

President's Trip to Georgia, 4/13/79-4/21/79

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
telegram	From Mondale to The President (2 pp.) re: Trip to Norway <i>opened per RAC NLC 126-16-49-1-0 8/22/13</i>	4/19/79	A
telegram	From US Embassy to The President (2 pp.) re: Visit to Sweden <i>opened per RAC NLC 126-16-49-2-9 8/22/13</i>	4/20/79	A
telegram	From Mondale to The President (2 pp.) re: Meeting with Icelandic Leaders	4/13/79	A
telegram	From Mondale to The President (2 pp.) re: Visit to Finland	4/21/79	A

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Handwriting File
[President's Vacation in Georgia 4/13/79- 4/21/79], BOX 127

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THE WHITE HOUSE
WASHINGTON

13 April 1979

Patti--

This material is for your files, and includes the original Vanik letter to the President with the P.'s handwriting.

As you can see, I have sent copies of the letter to Secretary Vance and to the V.P. In addition, I sent Madeleine Albright a copy for a further response, asking her to see that Dr. Brzezinski gets a copy. The Frank Moore interim which the President approved has been sent.

Let me know if you have any questions.

Ev

A handwritten signature consisting of the letters 'E' and 'V' in a cursive, connected style.

THE WHITE HOUSE

WASHINGTON

April 12, 1979

MEMORANDUM FOR: VICE PRESIDENT WALTER MONDALE
FROM: FRANK MOORE *F.M.*
SUBJECT: Letter to the President from
Congressman Charles Vanik

Per the President's request, I am forwarding for your information a copy of Congressman Charles Vanik's letter of April 6, regarding most-favored-nation status for China and the Soviet Union.

THE WHITE HOUSE

WASHINGTON

April 12, 1979

MEMORANDUM FOR: SECRETARY OF STATE CYRUS R. VANCE
FROM: FRANK MOORE *f.m.*
SUBJECT: Letter to the President from
Congressman Charles Vanik

Per the President's request, I am forwarding for your information a copy of Congressman Charles Vanik's letter of April 6, regarding most-favored-nation status for China and the Soviet Union.

THE WHITE HOUSE
WASHINGTON

12 April 1979

Madeleine--

Per the President's request, I have sent out a Frank Moore interim to this letter from Vanik, rather than a Presidential response. I am now forwarding you a copy for your appropriate handling and follow-up. Please see that ZB has a copy of the letter. I have sent copies to the Vice President and to Secretary Vance.

Please make sure that I have a copy of the final response. Since there was handwriting on the original letter, I'm forwarding a copy, but it is for a response nonetheless.

Thanks. Ev

THE WHITE HOUSE
WASHINGTON

4/11/79

ev small --

per attached...president
'approves' frank moore response;
however, please note that
president would like copies
of vanik letter sent to
v.p., vance and brzezinski.

thanks--susan clough

THE WHITE HOUSE
WASHINGTON

April 11, 1979

~~Susan--~~

I have prepared two responses to the Charlie Vanik letter which the President has asked to see. They are both interim replies--one is a Frank Moore response ← and the other is Presidential. Even though the Presidential reply is non-committal, I discussed it with Madeleine Albright and Tim Deal of the NSC staff. Tim did not think the President should reply. I don't know the reasons, but I mention it for your information. At any rate, they are the ones who said that the name referred to in the President's letter should be Cy Vance and not Zbig Brzezinski.

Please send everything back to me, and I'll take care of seeing that the appropriate letters are dispatched and filed per the President's instructions.

Thanks.

Ev Small
198 EOB

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SUMMARY OF CONGRESSIONAL MAIL TO THE PRESIDENT

DATE: APRIL 9, 1979

PAGE: - 1 -

FROM -----	SUBJECT -----	DISPOSITION -----	COMMENTS -----
REP. CHARLIE VANIK (D) - OHIO	REPORTS ON HIS DISCUSSION WITH SOVIET AMBASSADOR DOBRYNIN ON TRADE RELATIONS; BELIEVES THAT IF THERE IS AN "EVEN-HANDED" APPROACH TO BOTH CHINA AND THE SOVIET UNION WITH REGARD TO MOST-FAVORED-NATION STATUS, CONGRESSIONAL APPROVAL OF NORMALIZED TRADE STATUS COULD BE ACHIEVED THIS YEAR; BELIEVES THE EXTENSION OF MFN SHOULD NOT BE CONDITIONED ON ANY PROGRESS OR LACK OF PROGRESS IN THE SALT NEGOTIATIONS.	ACKNOWLEDGED BY FM REFERRED TO NSC CC:STRAUSS, CABLE	<i>Susan</i> <i>J</i>
REP. CARDISS COLLINS (D) - ILLINOIS	EXPRESSES RESERVATIONS ABOUT "THE OBLIGATIONS ENTERED INTO ON BEHALF OF THE AMERICAN TAXPAYER" TO IMPLEMENT THE EGYPTIAN-ISRAELI PEACE TREATY; CONCERNED ABOUT THE EFFECT OF THESE ADDITIONAL COMMITMENTS ON DOMESTIC SOCIAL PROGRAMS "WHICH THE ADMINISTRATION APPEARS ONLY TOO WILLING TO SACRIFICE IN THE NAME OF FISCAL AUSTERITY"; REQUESTS INFORMATION ON HOW THE FINANCIAL ASPECTS OF THE TREATY WILL RELATE TO OVERALL BUDGETARY CONSTRAINTS DURING THIS AND COMING FISCAL YEARS.	ACKNOWLEDGED BY FM REFERRED TO OMB CC:NSC, BECKEL	<i>to me</i>

THE WHITE HOUSE

WASHINGTON

April 11, 1979

Dear Mr. Chairman:

The President asked me to acknowledge his receipt of, and thank you for, your letter of April 6 regarding your recent discussions with Soviet Ambassador Dobrynin on trade relations.

The President appreciates your comments and your courtesy in taking the time to write. He has asked me to share your letter with several of his advisers for review. You should receive a further response shortly.

Sincerely,

FM

Frank Moore
Assistant to the President
for Congressional Liaison

The Honorable Charles A. Vanik
Chairman
Subcommittee on Trade
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

sent

CHARLES A. VANIK, OHIO, CHAIRMAN
SUBCOMMITTEE ON TRADE

NINETY-SIXTH CONGRESS

AL ULLMAN, OREG., CHAIRMAN
COMMITTEE ON WAYS AND MEANS

COMMITTEE ON WAYS AND MEANS

JOHN M. MARTIN, JR., CHIEF COUNSEL
J. P. BAKER, ASSISTANT CHIEF COUNSEL
JOHN K. MEAGHER, MINORITY COUNSEL

U.S. HOUSE OF REPRESENTATIVES

WASHINGTON, D.C. 20515

SUBCOMMITTEE STAFF
HAROLD T. LAMAR
DAVID B. ROHR
MARY ANNE WISNOT

SUBCOMMITTEE ON TRADE

April 6, 1979

cc: [Handwritten initials]
[Handwritten initials]
[Handwritten initials]
[Handwritten initials]

SAM M. GIBBONS, FLA.
DAN ROSTENKOWSKI, ILL.
JAMES R. JONES, OKLA.
ABNER J. MIKVA, ILL.
JOSEPH L. FISHER, VA.
KEN HOLLAND, S.C.
ED JENKINS, GA.
THOMAS J. DOWNEY, N.Y.
WILLIAM R. COTTER, CONN.
RAYMOND F. LEDERER, PA.
FRANK J. GUARINI, N.J.
JAMES M. SHANNON, MASS.
AL ULLMAN, OREG.

GUY VANDER JAGT, MICH.
BILL ARCHER, TEX.
BILL FRENZEL, MINN.
JAMES G. MARTIN, N.C.
L. A. (SKIP) BAFALIS, FLA.
RICHARD T. SCHULZE, PA.
W. HENSON MOORE, LA.

EX OFFICIO:
BARBER B. CONABLE, JR., N.Y.

Ack. Fm/Nsc
CONGRESSIONAL
LIANSON

APR 9 1979
cc: Strauss, Cable

President Jimmy Carter
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

As you may know, I am very personally concerned about the issue of Title IV of the Trade Act of 1974 and its application for possible normalized trade relations with the Soviet Union and the Peoples Republic of China. I am greatly disturbed by growing indications that most-favored-nation status might be granted to China in the very near future. It is my firm view that there must be an even-handed approach to both countries under the Trade Act emigration provisions and that if this course is followed, Congressional approval of normalized trade status could be achieved this year.

Accordingly, on February 28 I met with Soviet Ambassador Anatoliy Dobrynin concerning trade relations between the United States and the U.S.S.R. In the course of our discussion, I advised him that I was pleased to learn of the 31,000 exit visas granted last year and, that even more importantly, I was impressed with the reaction I received from Israeli officials who carefully monitor this issue. They advised me that the climate for emigration applications has considerably improved to a point where Soviet officials are helpful and cooperative.

In view of the improved climate, I asked him if his country would be willing to provide the emigration assurances required by the Trade Act as a condition of MFN extension. He was very quick to respond that this was not possible.

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FOOZ

I told the Ambassador that in my opinion, it would be unlikely that the United States Congress would amend the emigration provisions of the Trade Act. If an effort were made to this end, I suggested that I would have to vigorously oppose it on the basis that this principle of U.S. trade policy has become enshrined in the law. I predicted that any effort to modify this provision would result in a two-year congressional debate with an uncertain outcome and probable loss of the opportunity to make substantial gains.

