program currently operates under the Continuing Resolution. The basic authorization for the program itself expires June 30, 1975.

Current Position:

The Administration has proposed a bill to discontinue the program and authorize HEW to oversee the orderly phase-out of Community Action activities in 1975.

Recommendation:

Maintain current position.

I agree

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503
AUG 12 1974

MEMORANDUM FOR THE PRESIDENT

THROUGH:

ROY L. ASH

FROM:

PAUL H. O'NEILL

SUBJECT:

OMNIBUS HOUSING BILL OF 1974

Background

A conference committee has recently completed work on the first major revision of housing legislation since 1968. The bill authorizes major changes in the provision of Federal assistance for community development and housing. Features of proposals originally submitted by the Administration--the Better Communities Act and the Housing Act of 1974--have been incorporated in the new bill. Final congressional action is expected this week.

Key Facts

The bill contains a community development block grant program which conforms in most major respects with the Administration's proposed Better Communities Act. It also authorizes changes in the provision of low-income housing assistance through a leasing approach similar to the Administration's current proposal.

Several features of the bill have not been supported by the Administration: extension of the below-market interest rate subsidy programs, reinstatement of a direct loan program for elderly housing, guarantee of State housing agency bonds and other provisions which would loosen insurance and other Federal financing authorities.

Current Position

The Administration has generally supported the community development and housing features of the House-passed (351-25) bill which included some of the reforms originally proposed by the Administration. The Senate passed bill (76-11) has been regarded as unacceptable and a veto threat was given. The bill reported out of conference appears to be an even mixture of provisions from both bills.

Recommendation

The complete text of the bill is not yet available, thus the ultimate programmatic and budgetary impact is not yet known. We recommend that no public position be taken on the bill until a full analysis of the provisions has been completed.

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

AUG 12 1974

MEMORANDUM FOR THE PRESIDENT

THRU: ROY D. ASH *ASH*
FROM: PAUL H. O'NEILL *Oneill*
SUBJECT: Private Pension Reform Legislation - "Employee Retirement Income Security Act, H.R. 2"

Sign
Labor day
or day after
CA

Background

An omnibus pension reform bill, H.R. 2, is expected to be filed in the House this week. The bill would (a) establish minimum standards for participating, vesting and funding in private pension plans, (b) establish more stringent fiduciary standards based upon a "prudent man rule" and a stiffer set of prohibited transactions, (c) increase the reporting and disclosure requirements, and (d) establish a new government corporation, the Pension Benefit Guaranty Corporation, which will provide mandatory insurance of pension benefits. The bill would correct many of the defects in the Nation's private pension system. However, the termination insurance program contains provisions which may leave the Pension Benefit Guaranty Corporation open to significant abuses.

Key Facts

The bill has broad support. The Senate passed its version by a vote of 93 to 0 and the House passed its version by 375 to 4. Early effective dates for Termination Insurance will make implementation difficult.

Current Position

The Administration has made numerous recommendations to the Conference, some of which have been accepted. No position has been taken on the final Conference bill. The affected agencies will probably recommend approval.

Recommendation

Although the bill contains a number of significant technical deficiencies, on balance it would deal with the major defects of the private pension system and should be approved.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

AUG 12 1974

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Safe Drinking Water Legislation

Purpose: The purpose of the legislation is to meet the growing public concern that drinking water supplies meet standards for the protection of public health.

Background: The prior Administration introduced a Safe Drinking Water bill (H.R. 5368) in February 1973. The bill would provide for national drinking water standards and would insure that the public be informed of the quality of the water it drinks. Enforcement would remain with the States and with an informed citizenry. The Federal Government would retain enforcement powers only in cases of imminent hazard.

The House bill (H.R. 13002) extends the scope of Federal standards to include regulation of intake water supplies, the manner in which plants are operated, and the siting of new plants. This bill also pre-empts the State's right of enforcement, to be returned to the States only if they meet certain Federal requirements. In all cases, the Federal Government would retain an item veto power over State decisions on the enforcement of standards, with the possibility of back-up Federal enforcement. Finally, the House bill contains provisions for a Federal regulatory program for underground injection wells.

Status: The Senate passed a bill in June of 1973 (S. 433) that is similar to the House bill in major respects. The House bill has cleared the Committee on Interstate and Foreign Commerce and is about to go to the floor.

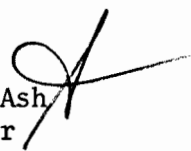
Last November, Administrator Train wrote, with OMB encouragement, a strong letter to Chairman Staggers supporting the prior Administration's position. Several weeks ago, we wrote a letter to Congressman Rhodes soliciting his support to lead a fight against the House bill on the floor.

Next Steps: I plan to talk to Congressman Rhodes to confirm our earlier position and work out the best possible resolution before the House takes final action on this bill. Please indicate below whether you concur.

AGREE
DISAGREE
SEE ME

✓

Roy L. Ash
Director



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

August 12, 1974

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Strip Mining Legislation

Will be veto.

Background

Prior Administration proposed legislation to establish reclamation and environmental standards for mining of all types of minerals. Bills, limited primarily to surface (strip) mining of coal, have passed both houses with much controversy in the House, particularly because of potential coal production losses.

Major Remaining Issues (in approximate order of importance)

- . The Senate bill among other things prohibits surface mining where the Federal Government owns mineral rights but not the surface rights (Mansfield amendment) thus affecting large areas of several western States. The House bill does not prohibit such mining, but in requiring consent of the surface owner is likely to give him windfall profits.
- . Unique unemployment and economic assistance provisions would set precedent by providing benefits to one narrow group, undermining the principles of our unemployment programs.
- . House bill earmarks revenue from OCS leasing for reclamation of orphan strip mined lands and is inflationary.
- . Gives Federal Government too large a role in enforcing State programs.
- . Interim Program requirements of the Senate bill are likely to cause partial moratorium on surface mining.
- . Abandoned Mine Reclamation program in both bills could lead to windfall profits for private landowners.

Actions Taken and Underway

- . Conferees have met once and are expected to continue negotiations on August 15.
- . Interior Secretary Morton informed conferees of Administration desires on the bills and his staff is working for adoption of a number of very important changes including deletion of some provisions in both bills.

Roy L. Ash
Director

SEE NEXT PAGE...>

ADDENDUM

While Interior, EPA and environmentalists desperately want some bill, both Senate and House versions are objectionable. Either would reduce coal production when we need it most and inflate prices of available coal when we can least afford it. (Hosmer's substitute was defeated 156-255).

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503


AUG 12 1974

MEMORANDUM FOR THE PRESIDENT

THROUGH:

ROY A. ASH

FROM:

PAUL H. O'NEILL 

SUBJECT:

VETERANS EDUCATION BILL

Background

The 1975 budget proposed an 8% increase in the monthly benefits to allow for a cost-of-living increase. The Administration bill was introduced. House and Senate sponsored bills were independently introduced. The House passed bill (382-0) raised the benefits 13.6%. The Senate passed bill (91-0) raised the benefits 18.1% and contained provisions authorizing tuition payments, a direct loan program, and nine additional months of education entitlement (36-45 months).

Key Facts

The monthly benefits need to be raised in order that veterans can keep pace with the cost of living.

The tuition payments, the direct loan program and the entitlement extension are the most objectionable provisions. They would add over \$800 M to the 1975 budget. The House Committee leadership has joined the Administration in opposing the Senate on all three provisions. The Conference has been stalemated. A veto threat letter was sent to the Senate Committee Chairman regarding the provisions of the Senate bill other than the rate increase. The Administration is committed to accepting a cost-of-living increase consistent with the cost of living since the last change in benefits.

Recommendation

The Administration should continue to oppose the tuition assistance payments, the direct loans, and the entitlement extension. We should push hard for the long overdue cost-of-living increase.