Alternatively, I suggested that in view of the progress in our relations with China, it might be possible that you could recommend MFN status for both countries. With respect to the Soviet Union, I suggested that your recommendation could be based on a finding that the positive trend of Soviet emigration indicates the process of human rights in the U.S.S.R. is proceeding at a much improved level. Such a certification could, in my view, be accepted by the Congress as constituting the assurances of the Trade Act that emigration practices will lead to the achievement of freedom of emigration objectives under the law. I believe a finding of this nature would clear up any technical legislative defects that might be present as a prerequisite for extension of trade benefits.

I told Mr. Dobrynin that if this procedure were followed, the Soviet reaction could be limited to a continued improvement in the climate for emigration and the final decision would be an internal one made by the Congress. I expressed my deep concern that the Soviet Government might react adversely to this procedure. A negative reaction demeaning, objecting to, or commenting unfavorably on the proposal would abort the effort and would be a personal embarrassment for me. I told the Ambassador that I would not want to take any initiatives if his government could not understand our political problems.

Ambassador Dobrynin reacted very warmly and understandingly to my suggested procedure stating that if an official recommendation were forthcoming from the United States, his government would react promptly and confidentially. He seemed to have a full comprehension of the political situation in the U.S. Congress and fully understood the legislative problem when I told him we must expect approximately 160 votes against the proposal--in any form--and that any adverse reaction from his government would be fatal to the idea. With respect to action in the Senate, the Ambassador took particular note of my view that a combined Soviet-PRC request from you can be accepted by some Senators who favor MFN for the PRC but are indifferent to a Soviet relationship.

April 6, 1979

If a decision should be made by your Administration to proceed on an improvement of our trade relations with the Soviet Union as well as with the PRC, I personally believe that the opportunity would be most favorable in the immediate future. During the April Congressional recess I expect to visit the Soviet Union with the Brademas delegation and if a recommendation was made immediately after that, it would set the stage for Congressional action. It is my judgment that this legislation would have problems, but we could clear it in the House before the August recess. In my judgment, the extension of MFN should not be conditioned on any progress or lack of progress in the SALT negotiations. As a matter of fact, introduction of the trade issue would be complimentary and helpful to the approval of the SALT agreement and would enhance our overall relations with both countries in the interest of world peace.

If this issue is deferred, there is no way that the Congress can take this step during the 1980 campaign year. It seems to me that progress on this issue could fulfill your promise to open doors and expand trade throughout the world. Although the waiver procedure under the law would provide for a one year review which is extremely troublesome to our trading partners, subsequent action to extend the waiver to at least two years could be handled in a later step. If our relationship between these two nations progresses in cadence with our hopes, the other issues would become moot and irrelevant.

I would be pleased to discuss this matter further with your representatives at their convenience.

Sincerely yours,

A handwritten signature in black ink, appearing to be 'Charles A. Vanik', written over a rectangular box.

Charles A. Vanik
Chairman

CAV:DRw

P.S. All members of the Subcommittee on Trade have read this letter and a strong majority concur with my approach.

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

April 30, 1979

VIA LDX

MEMORANDUM FOR

Gerard Smith
Ambassador At Large
Department of State

The attached statement has been approved by the President to be read by the Chairman of the European Nuclear Society to the participants of the 1979 European Nuclear Conference on May 7 in Hamburg, Germany.


Christine Dodson
Staff Secretary

cc: Peter Tarnoff

TO PARTICIPANTS IN THE 1979 EUROPEAN NUCLEAR CONFERENCE:

I commend the European Nuclear Society, the American Nuclear Society and the European Atomic Forum for sponsoring the European Nuclear Conference 1979.

The ~~safe and~~ ^{and safety} peaceful use ^{production} of nuclear energy is important to all nations. The International Nuclear Fuel Cycle Evaluation, involving many nations and organizations interested in nuclear energy, has opened a ^{useful} global dialogue on nonproliferation. I hope that this Conference will reinforce those efforts, thus helping reach a consensus on a stable international regime for nuclear energy.

The United States is keenly sensitive to the energy security concerns of other countries. Although nuclear power is not without problems, we recognize that its benefits are significant. I reaffirm my pledge that the United States will be a reliable

nuclear supplier, ^{under our predictable and clearly established nuclear nonproliferation safeguards.}

The United States seeks international cooperation on nuclear issues. It is in this way that the problems of nuclear energy safety, fuel supply, technology transfer, waste management, and nonproliferation of nuclear weapons can be best resolved, with protection to the public and increased confidence in this important energy source.

Jimmy Carter

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THE WHITE HOUSE
WASHINGTON

ACTION April 27, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI

ZB

SUBJECT: The 1979 European Nuclear Conference

The 1979 European Nuclear Conference will be taking place on May 7 in Hamburg, Germany. Gerry Smith (Tab B) feels that a statement from you (Tab A) to be read by the Chairman of the European Nuclear Society to the participants of the conference would be important at this time to indicate your support for nuclear power. I have redrafted State's proposed text somewhat to reflect domestic priorities in the wake of Three Mile Island. Bernie Aronson and Stu Eizenstat's office have also cleared it.

RECOMMENDATION:

That you approve the statement at Tab A, for delivery at the European Nuclear Conference.

APPROVE ✓

DISAPPROVE _____

as amended
J

DEPARTMENT OF STATE
AMBASSADOR AT LARGE
WASHINGTON

April 19, 1979

Dear Mr. President:

European confidence in the U.S. as a reliable nuclear supplier is very low and this fact is prejudicing our efforts to carry out your nonproliferation policy. It would be helpful to European understanding of your nonproliferation policy and confidence in the U.S. if a brief statement from you could be read by the Chairman of the European Nuclear Society to the several thousand participants in the 1979 European Nuclear Conference at its opening on May 7 in Hamburg, Germany. This strikes me as a unique opportunity for you to once again indicate your endorsement for nuclear power -- at a time when it is highly in need of support.

Helmut Schmidt will speak at the Conference, which will also hear addresses by International Atomic Energy Agency (IAEA) Director-General Eklund and the heads of the Atomic Energy Commissions of the UK and France, as well as other ranking energy officials in Europe.

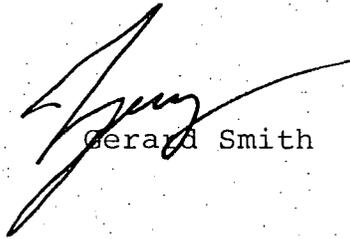
The Conference is sponsored by the European Nuclear Society in conjunction with the American Nuclear Society, and will have a large number of American scientists and businessmen in the audience and participating in various panels. One panel will be devoted to your initiative for the International Nuclear Fuel Cycle Evaluation (INFCE).

The enclosed statement points out that INFCE has opened a global dialogue on nuclear issues with the aim of reaching a consensus on a stable international regime for peaceful uses of nuclear energy,

The President,
The White House.

reaffirms your pledge to make the U.S. a reliable supplier, and calls for increased international co-operation. The statement underlines the need for safety and protection of the public in the use of nuclear power. The Department of Energy concurs in this proposal.

Respectfully,



Gerard Smith

Enclosure:

Statement to the 1979
European Nuclear Conference

NATIONAL SECURITY COUNCIL

ACTION

April 26, 1979

MEMORANDUM FOR: ZBIGNIEW BRZEZINSKI

FROM: JESSICA TUCHMAN MATHEWS *JTM*

SUBJECT: The 1979 European Nuclear Conference

Gerry Smith has written the President (Tab B) requesting a Presidential statement to be read at the European Nuclear Conference in Hamburg, Germany, on May 7. Smith feels that this would be an important time to indicate the President's support for nuclear power. I have redrafted the text (Tab A) somewhat to reflect domestic priorities in the wake of Three Mile Island. It has been cleared by Bernie Aronson and Stu Eizenstat's office.

RECOMMENDATION:

That you sign the memorandum for the President at Tab I.

Alternatively, that you approve the statement for delivery in his name.

*ZB - Given domestic political sensitivity, recommend you send to the P.
Rg.*

Note:

Return to Christine Dodson after approval

April 20, 1979

NATIONAL SECURITY COUNCIL

To: Zbig Brzezinski

Via: Jessica Matthews

From the standpoint of the nuclear concerns I encounter in the other Summit countries, this kind of statement would be most helpful.

↳

Jessica has seen this separately with summit commitments
Action coming to you separately -
2B
JTM

Jessica,
I cleared with
message unit.

Please prepare
memo to 2B and
optional memo 2B
to President

CD

TO PARTICIPANTS IN THE 1979 EUROPEAN NUCLEAR CONFERENCE:

I commend the European Nuclear Society, the American Nuclear Society and the European Atomic Forum for sponsoring the European Nuclear Conference 1979.

World energy needs have emphasized the requirement for nations to develop alternate sources of energy, including nuclear energy. ~~As the final~~ As the final communique of the 1978 Bonn Economic Summit stated: "the further development of nuclear energy is indispensable."

The safe and peaceful use of nuclear energy affects all nations. The International Nuclear Fuel Cycle Evaluation, involving many nations and organizations interested in nuclear energy, has opened a global dialogue on nonproliferation. I hope that this Conference will reinforce those efforts, thus helping reach a consensus on a stable international regime for nuclear energy.

The United States is keenly sensitive to the energy security concerns of other countries. Although nuclear power is not without problems, we recognize that its benefits are significant. I reaffirm my pledge that the United States will be a reliable nuclear supplier.

The United States seeks international cooperation on nuclear issues. It is in this way that the problems of fuel supply, technology transfer, safety, waste management, and nonproliferation of nuclear weapons can be best resolved, with protection to the public and increased confidence in this essential ^{major energy} energy source.

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

URGENT STAFFING TO

JESSICA MATHEWS

Signed 4/14

THE WHITE HOUSE
WASHINGTON

4/13/79

Mr. President:

The attached "Older Americans Month" proclamation has been cleared by OMB and Aronson.

Although not required by law, similar proclamations have been issued since 1963.

Rick



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

①

GENERAL COUNSEL

April 9, 1979

MEMORANDUM FOR: THE PRESIDENT
FROM: WILLIAM M. *Wichols*
SUBJECT: Older Americans Month, 1979

Enclosed is the annual proclamation designating the month of May as Older Americans Month. Although there is no statutory basis for its issuance, similar proclamations have been issued since 1963.

The proposed proclamation was submitted by the Department of Health, Education, and Welfare. It has been retyped in this office solely as to format.

The proposed proclamation has the approval of the Director of the Office of Management and Budget.

Enclosures

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OLDER AMERICANS MONTH, 1979

- - - - -

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

The older American embodies not only a lifetime of experience and accomplishment, but also invaluable and often unrecognized resources of talent, energy and wisdom. Our country's awareness of the contributions and potential of our older people has steadily grown in recent years, as an increasing number of Americans have shown that their later years can indeed be rewarding ones for themselves and their communities.

Yet for too many of our people, the later years are often wasted and miserable because of health problems. This year's theme for the May observance of Older Americans Month is "Better Health Through Better Care."

Health is defined by the World Health Organization as a "state of complete physical, mental and social well-being, not merely the absence of disease and infirmity." Good adequate health requires more than just the treatment of sickness and injury, though providing treatment is vital. Good health care must also include proper nutrition, preventive and health maintenance services, as well as provision for long-term care.

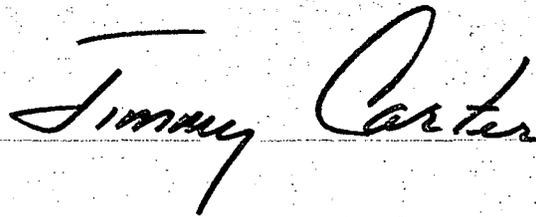
In older persons the interrelationship between physical and mental health is especially important. Mental health services for the elderly have been sadly lacking in this country. Active and satisfying lives are both dependent upon and necessary to maintaining the health of older Americans.

The accessibility of all types of health services is critically important to the elderly, and holding down the costs of both crisis-oriented and preventive services is essential if the real needs are to be met.

As we make greater use of the abilities of older Americans, and find ways to better meet their special needs, particularly in relation to health services, all of our people will benefit.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby designate the month of May 1979 as Older Americans Month. I ask public officials at all levels, doctors, nurses, and other health professionals, and people of all ages, to promote better health care and social services for older people, and to undertake appropriate projects both on a public and on a personal level to ensure the best possible health for older people.

IN WITNESS WHEREOF, I have hereunto set my hand this
day of _____, in the year of our Lord
nineteen hundred seventy-nine, and of the Independence of
the United States of America the two hundred and third.

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

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O 191301Z APR 79
FM THE SITUATION ROOM
TO SUSAN CLOUGH FOR THE PRESIDENT
ZEM
~~SECRET~~ WH91002

THE FOLLOWING MESSAGE WAS RECEIVED FROM
THE VICE PRESIDENT IN COPEHAGEN.

C O P E N H A G E N 423 MONTD 005

SUBJECT: VISIT TO NORWAY

1. BASED ON MY TALKS WITH PRIME MINISTER NORDLI AND HIS CABINET, IT IS CLEAR THAT THE NORWEGIAN GOVERNMENT FIRMLY BACKS U.S. EFFORTS IN NATO, IN THE MIDDLE EAST, IN AFRICA, IN FACT, ON ALL COMMON ISSUES OF CONCERN. NORWEGIANS ARE NOT KNOWN FOR VOLUBILITY, BUT BUILDING ON HIS GOVERNMENT'S PUBLIC STATEMENTS OF SUPPORT FOR THE ISRAELI-EGYPTIAN PEACE TREATY, HE SAID THAT THE JOB YOU HAD DONE WORKING FOR PEACE IS THE BRAVEST NORWAY HAS SEEN IN THE MIDDLE EAST.

2. THE NORWEGIANS HAVE CONSIDERABLE INTEREST IN TURKISH DEVELOPMENTS, STIMULATED BY PRIME MINISTER ECEVIT'S RECENT VISIT TO OSLO. NORDLI UNDERLINES HIS GOVERNMENT'S VIEW OF ECEVIT'S NEED FOR ECONOMIC HELP. HE NOTED THAT HE HAD JUST RECEIVED A MESSAGE FROM THE TURKISH PRIME MINISTER PROPOSING A BARTER OF NORWEGIAN OIL FOR TURKISH WHEAT -- ADDING THAT HE THOUGHT TURKEY REALLY WANTED MONEY. I REVIEWED THE STEPS WE AND OTHERS ARE TAKING TO COME TO TURKEY'S ECONOMIC ASSISTANCE AND I EMPHASIZED THE IMPORTANCE TO AMERICANS OF RELATED PROGRESS ON CYPRUS.

3. I FOUND NO EVIDENCE OF ANY WAIVERING ON NORWAYS COMMITMENT TO NATO. THEY ARE VERY STRONG AND VERY UP FRONT ABOUT IT. THE SOVIETS CONTINUE TO HARRASS THEM, INCLUDING RECENT PROTESTS WITH REGARD TO PREPOSITIONING AND NATO ACTIVITIES GENERALLY, AS WELL AS PRESSURE FOR BILATERAL CONSULTATIONS ON SVALDBARD. THE NORWEGIANS ARE STRONGLY RESISTING ALL OF THIS, THEY ARE CONFIDENT OF THEIR STANCE, AND VALUE OUR CLOSE CONSULTATIONS AND PARTNERSHIP.

4. IN THE MIDDLE EAST THE NORWEGIANS ARE CONCERNED ABOUT THE PROBLEMS THEIR UNIFIL CONTINGENT FACES IN LEBANON. I UNDERLINED THE VALUE WE ATTACH TO THEIR PRESENCE THERE, ADDING THAT WE CONTINUE TO PRESS BEGIN AND ISRAEL TO ASSIST IN LEBANON'S EFFORTS TO REASSERT CENTRAL AUTHORITY IN ITS TERRITORY. THERE WAS THE HINT THAT IF THEY ARE UNABLE TO SEE ANY PROGRESS THEY WILL INCREASINGLY FEEL COMPELLED TO WITHDRAW.

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Per, Rac Project
ESDN: NLC-126-16-49-1-0
BY KS NARA DATE 8/21/13

~~SECRET~~

5. AS ARE MANY EUROPEAN LEADERS, NORDLI EXPRESSED CONCERN ABOUT UNEMPLOYMENT IN THE NORDIC AREA -- IN FACT, IN THE OECD COMMUNITY -- INFLATION AND THE ENERGY CHALLENGE. WE HAD A GOOD EXCHANGE ON THIS. THE NORWEGIANS ASKED IF IT MIGHT NOT BE POSSIBLE TO OPEN A BETTER DIALOGUE BETWEEN THE OPEC COUNTRIES AND THE CONSUMERS WITH A VIEW TO REACHING AGREEMENT ON GRADUAL RATHER THAN ABRUPT AND DISRUPTING PRICE RISES. I SAID WE WOULD EXAMINE THIS AND BE BACK TO THEM.

6. GIVEN THE LACK OF CONTENTIOUS ISSUES IN OUR RELATIONSHIP, THE PRESS DECIDED TO FOCUS ON THE HYPOTHETICAL QUESTION OF NORWEGIAN OIL FOR ISRAEL AND PRESSURE OR LACK THEREOF FROM THE U.S. IN A RESTRICTED SESSION WITH ME, THE PRIME MINISTER PROPOSED WE SAY THAT THE NORWEGIANS HAD, IN FACT, RAISED THIS ISSUE; THAT THEY HAD NOTED THAT NORWEGIAN OIL WAS UNDER PRIVATE CONTROL AND SOLD WITHOUT DISCRIMINATION AND, AT PRESENT, THERE ARE LIMITED QUANTITIES; THAT I, IN TURN, HAD REFERRED TO THE U.S. GUARANTEE OF OIL TO ISRAEL AND THAT I HAD NOT SUGGESTED THAT THIS WAS A PRESSING PROBLEM. THE NORWEGIANS ARE FULLY WILLING TO EXPLORE A MULTILATERAL CONSORTIUM FOR ISRAEL. I RECOMMEND THAT CY, ZBIG AND THE CONCERNED AGENCIES FORWARD RECOMMENDATIONS TO YOU ON WHETHER OR NOT WE SHOULD PURSUE THIS APPROACH.

7. NORDLI, IN THIS RESTRICTED SESSION, NOTED THE CHALLENGE THE FINNS FACE AND THE SKILL WITH WHICH THEY MEET IT. HE EMPHASIZED THE CARE THE NORDICS TAKE TO CONSULT AND TO ASSIST FINLAND, AND HE INCLUDED "SO CALLED NEUTRAL SWEDEN" IN THIS PROCESS. HE SAID THE COOPERATION OF THE NORDIC COUNTRIES IS VITAL TO FINLAND ALTHOUGH THE FINNS CAN NEVER SAY SO.

8. I SHOULD NOTE IN CLOSING THAT JOAN AND I HAD A GREAT VISIT TO MY "ROOTS" IN MUNDAL OVER EASTER WEEKEND. THE MEDIA COVERAGE GIVEN TO THE ENTIRE VISIT WAS FABULOUS. WE HEAD TO COPENHAGEN ON WEDNESDAY, APRIL 18. BEST REGARDS, FRITZ.