SEE NEXT PAGE...>

ADDENDUM

The Conference Committee has now reported this measure. While the tuition assistance payments were dropped, the conferees jumped benefits to 23% - well above either House or Senate version - and extended entitlement to 45 months and provided loans up to \$1,000 per year per student. Early analysis indicates this adds \$800 million to the current FY 75 budget.

Since the 23% is above both Senate and House versions, a point of order will be made against the conference report.

RECOMMENDATION

That the President signal a veto unless the student loan provision is dropped and the cost-of-living increase is held at the Senate level of 18%.

9.

I agree

THE WHITE HOUSE

WASHINGTON

AUG 12 1974

INFORMATION

MEMORANDUM FOR: THE PRESIDENT
FROM: ROY L. ASH
SUBJECT: WHITE HOUSE AUTHORIZATION BILL

On August 7 the Senate tabled H.R. 14715, the conference bill to provide authority for White House and Vice Presidential Office appropriations which had already been agreed to by the House. This placed pending appropriations for the White House and related activities, which depend in part on the expected enactment of the authorization bill, in some jeopardy.

Through a parliamentary maneuver the House has today passed the conference bill once again, sending it to the Senate for agreement. The Senate plans to take it up this Wednesday, and hopefully will clear it for your action. To do so, however, will require some accommodation with Senator Weicker, whose efforts to secure an amendment limiting access to Internal Revenue Service tax records were chiefly responsible for tabling the conference bill.

H.R. 14715 does not provide everything we sought, but it represents a reasonable compromise which overall is acceptable. Even though we have some indication that the Appropriations Committees may modify their conference report to take into account possible non-passage of H.R. 14715, we still feel pressing for an authorization bill is warranted. With Bill Timmons' help we will continue on this course.

THE WHITE HOUSE
WASHINGTON

INFORMATION

August 14, 1974

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM E. TIMMONS *BT*

SUBJECT: H.R. 5094

V ✓

The President vetoed on August 13, 1974, H.R. 5094, a measure that would require the reclassification and upgrading of deputy United States marshals.

The veto was based upon opposition to creating federal pay inequities, and disrupting existing grade and pay relationships among the deputy marshals themselves.

Congressman David N. Henderson (D-N.C.), Chairman of the House Post Office and Civil Service Subcommittee on Manpower and Civil Service has indicated there will be no attempt to override the veto.

THE WHITE HOUSE
WASHINGTON

INFORMATION

August 16, 1974

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM E. TIMMONS *WET*
SUBJECT: Veto of H.R. 11873, Animal Health Research

The President, on August 14, 1974, vetoed H.R. 11873, a program to assist States in carrying out programs of animal health research.

The bill was vetoed on the grounds that it would duplicate and overlap existing programs.

Creation of a new \$47 million annual categorical program would also contribute to inflationary pressures.

On August 15, the Presidential veto message was read to the House, and the bill and message were referred to the House Committee on Agriculture under unanimous consent requested by Chairman Poage. The Chairman has indicated there will be no attempt to override the President's veto.

The Trade Reform Act

Status

The Senate Finance Committee is currently halfway through its consideration of the Trade Reform Act passed by the House last December. Further Committee consideration is scheduled for August 19, 20, and 21, and could be completed in several more Committee sessions, with the bill being reported out soon after the Labor Day recess.

This schedule is based on the assumption that the Jackson-Vanik amendment can be reformulated by agreement between Senator Jackson and Secretary Kissinger before August 20. Former President Nixon previously stated that without reformulation the Trade Bill is "unacceptable" and indicated to a joint leadership meeting the bill would be vetoed.

The Senate Finance Committee does not want to proceed much further without such a reformulation on the grounds that it would be a waste of time. Kissinger and Jackson are trying to work out a reformulation this week.

Issue

Your decision is necessary on what position should be taken on the Jackson-Vanik amendment. Settlement of this problem is key to obtaining the bill.

Recommendation

I recommend that you press for a compromise with the Senators involved, without threatening a veto if the bill as adopted by the Senate contains the Jackson-Vanik amendment. Completion of Congressional action on the Trade Bill in September will require flexibility on the part of the Administration and on the part of the key proponents of the Jackson-Vanik amendment (Jackson, Javits and Ribicoff).