Ø7Ø8

3728

NNNN

~~SECRET~~

~~SECRET~~

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FM THE SITUATION ROOM

TO SUSAN CLOUGH FOR THE PRESIDENT - SAPELO ISLAND

ZEM

~~SECRET~~ DELIVER AT OPENING OF BUSINESS WH91012

FROM: AMEMBASSY STOCKHOLM 507

FOR THE PRESIDENT FROM THE VICE PRESIDENT

SUBJECT: VISIT TO SWEDEN

1. THE SWEDES HAD GIVEN VERY CAREFUL PREPARATION TO THE AGENDA FOR OUR TWO HOURS OF TALKS. ADDITIONALLY, THEIR HOSPITALITY FROM MOMENT OF OUR ARRIVAL WAS EXTREMELY WARM AND CORDIAL. THE MOST PROMINENT OBJECT ON DISPLAY IN PRIME MINISTER ULLSTEN'S OFFICE WAS THE PHOTOGRAPH OF HIM TAKEN WITH YOU EARLIER THIS YEAR. WHILE OUR TWO COUNTRIES UNDERSTANDABLY TAKE A VERY DIFFERENT APPROACH TO A NUMBER OF ISSUES, THE SWEDES -- WHO HAD THE BIGGEST RUPTURE IN NORMALLY GOOD RELATIONS BECAUSE OF THE VIETNAM WAR -- ARE CLEARLY GLAD TO HAVE THAT ERA BEHIND BOTH OF US AND TO BE AGAIN MEETING AT THE POLITICAL LEVEL AS FRIENDS. AS IN DENMARK, THERE WAS STRONG SUPPORT FOR THE BASIC OUTLINES OF YOUR FOREIGN POLICY, PARTICULARLY AS IT RELATES TO SALT, DETENTE, THE MIDDLE EAST, HUMAN RIGHTS AND AFRICA.

2. SWEDEN PLACES HEAVY RELIANCE ON NUCLEAR POWER FOR HER ENERGY. ULLSTEN AND HIS COLLEAGUES WERE PLEASED TO HAVE ME CONFIRM THAT THEIR SPECIALISTS WOULD BE WELCOME TO THE U.S. AND THAT WE WOULD WANT OUR EXPERTS TO SHARE WITH THEM OUR FINDINGS FROM THE THREE MILE INCIDENT. ON A RELATED ISSUE, THE SWEDISH MINISTER OF ENERGY SAID THAT A YEAR OR TWO AGO HE HAD TRIED TO ENLIST OUR SUPPORT FOR A PROGRAM OF INTERNATIONAL COOPERATION ON NUCLEAR SAFETY. I SAID I WOULD PASS THIS ALONG TO GERRY SMITH AND ASK HIM TO BE BACK IN TOUCH WITH SWEDEN.

3. ON SALT, ULLSTEN AND HIS GOVERNMENT UNDERSTANDABLY BACK OUR EFFORTS TO REACH THE EARLIEST POSSIBLE AGREEMENT. THE APRIL 19 SWEDISH RADIO AND NEWSPAPERS HAD CARRIED REPORTS OF BREZHNEV'S WOBBLY PERFORMANCE THE DAY BEFORE. ULLSTEN TWICE SAID THAT SHOULD YOU WANT A THIRD COUNTRY SITE FOR A SUMMIT WITH BREZHNEV YOU WOULD BE VERY WELCOME TO STOCKHOLM. I SAID I WOULD RELAY THE INVITATION.

4. WHILE SALT IS IMPORTANT TO SWEDEN, AS YOU MIGHT IMAGINE,

END OF PAGE 01

DECLASSIFIED

Per. Pac Protect

ESDN: NLC-126-16-49-2-9

BY: KS WBA DATE 8/21/13

~~SECRET~~

THE SWEDES THINK WE SHOULD BE MOVING HARDER AND FASTER IN ALL FIELDS OF ARMS CONTROL AND DISARMAMENT -- E.G., CTB, NO INF MODERNIZATION, GREATER RESTRICTION OF USE OF CONVENTIONAL WEAPONS INCLUDING LAND MINES, INCENDIARY WEAPONS AND BANNING ALL NEW CATEGORIES OF ATOMIC WEAPONS. IN REPLYING, I NOTED THE STEADY GROWTH OF THE SOVIET DEFENSE BUDGET, THE GROWTH OF SOVIET THEATER NUCLEAR FORCES AND OUR REQUIREMENT, TOGETHER WITH OUR NATO PARTNERS, TO MANAGE ARMS CONTROL NEGOTIATIONS IN A WAY THAT WOULD NOT GIVE THE SOVIETS A UNILATERAL ADVANTAGE.

5. SOMEWHAT IRONICALLY, THE SWEDISH GOVERNMENT IS UNCOMFORTABLE WITH OUR REGULATIONS RELATING TO SALE OF WEAPONS TO THIRD COUNTRIES -- E.G. OUR VETO OF THEIR SALE OF THE VIGGEN AIRCRAFT TO INDIA -- AND OUR REGULATIONS OF TRANSFER OF TECHNOLOGY MORE GENERALLY. I SUGGESTED THAT IT MIGHT BE USEFUL IF LUCY BENSON AND ONE OR MORE MEMBERS OF OUR EXPORT CONTROL BOARD PAY A QUIET VISIT TO MAKE SURE THAT WE BOTH HAVE CLEARER UNDERSTANDING OF THE POLICIES THAT APPLY. ULLSTEN RAISED SWEDEN'S CONCERN THAT YOU MIGHT EXTEND QUOTAS ON SWEDISH SPECIALTY STEEL EXPORTS TO THE U.S. I REVIEWED THAT BASIC CONSIDERATIONS YOU MUST TAKE INTO ACCOUNT AND SAID I WOULD CONVEY THE STATEMENT OF CONCERN.

6. ON THE MIDDLE EAST, THE SWEDISH GOVERNMENT EXPRESSED MUCH THE SAME CONCERN ABOUT THE COMPLEXITIES OF THE NEXT STEPS IN THE MIDDLE EAST AND THE PROBLEMS THE ARAB REJECTIONISTS MAY CAUSE. I WENT OVER THE STEPS YOU HAD TAKEN TO BRING ABOUT THE CAMP DAVID ACCORDS AND THE EGYPT-ISRAELI TREATY, UNDERLINING THAT THE ONLY ALTERNATIVE WE HAD SEEN TO THIS PROCESS WAS THE LIKELIHOOD OF A NEW WAR. ULLSTEN AND HIS COLLEAGUES SAID THEY WOULD CONTINUE TO SUPPORT YOUR EFFORTS. THIS LEAD TO A DISCUSSION OF YOUR ENERGY POLICY, FOR WHICH THERE IS ALSO STRONG SWEDISH SUPPORT.

7. WE DISCUSSED DEVELOPMENTS IN AFRICA, ULLSTEN SPOKE OUT STRONGLY IN FAVOR OF THE ANGLO-AMERICAN PLAN FOR RHODESIA. ON UGANDA, HE SAID IT MIGHT BE USEFUL TO OFFER ASSISTANCE IN THE FORM OF A COORDINATED INTERNATIONAL PACKAGE. I SAID I WOULD REPORT HIS RECOMMENDATION.

8. TOMORROW I WILL BE IN HELSINKI FOR TALKS WITH PRESIDENT KEKKONEN. HE MAY HAVE SOME USEFUL INSIGHTS ON DEVELOPMENTS IN THE SOVIET LEADERSHIP.

9. WITH BEST REGARDS, FRITZ.

0775
3771

~~SECRET~~

THE WHITE HOUSE
WASHINGTON

4/13/79

To: Frank Moore

From: Susan Clough

Attached is original Presidential
for delivery to Senator Bentsen.

Please have copy of letter
sent to appropriate file.

Thanks.



THE WHITE HOUSE
WASHINGTON

please have copy sent
to frank moore
from susan clough

with note added that:

original will be forwarded
upon return to Washington
or in the event we have
a courier between now
and 4/22/79.

then please return
original to me

thanks--susan clough

THE WHITE HOUSE

WASHINGTON

April 12, 1979

To Senator Lloyd Bentsen

Rosalynn and I were saddened to learn of your granddaughter's death. Our prayers are with you, B.A., and Courtney's family during this difficult time.

Sincerely,

Jimmy Carter

The Honorable Lloyd Bentsen
United States Senate
Washington, D.C. 20510



Office of the Attorney General
Washington, D.C.

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April 16, 1979

MEMORANDUM FOR THE PRESIDENT:

I attach a statement by Dr. Rufus Harris on inflation which he will make this week to the Mercer Board of Trustees. The last two pages are complimentary of you.

Respectfully,

A handwritten signature in cursive script that reads "Griffin B. Bell".

Griffin B. Bell

Enclosure

**Electrostatic Copy Made
for Preservation Purposes**

INFLATION ARREST

2

Inflation of dollars and deflation of confidence are equal perils to our economy. As one reflects upon the prospects of Mercer or any college for the next few years, with the economy so tight, one must be troubled over what increased inflation is likely to do to all of us if it is not arrested and controlled. The evidence of rapid inflationary growth speeded up the recognition of inflation as the number one concern of the nation. A majority of citizens now have come to attribute its growth to the bloated federal budget. Somehow, the public has caught on to the nature of the inflation problem more quickly than the media.

In recent years, politicians and the media routinely blamed each new price surge on a happenstance -the war in Vietnam, Soviet grain purchases, commodity shortages, the oil embargo, bad weather. The few observers who said inflation was a chronic malady chiefly created in Washington, D.C., were often tagged as old fogies. It is both a surprise and a welcome relief to observe the notable shift in public attitude that has taken place during the past two years or so.

The tax revolt begun in California under the banner of Proposition 13 has burgeoned into a nationwide drive to curb the spiraling costs of government. In last fall's elections, voters in several states approved initiatives imposing restraints on their legislatures' spending or taxing ability. Moreover, the legislatures themselves in many states have passed resolutions calling for constitutional conventions proposing amendments that except in emergencies would mandate a balanced federal budget, i.e., spending no more than the

This does not mean that inflation will be quickly and painlessly laid to rest. It is too firmly imbedded in our system to be so easily dislodged. But for the first time since the era of Big Government began some 50 years ago, the causes of the problem are finally being opened to national scrutiny and debate. While a decline in the purchasing power of the dollar has social roots, yet voters long tended to forget that fact and to vote for politicians who promised more benefits than the economy could finance out of its normal operation. This tendency may now be somewhat slowed down.

Growth in government, if faster than the economy which supports it, has a number of bad effects. The imbalance must be financed either by a rise in taxes or by deficit financing, both of which are inflationary. Nevertheless, we have seen the public sector consistently expand faster than the private economy. It is distressing for government to take more than its share of the annual product of the nation. Its habit of preempting an increasing share of the nation's output places a heavier load on the productive side of the economy. In the process, incentives are undermined, especially for those whose income is taxed more heavily.

What happens to this expanding trend of American government in the years ahead is the most important economic factor in our national life. It could seriously affect our educational institutions. Unless it is slowed down, not just the value of our currency and the financial structure of our institutions, but also our role of international leadership and the security of our institutions will be weakened.

Most Congressional leaders are opposing the balanced-budget amendment on the grounds that it would interfere with their "flexibility"

in economic legislation. The truth is that federal spending has become largely an autonomous force, feeding upon itself. As outlays mount at an excessive pace and inflation continues, government costs keep spiraling, leading to still higher outlays and more inflation. A chief way to stop the rise in federal spending would be for the Congress to undertake a major re-writing of existing legislation, which is unlikely. Even if Congress miraculously found the will, the pressures from special-interest groups and the federal bureaucracy would tend seriously to bog down the process. From a longer-range standpoint, though, there is increased hope that federal outlays will slow down.

This slowdown can be achieved if the Administration and Congress decline for the next several years to adopt new major programs or to sweeten existing ones. Whether they can do this even in the present mood of fiscal restraint, is the real question. It will constitute the major part of solving the inflation problem. Major changes in the tax and regulatory structure would greatly assist. While the outlook for inflation control is not too bright for this year or next, yet if its causes are recognized, there is more hope for future success.

We are encouraged by President Carter's initiatives to reduce inflationary pressures. We applaud his objectives of restraining the rise in government spending, of reducing the Federal deficit, of moderating the growth in the money supply, and of curtailing unnecessary and excessively costly regulation. It is urgent that governmental regulatory programs be thoroughly and impartially assessed for their inflationary impact. Social and environmental standards which are determined without sufficient regard for their technological or

economic feasibility are likely to be inflationary. Such standards sometimes impose costs upon the consumer that outweigh their benefits, and they may impose deadlines that preclude the use of more cost-effective alternatives.

Given time, the anti-inflation measures the President has identified -applied fairly and consistently- will reduce inflation. As he has emphasized, this is a long-term proposition. We have little sympathy for those in labor, business, government or the media who say the President's anti-inflation program cannot work. Given a chance to work, it can. This is the attitude we should urge. One of the greatest challenges in fighting inflation is to break through the negative psychology which it breeds. We should answer the legion of doomsayers who receive so much attention in the media and who seem determined to talk us into recession. Repeated too often, prophecies of gloom could become self-fulfilling, a prospect that need not be allowed to happen.

At year's end came the announcement by the Organization of Petroleum Exporting Countries of a 14.5% increase in the price of oil during 1979. This action, together with the disturbing recent developments in Iran, further demonstrates that important as fuel conservation is for the short term, it is increasingly important for the long term that the United States get on with the job of developing additional domestic energy resources, including alternative fuels. There comes a time when the country's transportation and energy needs can be better served by putting its billions into increased energy production, rather than into mileage improvements in its vehicles.

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FOR COMMCENTER USE ONLY

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DTG: 152300Z APR 79

TOR: 152312Z APR 79

FROM: SUSAN CLOUGH

TO: RICK NUTCHESON

INFO:

RELEASED BY:

SPECIAL INSTRUCTIONS:

THE WHITE HOUSE
WASHINGTON

4/16/79

Bob Strauss

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

Rick Hutcheson

cc: Stu Eizenstat
Zbig Brzezinski
Jim McIntyre

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

ACTION
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	SECRET
	EYES ONLY

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

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

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

IMM
PRECEDENCE

LINELAS
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FROM: SUSAN CLOWEN

TO: RICK NUTCHESON

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DTG: 15 2300 Z APR 79

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TOR: 152312Z

SPECIAL INSTRUCTIONS:

79 APR 15 P 6: 16

WHITE HOUSE
SITUATION ROOM

LAST DAY FOR ACTION:

MONDAY, APRIL 16, 1979

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS

WASHINGTON

20503

APR 11 1979

MEMORANDUM FOR THE PRESIDENT

FROM : Robert S. Strauss

SUBJECT : Presidential Review of two Unfair Import
Practice Cases Under Section 337 of the
Tariff Act of 1930 as Amended

The United States International Trade Commission has recently issued two separate determinations that certain products are being imported into the United States in violation of Section 337 of the Tariff Act of 1930, as amended. In both cases the Commission found an unfair trade practice in the unlicensed importation of these articles which infringe U.S. patents. The Commission has ordered their exclusion from importation into the United States. This is the normal remedy. The Commission's determinations and the interagency papers are attached to this memorandum.

By law, you have 60 days to intervene and disapprove of such exclusion orders for policy reasons. There are three options:

(1) You may take no action, in which case the ordered remedy becomes final at the close of the 60 day period.
(April 16, 1979 for the sandals case, April 23, 1979 for the roller units)

(2) You may approve of the remedy at an earlier date, in which case the remedy becomes final at the date of your approval.

(3) You may disapprove of the ordered remedy for policy reasons.

It is the unanimous recommendation on behalf of the Trade Policy Committee that you take no action on either of these cases and allow the ordered remedies to become final at the close of the 60 day period (Option 1, above).

DPS, NSC and OMB concur with Strauss in recommending Option 1.

Neither of these particular section 337 cases is significant in terms of trade volume or political consequences. The exclusion order is the normal remedy for patent infringing imports.

Presidential Decision

Case No. 1 - Certain Roller Units (TA-337-44)

approve

Option 1 (recommended) (STR, DPS, NSC, OMB)
 Option 2
 Option 3

Case No. 2 - Certain Flexible Foam Sandals (TA-337-47)

approve

Option 1 (recommended) (STR, DPS, NSC, OMB)
 Option 2
 Option 3

IMMEDIATE

PRECEDENCE

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FROM: RICK HUTCHESON
TO: SUSAN CLOUGH FOR
THE PRESIDENT

INFO:

RELEASED BY: *JW*

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TOR: 141403Z APR 79

SPECIAL INSTRUCTIONS:

1979 APR 14 15 41

**THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS
WASHINGTON
20506**

APR 11 1979

MEMORANDUM FOR THE PRESIDENT

FROM : Robert S. Strauss 

SUBJECT : Presidential Review of two Unfair Import
Practice Cases Under Section 337 of the
Tariff Act of 1930 as Amended

The United States International Trade Commission has recently issued two separate determinations that certain products are being imported into the United States in violation of Section 337 of the Tariff Act of 1930, as amended. In both cases the Commission found an unfair trade practice in the unlicensed importation of these articles which infringe U.S. patents. The Commission has ordered their exclusion from importation into the United States. This is the normal remedy. The Commission's determinations and the interagency papers are attached to this memorandum.

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(3) You may disapprove of the ordered remedy for policy reasons.

It is the unanimous recommendation on behalf of the Trade Policy Committee that you take no action on either of these cases and allow the ordered remedies to become final at the close of the 60 day period (Option 1, above).

DPS, NSC and OMB concur with Strauss in recommending Option 1.

1525

Neither of these particular section 337 cases is significant in terms of trade volume or political consequences. The exclusion order is the normal remedy for patent infringing imports.