The Administration position should acknowledge that the granting of MFN to the Soviet Union can be used


to obtain more liberal Soviet emigration policies, while recognizing that the use of this carrot and stick has its dangers and costs. However, the Jackson-Vanik amendment, strictly construed, would be counter-productive. Either a suitable reformulation of the amendment's wording, or an acceptable agreed interpretation, should be worked out this week. Either course would allow the granting of MFN (nondiscriminatory) tariff status and credits. Congressional concerns on freedom of emigration and the extent of credits granted, can be met through adequate review provisions.

THE WHITE HOUSE

WASHINGTON

ADMINISTRATIVELY CONFIDENTIAL

August 13, 1974

MEMORANDUM FOR: WILLIAM E. TIMMONS
FROM: HENRY A. KISSINGER 
SUBJECT: Administration Position on Senate
Amendments to FY 1975 State
Department Authorization Bill

Status:

The State Department authorization bill has been passed by the Senate encumbered by several amendments which are discussed below. The House Foreign Affairs Committee has reported the authorization bill in clean form with none of these controversial amendments. It goes to the Rules Committee today and is expected to be voted on the floor this week.

Discussion of Amendments:

Section 4: Repeal of Formosa Resolution. Administration position: Although the Legislative Interdepartmental Group (LIG) decided we should oppose repeal of this resolution, this reflected the hope that the matter not become an issue of public debate at all, rather than a desire to continue the resolution in force. The Administration is on record in previous years as neither opposing nor supporting repeal. The Formosa Resolution was passed during a period of particular tension in 1955 as a signal of Congressional support for the President. In the Department's view, it was clearly superseded by the subsequent Mutual Security Treaty with the ROC. Our preference remains that the resolution not be repealed; however, if the Senate conferees remain firm, we recommend a position of "no objection" to repeal.

Section 5: Publication of Political Contribution Information. Administration position: No objection.

Section 6: Travel Expenses of Dependents. Administration position: OMB opposes; Department supports.

ADMINISTRATIVELY CONFIDENTIAL

Section 7: Assignment of FSO's to Public Organizations. Administration position: The Department supports the principle, but thinks it needs to be made more flexible and less sweeping than currently drafted. Acceptable language will be developed and provided to appropriate conferees.

Section 8: Authority of Ambassadors. This provision is designed to put into legislation the primacy of the U.S. Ambassador acting in a foreign country as the President's personal representative. Heretofore, the Ambassador's authority derived from President Kennedy's letter to the U.S. Ambassador in Chile which mandate was renewed during the Johnson and Nixon Administrations.

Administration position: Oppose on the floor as legislating improperly in an area of Presidential authority.

Section 9: Reorganization of Foreign Affairs Authorizing Legislation. This section establishes a statutory format for the submission by the Executive Branch of future authorization or appropriations bills relating to foreign affairs. Removes from DOD and other agencies cognizance over elements of their appropriations considered by the Senate as more properly under State management.

Administration position: Oppose.

Section 10: Military Base Agreements. This is the so-called Case amendment requiring Congressional approval for future establishment of new military bases overseas or renewal or major changes in existing base agreements. The authority of the President to negotiate Executive Agreements is a vital element in the fulfillment of his constitutional responsibility to conduct the foreign policy of the United States. This authority has been confirmed by Congressional approval, during more than 40 years, of the President's authority to negotiate and execute trade and tariff agreements under the Reciprocal Trade Agreement Act of 1934. ✓

Administration position: Oppose.

Section 11: Diego Garcia Agreement. This provision prohibits implementation of the agreement between the U.S. and the UK to build a military base on Diego Garcia.

Administration position: Oppose. (See rationale presented against Section 10.) ✓

Section 12: International Materials Bureau. This provision establishes an international materials bureau in the Department responsible for reviewing the supply, price and demand throughout the world of basic raw and processed materials.

Administration position: Oppose. Adequate monitoring and regulatory bodies are already in existence.

Section 14: Review of Cuba Policy. Directive to the Executive to review current U.S. policy toward Cuba with the purpose of developing a new one.

Administration position: Low-key opposition.

Section 15: Future of U.S. Assistance to South Vietnam. Directs the Secretary to submit to the appropriate committees of Congress a detailed plan for future U.S. aid to South Vietnam and for the reduction of such assistance.

Administration position: No objection.

Section 16: Reduction in Certain U.S. Personnel Abroad. Directs a 2% reduction in civilian personnel abroad and 10% in military personnel by June 30, 1975. ✓

Administration position: Oppose.

Outlook

Wayne Hays has told us that he is confident he can defeat most of the controversial amendments in conference, at least those that the Administration is interested in blocking. On Section 7, he believes that more flexibility is required. On Section 8, he has felt, heretofore, that we would be unable to defeat this, but he would agree to insert language which would provide the President some flexibility to continue certain operations in the field without the requirement to work through the Ambassador. He is confident he can defeat Section 9. He does not oppose Section 10 and does not believe it can be defeated. However, the germaneness question may well take care of this for us as it did last year. On Sections 11 and 12, Hays is confident they will be defeated in conference. Section 15 -- he urges the Administration to accept -- which, in fact, we have. Section 16 -- he is in sympathy with such cuts and will support them in the conference.

RECOMMENDATION:

That the Administration's positions reflected below on the State Department authorization bill be taken as work continues on the bill in the weeks ahead:

1. Repeal of the Formosa Resolution - Remain opposed but acquiesce in repeal if faced with substantial opposition by Senate conferees.
2. Publication of Political Contribution Information - No objection.
3. Travel Expenses of Dependents - Support.
4. Assignment of FSO's to Public Organizations - Seek more flexible language in conference.
5. Authority of Ambassadors - Oppose, but seek acceptable compromise.
6. Reorganization of Foreign Affairs Funding - Oppose.
7. Case Amendment - Oppose.
8. Diego Garcia Amendment - Oppose.
9. International Materials Bureau - Oppose.
10. Review of Cuba Policy - Low-key opposition.
11. Projection of U.S. Aid to South Vietnam - No objection.
12. Reduction in U.S. Personnel Abroad - Oppose.

THE WHITE HOUSE

WASHINGTON
August 15, 1974

MEMORANDUM FOR THE PRESIDENT

FROM: William E. Timmons *BT*
SUBJECT: Rhodesian Chrome

In December of last year the Senate repealed the so-called (Harry) Byrd Amendment and the House will next week consider a similar bill.

The Byrd Amendment prohibited the President from adhering to any trading ban on strategic materials from a free-world nation (Rhodesia) when the United States was importing the same strategic materials from a communist nation (Russia).

Secretary Kissinger and Ambassador Scali are out in front for repeal along with Senate and House liberals. Most conservatives, including John Rhodes, support Harry Byrd's position. Whip checks show the vote to be very close.

Blacks and liberals urge your personal support for repeal as a symbol.

RECOMMENDATION:

If the House schedule permits, that you hold your position for the Black Caucus meeting and endorse the repealer with a statement handed out in the Press Office.

*Before deciding
I want all inputs
pro & con.*

APPROVE _____ DISAPPROVE _____

THE WHITE HOUSE

INFORMATION

WASHINGTON

August 16, 1974

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM E. TIMMONS *by*
SUBJECT: H.R. 15301, Railroad Retirement

update

The full House Committee on Interstate and Foreign Commerce reported out by voice vote Thursday, August 14, 1974, the bill H.R. 15301, Railroad Retirement.

The objectionable Committee version was adopted, calling for a \$390 million subsidy the first year out of the general Treasury, and an eventual expenditure of \$4.5 billion over 20 years.

The House Democratic Leadership will press for early consideration after the August 22 - September 11 House recess.