Presidential Decision

Case No. 1 - Certain Roller Units (TA-337-44)

approve

_____ Option 1 (recommended) (STR, DPS, NSC, OMB)
_____ Option 2
_____ Option 3

Case No. 2 - Certain Flexible Foam Sandals (TA-337-47)

approve

_____ Option 1 (recommended) (STR, DPS, NSC, OMB)
_____ Option 2
_____ Option 3

ID 791525

THE WHITE HOUSE

WASHINGTON

DATE: 13 APR 79

FOR ACTION: STU EIZENSTAT *concur*

ZBIG BRZEZINSKI *concur*

JIM MCINTYRE *concur*

CHARLIE SCHULTZE

INFO ONLY: THE VICE PRESIDENT

FRANK MOORE (LES FRANCIS)

ALFRED KAHN

SUBJECT: STRAUSS MEMO RE PRESIDENTIAL REVIEW OF TWO UNFAIR IMPORT PRACTICE CASES UNDER SECTION 337 OF THE TARIFF ACT OF 1930 AS AMENDED, LAST DAY 4/16/79

+++++

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

+ BY: 0500 PM FRIDAY 13 APR 79 +

+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

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THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
5800 S. UNIVERSITY AVENUE
CHICAGO, ILLINOIS 60637

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THE UNIVERSITY OF CHICAGO
DEPARTMENT OF CHEMISTRY
5800 S. UNIVERSITY AVENUE
CHICAGO, ILLINOIS 60637

In the Matter of

CERTAIN ROLLER UNITS

Investigation No. 337-TA-44



USITC PUBLICATION 944

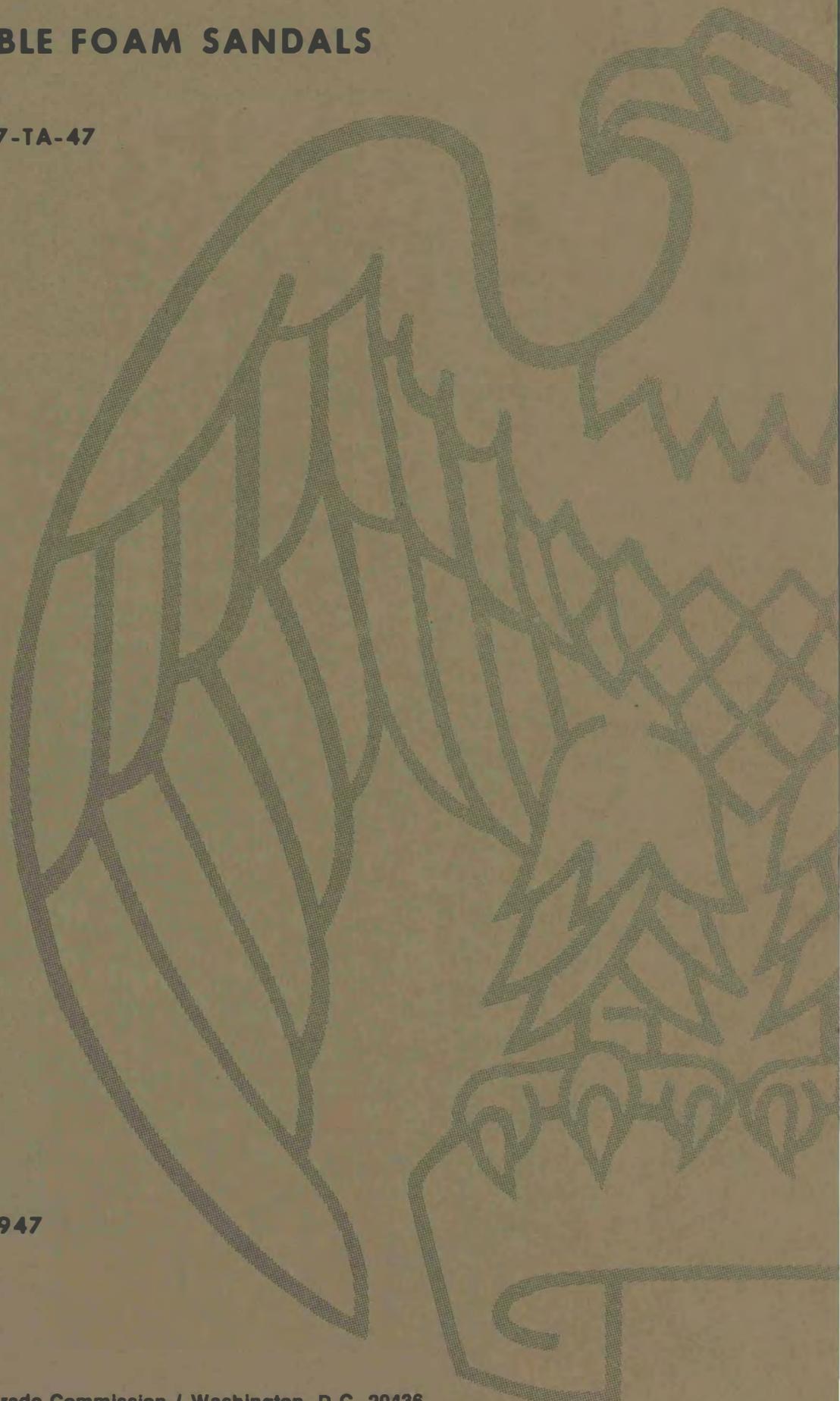
FEBRUARY 1979

GC 116

In the Matter of

CERTAIN FLEXIBLE FOAM SANDALS

Investigation No. 337-TA-47



USITC PUBLICATION 947

FEBRUARY 1979

TRADE POLICY STAFF COMMITTEE

ACTION RECORD

DATE: April 6, 1979

DOCUMENT: 79-42

SUBJECT: Section 337 Case on Certain
Flexible Foam Sandals

SUBMITTED BY: Department of Commerce Member

~~ATTENDANCE~~ TELEPHONE CLEARANCE:

<u>Agency</u>	<u>Member or Alternate</u>	<u>Other</u>
STR	William B. Kelly, Jr., Chairman; Mike Hathaway	
Agriculture	George White	Ann de Costillo
Commerce	Fred Montgomery	Judy Davis
Defense	James Carnes	
Interior	Howard Andersen	
Labor	Gloria Pratt	Fernand Lavallee
State	Joel Spiro	
Treasury	James Murphy	
USITC	William Hart	

COMMITTEE DECISION:

Approved by TPSC.

COMMITTEE COMMENT:

CF
Carolyn Frank
Secretary

TPSC Paper on the Section 337
Case on Certain Flexible Foam Sandals

PROBLEM

The President now has for disposition the exclusion order issued by the United States International Trade Commission (ITC) in connection with Investigation No. 337-TA-47, regarding certain flexible foam sandals. The President may: (a) take no action, thereby allowing the Commission order to become final at the close of the sixty day period from the date upon which the President received the report (April 18, 1979); (b) notify the Commission of his disapproval of the Commission's order, in which case the order would have no force or effect; or (c) notify the Commission of his approval of the order, in which case the order would become final on the date of such approval. The President does not have authority to alter the order or delay action past sixty days. There is no provision for Congressional override.

RECOMMENDATION

The President should be advised to take no action on this case, thereby allowing the exclusion order to become effective after April 23, 1979.

DISCUSSIONA. Background.

On January 18, 1978, Tiddies, Inc. filed a complaint with the U.S. International Trade Commission (ITC) pursuant to section 337 of the Tariff Act of 1930 alleging that certain flexible foam sandals were being imported into and sold in the United States in violation of complainant's patent rights. The Commission found the patent to be valid and the domestic industry to be economically and efficiently operated. The ITC also found that complainant's rights under the valid patent were being infringed by imports and that such imports had the effect or tendency to destroy or substantially injure the domestic industry. These findings established a violation of section 337 by Young California Shoe, Inc. of San Diego, California and The American Footwear Manufacturing Co., Inc. of Taichung, Taiwan. The Commission, on February 21, issued an order mandating that the infringing imports be excluded from entry into the United States.

B. Rationale for Recommendation.

Section 337(g)(2) provides that the President may only disapprove, and render ineffective, a Commission order if he deems such action appropriate for "policy reasons." The Senate Finance Committee Report No. 93-1298 on the Trade Reform Act of 1974 interprets "policy reasons" to include the effect

of 337 remedies on foreign relations, public health and welfare competitive conditions in the U.S. economy, production of like or directly competitive articles in the United States and U.S. consumers. The Committee Report elaborates on the provision at p. 199 as follows:

"It is recognized by the Committee that the granting of relief against imports could have very direct and substantial impact on United States foreign relations, economic and political. Further, the President would be able to best see the impact which the relief ordered by the Commission may have upon the public health and welfare, on competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers."

"Therefore, it was deemed appropriate, by the Committee, to permit the President to intervene before such determination and relief become final, when he determines that policy reasons require. The President's power to intervene would not be for the purpose of a reversing a Commission finding of a violation of section 337; such a finding is determined solely by the Commission, subject to judicial review."

No additional guidance on use of the President's authority is provided in the legislative history.

In the instant case, there are no policy factors of the type contemplated by section 337 which would mandate Presidential disapproval of the consent order. There is no shortage of non-infringing, competitive sandals, either domestically made or imported. Thus, competitive conditions in the United States economy, would not be adversely affected.

In addition, it is unlikely that the relief remedy in this case will have any noticeable effect on the production of like or directly competitive articles in the United States. Were there to be any effect, however, production of like or directly competitive goods would more likely be encouraged than discouraged by the exclusion of infringing goods.

Similarly, the effect of the order on consumers would not appear likely to be of significance in view of the many domestically produced and imported competitive products, some selling at prices below those of the infringing goods.

Finally, there are no foreign policy factors which would mandate Presidential disapproval of the order.

TRADE POLICY STAFF COMMITTEE

ACTION RECORD

DATE: April 6, 1979
DOCUMENT: 79-43
SUBJECT: Section 337 Case on Certain Roller Units
SUBMITTED BY: Department of Commerce Member

ATTENDANCE/TELEPHONE CLEARANCE:

<u>Agency</u>	<u>Member or Alternate</u>	<u>Other</u>
STR	William B. Kelly, Jr., Chairman; Mike Hathaway	
Agriculture	George White	Ann de Costillo
Commerce	Fred Montgomery	Judy Davis
Defense	James Carnes	
Interior	Howard Andersen	
Labor	Gloria Pratt	Fernand Lavallee
State	Joel Spiro	
Treasury	James Murphy	
USITC	William Hart	

COMMITTEE DECISION:

Approved by TPSC.

COMMITTEE COMMENT:


Carolyn Frank
Secretary

TPSC Paper on the Section 337
Case on Certain Roller Units

PROBLEM

The President now has for disposition the exclusion order issued by the United States International Trade Commission (ITC) in connection with Investigation No. 337-TA-44, regarding certain roller units. The President may: (a) take no action, thereby allowing the Commission order to become final at the close of the sixty-day period from the date upon which the President received the ITC report (April 16, 1979); (b) notify the Commission of his disapproval of the Commission's order, in which case the order would have no force or effect; or (c) notify the Commission of his approval of the order, in which case the order would become final on the date of such approval. The President does not have authority to alter the order or delay action past sixty days. There is no provision for Congressional override.

RECOMMENDATION

The President should be advised to take no action on this case, thereby allowing the exclusion order to become effective after April 16, 1979.

DISCUSSIONA. Background

In January, 1978, the Presto Lock Company, a division of Walter Kidde and Co., Inc., filed a complaint with the U.S. International Trade Commission (ITC), pursuant to section 337 of the Tariff Act of 1930, against domestic importers and sellers of certain roller units, alleging unauthorized importation and sale of a product covered by complainant's patent. Complainant, whose principal place of business is Elmwood Park, New Jersey, is the sole domestic producer of the subject roller units, which are used on luggage, although competitive roller units are made by other domestic producers.

The Commission found complainant to be the holder of a valid U.S. patent and found that the relevant US industry is efficiently and economically operated, in accordance with the requirements of section 337. The ITC also found that respondents were importing products from Taiwan and Korea which infringed the relevant patent, and that such importation had the effect or tendency to substantially injure or destroy the domestic industry.

In view of the facts establishing a violation and of the finding that no public interest factors would mandate against such an order, the ITC issued, on February 14, 1979, an exclusion from entry order covering the infringing imports

- 3 -

(other than those entered under bond during the 60-day period of Presidential review). The order covers subject roller units coming in separately and luggage with infringing roller units attached.

B. Rationale for Recommendation

Section 337(g)(2) provides that the President may only disapprove, and render ineffective, a Commission order if he deems such action appropriate for "policy reasons." The Senate Finance Committee Report No. 93-1298 on the Trade Reform Act of 1974 interprets "policy reasons" to include the effect of 337 remedies on foreign relations, public health and welfare, competitive conditions in the U.S. economy, production of like or directly competitive articles in the United States and U.S. consumers. The Committee Report elaborates on the provision at p. 199 as follows:

"It is recognized by the Committee that the granting of relief against imports could have a very direct and substantial impact on United States foreign relations, economic and political. Further, the President would be able to best see the impact which the relief ordered by the Commission may have upon the public health and welfare, on competitive conditions in the United States economy, the production of like or directly competitive articles in the United States, and United States consumers."

"Therefore, it was deemed appropriate, by the Committee, to permit the President to intervene before such determination and relief become final, when he determines that policy reasons require. The President's power to intervene would not be for the purpose of reversing a Commission finding of a violation of section 337; such a finding is determined solely by the Commission, subject to judicial review."

No additional guidance on use of the President's authority is provided in the legislative history.

In the instant case, there are no policy factors of the type contemplated by section 337 which would mandate Presidential disapproval of the exclusion order. There is no potential shortage of luggage roller units, since the patent holder has significant idle capacity and since there are domestic producers of competitive items.

The existence of these other domestic producers assures that a viable competitive system does not depend on imports of the roller units subject to the exclusion order. Also, it is anticipated that competition from such producers will act as a check against inordinate price increases to consumers.

Finally, there are no foreign policy factors which would mandate Presidential disapproval of the order.

IP 791525

THE WHITE HOUSE
WASHINGTON

✓ Xc: Ginsburg / Grwenspeck ✓
CARP ✓

DATE: 13 APR 79

FOR ACTION: STU EIZENSTAT

ZBIG BRZEZINSKI

JIM MCINTYRE

CHARLIE SCHULTZE

INFO ONLY: THE VICE PRESIDENT

FRANK MOORE (LES FRANCIS)

ALFRED KAHN

SUBJECT: STRAUSS MEMO RE PRESIDENTIAL REVIEW OF TWO UNFAIR IMPORT
PRACTICE CASES UNDER SECTION 337 OF THE TARIFF ACT OF
1930 AS AMENDED, LAST DAY 4/16/79

+++++
+ RESPONSE DUE TO RICK WILCHESON STAFF SECRETARY (456-7052) +
+ BY: 0500 PM FRIDAY 13 APR 79 +
+++++

TO BE DEKED Tomorrow

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: I CONCUR. NO COMMENT. HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

4/15/79

please dex copy back
to rick hutcheson
from susan clough

and return original to
me with some other regular
delivery of traffic

thanks--susan

THE WHITE HOUSE
WASHINGTON

Note: Last day for action
is Monday, 4/16/79

(Received 4/14/79 pm)

LAST DAY FOR ACTION:
MONDAY, APRIL 16, 1979

THE SPECIAL REPRESENTATIVE FOR
TRADE NEGOTIATIONS

WASHINGTON

20506

APR 11 1979

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MEMORANDUM FOR THE PRESIDENT

FROM : Robert S. Strauss

SUBJECT : Presidential Review of two Unfair Import
Practice Cases Under Section 337 of the
Tariff Act of 1930 as Amended

The United States International Trade Commission has recently issued two separate determinations that certain products are being imported into the United States in violation of Section 337 of the Tariff Act of 1930, as amended. In both cases the Commission found an unfair trade practice in the unlicensed importation of these articles which infringe U.S. patents. The Commission has ordered their exclusion from importation into the United States. This is the normal remedy. The Commission's determinations and the interagency papers are attached to this memorandum.

By law, you have 60 days to intervene and disapprove of such exclusion orders for policy reasons. There are three options:

(1) You may take no action, in which case the ordered remedy becomes final at the close of the 60 day period. (April 16, 1979 for the sandals case, April 23, 1979 for the roller units)

(2) You may approve of the remedy at an earlier date, in which case the remedy becomes final at the date of your approval.

(3) You may disapprove of the ordered remedy for policy reasons.

It is the unanimous recommendation on behalf of the Trade Policy Committee that you take no action on either of these cases and allow the ordered remedies to become final at the close of the 60 day period (Option 1, above).

DPS, NSC and OMB concur with Strauss in recommending Option 1.

Neither of these particular section 337 cases is significant in terms of trade volume or political consequences. The exclusion order is the normal remedy for patent infringing imports.

Presidential Decision

Case No. 1 - Certain Roller Units (TA-337-44)

approve

Option 1 (recommended) (STR, DPS, NSC, OMB)
 Option 2
 Option 3

Case No. 2 - Certain Flexible Foam Sandals (TA-337-47)

approve

Option 1 (recommended) (STR, DPS, NSC, OMB)
 Option 2
 Option 3

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Imm.
PRECEDENCE

Unclas
CLASSIFICATION

FOR COMMCENTER USE ONLY

FROM: Susan Clough
TO: Rick HUTCHENSON

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CITE _____

INFO:

DTG: 190430z Apr 79

RELEASED BY:

TOR: 190500z Apr 79

SPECIAL INSTRUCTIONS:

THE WHITE HOUSE
WASHINGTON

April 18, 1979

NOTE TO SUSAN CLOUGH

FROM: FRED KAHN

Stu, Jody and I believe that the
President should see this as soon
as possible.

Thank you.

To
Susan

Tell Jody -
Don't aggravate
the Cattle
farmers -

J

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THE WHITE HOUSE

WASHINGTON

April 18, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT

SUBJECT: Agency Food Procurement

As Fred's memo to you indicates, the departments have responded well to our efforts to get them to purchase less beef and certain other high priced items. The news of the agencies' decisions will widely be seen as an important anti-inflation action by the government.

For that reason, Jody and I believe this procurement announcement can stand on its own, and does not need to await future decisions that you might make on beef import quotas. (Other than Fred and Charlie, all of your advisers will recommend against beef import quota changes; delaying this announcement until you make that decision, therefore, may not produce a more significant announcement.)

Jody and I both believe the anti-inflation program could use a visible boost now. In addition, given the general lack of news in Washington this week, this procurement announcement would get maximum publicity. Next week, given the other announcements you are likely to make and the return of the Congress, the procurement announcement may be buried on the back pages.

I recommend that you allow Fred to make the announcement tomorrow at the White House. Jody strongly agrees with that recommendation.

THE WHITE HOUSE

WASHINGTON

April 18, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: FRED KAHN

SUBJECT: Agency Responses to Your Prudent
Shopping Memorandum

The Departments of Agriculture and Defense and the Veterans Administration have responded to your April 5 memoranda asking them to reduce their purchases of high-priced food in favor of equally nutritious but lower-priced substitutes through Fiscal Year 1980.

The three agencies have decided to reduce their purchases of beef over the next eighteen months by a total of about 57 million pounds -- about 25% less than they had intended.

The Veterans Administration has discontinued purchase of all raisins, nuts, and veal because of high prices. They have revised their plans to buy 120,000 pounds of frozen wax beans, 115,000 pounds of frozen limas, and 42,000 pounds of frozen peaches and shifted to canned substitutes because of the higher prices of the former.

Secretary Brown intends to achieve Defense's 28.9 million pound reduction in beef purchases in part by substituting a 20% soy protein extender in all ground beef served to military personnel except in hospitals. Defense will buy no more raisins for the remainder of this year and reduce next year's purchases by 50%. They will discontinue their intended purchase of all red salmon for 1979 and reduce their 1980 target by 50%.