Republican strategy is to delay House action as long as possible, eventually forcing Chairman Staggers to bring a bill in at the eleventh hour in mid-October, under extension, providing for a simple, one-year extension of the current structure.

Legislation in some form is needed before adjournment because pensions of 900,000 retirees will drop 50% on January 1, 1975, unless the present retirement structure is extended, or new legislation passed.

Jim Broyhill and Sam Devine will be working to delay consideration of the Committee bill.

THE WHITE HOUSE

WASHINGTON

August 16, 1974

MEMORANDUM FOR: THE PRESIDENT

FROM: KEN COLE

SUBJECT: NO-FAULT AUTOMOBILE INSURANCE

BACKGROUND

This Spring former President Nixon decided that we would stick with the Administration's position on no-fault, which was to oppose any federal legislation but encourage states to adopt no-fault laws. Notwithstanding that position, the Senate passed S. 354, which would set federal no-fault standards which all states must meet or a federal plan would be imposed automatically. The standards require compulsory first-party, no-fault insurance for every motor vehicle owner covering, among other things, all medical, hospital, rehabilitation and some income losses. The right to sue for tort liability under a dollar threshold is abolished unless the victim dies or sustains very serious injury.

The House is expected to begin hearings soon on several no-fault proposals, which range from total federal preemption to the Senate's standards approach.

On the merits, it appears fairly certain that no-fault is a better system to compensate automobile accident victims than the tort system. Furthermore, such a system, if imposed nationally, would cost less overall to the consumer and, therefore, aid in our fight against inflation.

Although over ten states have enacted some form of no-fault, current progress is very slow due to the effective and strenuous opposition from lawyers and others who have an economic interest.

ISSUE

No one seriously questions the benefit of no-fault, but the issue is whether or not there should be federal legislation to accomplish this. This is an area that the Federal Government has traditionally stayed out of and federal standards would, undoubtedly, evolve into more pervasive federal control over time. It comes down to a choice between accepting legislation, which clearly gives the nation better automobile insurance, or holding the line against further encroachment on state and local authority.

OPTIONS

1. Maintain opposition to any federal no-fault legislation. The following favor this position: Secretaries Lynn and Dent, Bill Timmons, Roy Ash and Ken Cole.
2. Support some form of minimum federal no-fault standards (similar to the Senate bill). The following favor this position: Secretary Brinegar and Virginia Knauer.

DECISION

Should we maintain our position of supporting state no-fault laws but opposing federal legislation in this area?

YES, no federal no-fault _____ ✓

NO, support federal standards _____

THE WHITE HOUSE

WASHINGTON

August 5, 1974

MEMORANDUM FOR: BILL TIMMONS
VIA: KEN COLE
SUBJECT: Privacy Legislation and the Criminal Justice
Information Bill

Senator Sam Ervin's Government Operations Committee plans a mark-up of S. 3418, a bill that would establish a federal privacy board with jurisdiction over the Executive Branch of the Federal government, all three branches of State government, and all business operated for profit in the United States, except newspapers. It would impose a number of obligations on all of these with respect to information systems containing data on individuals. The scope of this legislation is considerably beyond anything proposed by the Domestic Council Committee on Privacy and would be opposed by most government agencies.

It has been reported that Senator Ervin's real purpose is to get S. 3418 on the Senate floor so that he can attach S. 2963 to it as an amendment. S. 2963, the Criminal Justice Information Systems Bill, is a piece of legislation that Senator Ervin sees as one of the "capstones" of his career. It would place unacceptable restrictions on the exchange and use of criminal justice information within the criminal justice community, so that investigation of organized crime activities would be hindered. Moreover, the initiative presents substantial constitutional problems and penalties that are out of proportion in comparison with the offense. S. 2963 is currently frozen in the Judiciary Subcommittee by Senators Hruska and Eastland.

The Department of Justice is undertaking to stall such a ploy by attempting to get the Senate Judiciary Committee to study and review S. 3418 when it comes out of the Government Operations Committee. The resultant thirty day delay should ensure the demise of the bill this session.

F. Lynn May
F. Lynn May