Agriculture will reduce beef purchases for the 1979-1980 school lunch program by 26.5 million pounds, substituting increased amounts of pork and poultry. As of now, they plan no raisin purchases for next year.

The agencies have promised to continue to watch for other developing situations of short supply or increasing prices and to adjust their food buying decisions accordingly. I have the clear impression that your notes to them have really increased their sensitivity to being prudent shoppers, and that they have already adjusted their food and menu planning operations in direct response. I do not say this in criticism: each of these agencies had taken important steps to economize before you communicated with it. And each serves an important constituency and has had to be sensitive to complaints it was slighting them.

For this last reason, among others, I believe we need to handle the announcement of these actions with some care.

There are a number of important considerations that should be weighed in deciding who should make the announcement and how.

One option is that it should be the three agencies who should make it. The main reason for doing so would be to shield you from the criticisms of the interest groups affected -- cattlemen, military personnel, veterans groups, school districts, and Members of Congress who support them.

On the other hand, this would also largely deny you and the anti-inflation program both the credit for showing the public we are doing just about everything we can about food prices, and the advantages of setting a clear public example for consumers to follow. Announcement by the three agencies separately would diffuse this public perception.

The second possibility therefore would be for you to make the announcement. I think it would be superfluous for me to spell out the reasons: they all relate to the importance of the fight against inflation. The two opposing considerations are, first, that the action is not important enough to come from you -- and might elicit the reaction "Is that all you can do?" -- and second that you would then bear the brunt of the political criticisms from affected groups.

Max Cleland, for example, feels quite strongly that no one should make the announcement. He believes it will elicit severe adverse reaction from veterans organizations against your Administration.

A third possibility would be for me to make the announcement. This would at least partially meet the two arguments against your doing so. If you approve, I could make the announcement Thursday, April 19.

A final possibility is that no one make an announcement this week. DPS promises to have ready for you by next Monday a decision memo on increasing beef imports. Your decision on that proposal could well determine how to handle the announcement on beef procurement. Charlie and I will recommend, for example, that you do promulgate a further relaxation of the import quotas and announce it along with the reductions in beef procurement and steps consumers can take to moderate purchases of items in scarce supply.

Decision:

- Announcement by agency heads only
- Announcement by you
- Announcement by Kahn with agency heads
- No announcement

*Use
revised
text*

DRAFT PRESIDENTIAL STATEMENT

As every American consumer knows, we are going through one of the worst periods of food price inflation in recent years. These price increases threaten the success of our entire effort to slow inflation. A large part of the problem results from a shortage of beef and some fruits and vegetables.

The high prices of some fruits and vegetables, like raisins, oranges, and lettuce, are the result mainly of bad weather. Those prices should moderate when new crops are harvested within the next several months.

The painful inflation in beef prices, in contrast, is the simple reflection of the fact that our cattle herds have declined from a peak of 132 million in 1974 to about 110 million today, the largest percentage decline since the early 1900s.

Much of this problem traces back to events of five and six years ago, when unwise price controls on beef, high feed grain prices, and a consumer boycott caused cattle producers to operate at a loss for several years.

As this experience suggests, there is very little that can be done about the situation except to let the normal forces of the market restore the balance -- and they will. The increase in cattle prices during the last year and a half has been necessary to make beef production profitable again, and to encourage the rebuilding of herds -- both of which are necessary if we are to have adequate supplies and stable prices in the future.

For this reason, ~~I will not take any action,~~ ^{no} ^{should be taken} that would lead to instability in beef markets or diminish those incentives to expand supply. ^{There will be no price} ~~My Administration will not impose controls on beef prices,~~ for the simple reason that it would be counterproductive, ~~and I urge consumers not to boycott beef products. This is not what we need.~~

On the other hand, it is certainly both possible and desirable for us to be more prudent shoppers. By doing so, we will not only be protecting ourselves somewhat from the effects of inflation; this moderation of demand when supplies are short will keep prices from rising higher than necessary.

The Federal Government will lead the way. The three largest food buying Federal agencies -- the Departments of Defense

and Agriculture and the Veterans Administration have, ~~at my direction,~~ reviewed their plans for food purchases for the next year and a half to determine whether they can, through more prudent buying, shift some of their planned purchases of the more expensive items in short supply to lower priced but equally nutritious substitutes. Every American shopper is trying to do the same. And I urge State and local government authorities and private organizations that buy large quantities of food to follow this example.

These three agencies have reported to me that they will reduce their purchases of beef in the next eighteen months by about 25% in favor of buying more poultry, pork and cheese than they had planned. This amounts to a reduction of about 57 million pounds of beef, by shifting to equally nutritious but lower-priced sources of protein.

All of the agencies have also suspended their plans to purchase raisins and other expensive fruit that is in short supply this year. The Defense Department will discontinue purchase of 325,000 pounds of red salmon this year and reduce next year's purchase by the same quantity. The

Veterans Administration will cancel its planned purchases of some frozen vegetables and fruit and buy lower priced canned goods instead.

~~I am strongly opposed to any kind of boycott, but I~~
encourage consumers to increase their purchases of ~~other~~
~~sources of~~ lower priced meat, such as pork and chicken,
as well as lower priced substitutes for ~~other~~ high-priced
fruits and vegetables, so that ~~the~~ inflationary pressures
on ~~these~~ scarce items are moderated, but the market for
them is not disrupted.

These actions by the food buying Federal agencies, along
with others we have taken in recent weeks and yet others
we will be taking in the weeks ahead, are part of our con-
tinuing effort to do everything we can to restrain
inflation, particularly in the basic necessities of life.

THE WHITE HOUSE
WASHINGTON

Not
submitted

Summarized in

Kahn memo dexed

to Pres at
Sapelo

DATE: 17 APR 79

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

ZBIG BRZEZINSKI *nc*

JIM MCINYTRE

CHARLES SCHULTZE

ALFRED KAHN

SUBJECT: BROWN MEMO RE FOOD PURCHASE PRICE

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

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

FOR STAFFING
/ FOR INFORMATION
FROM PRESIDENT'S OUTBOX
/ LOG IN/TO PRESIDENT TODAY
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NO DEADLINE
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/	BRZEZINSKI
/	MCINTYRE
/	SCHULTZE

	ARAGON
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	FALLOWS
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	LINDER
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	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE



THE SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

April 16, 1979

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Food Purchase Plans

In order to respond to your request of April 5, I have carried out a thorough review of the food requirements of our military feeding program. The DoD Food Planning Board has developed specific actions in support of your program to reduce inflation and alleviate shortages of scarce food items, while maintaining a good nutritional level for our military forces, through planned substitution.

Using our FY 1978 beef procurements for military feeding as a base, we will immediately institute a target reduction of 25 percent in beef consumption and procurement. The total beef procurements in FY 1978 were 93.3 million pounds. We have taken action to adopt a 20 percent soy extended ground beef product for all military feeding except for hospitals. Our initial procurement of this item is scheduled to occur during May 1979 and will reduce our total beef procurements by 11 percent. The remaining 14 percent reduction will be achieved by substituting non-beef items at all military dining facilities. This reduction should be achieved in August or September of this year. Based on our FY 1978 total beef procurements, the reduction in beef procurements should approximate 5.6 million pounds during the remainder of this fiscal year and 23.3 million pounds during FY 1980.

We also plan to eliminate all procurement of raisins for this year and reduce the previously planned FY 1980 procurement, resulting in a total reduction of about one million pounds. Our procurement of red salmon will be reduced by 324,615 pounds this year and the FY 1980 requirements will also be reduced by 324,615 pounds.

Finally, we have established a formal program to monitor the food items used in our military feeding program on a continuing basis. We will adopt alternatives for scarce and high cost items whose prices are adversely affected by supply shortages.

Harold Brown

ID 791542

THE WHITE HOUSE

WASHINGTON

DATE: 18 APR 79

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

JIM MCINTYRE

CHARLIE SCHULTZE

ALFRED KAHN

SUBJECT: BERGLAND LETTER RE LUNCH PURCHASES

+++++

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

+ BY: +

+++++

ACTION REQUESTED: YOUR COMMENTS

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

PLEASE NOTE OTHER COMMENTS BELOW:

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ACTION
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DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

APR 17 1979

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

In response to your memorandum of April 5, we are pleased to report that steps have been taken to adjust our school lunch purchases to support anti-inflation efforts. I strongly believe that the government has the responsibility to be the Nation's most efficient and prudent purchaser of goods and services.

Our adjustments in response to your directive will continue and expand our policy of seeking alternatives so that each food dollar is spent as efficiently as possible, while maintaining the nutritional value and quality of donated commodities used by the Nation's children. These adjustments will be reflected in the 1979-80 school session, as we have almost completed purchases for the current school year.

It is important to understand the context within which we purchase food products for the school lunch program. Present law requires that 75 percent of the federal subsidy for the school lunch program consist of commodities, and that special consideration be given to meats and other high-protein items. Therefore, our expenditures for meat items remain fairly constant, although the quantity varies greatly. For example, we purchased 189 million pounds of beef in the 1976-77 school year, 134 million last year, and have purchased only 106 million this school year.

Based on the current supply-price outlook for beef and alternative meat and protein items, we anticipate that procurement of beef will be reduced by at least 25 percent from this year's purchase of 106 million pounds. Pork as well as poultry supplies are expected to increase sharply this fall. As prudent purchasers, we will purchase pork items for the first time in several years, with the purchase of more poultry items as an alternative. Beef, of course, is the most popular school item, and we will increase our purchases when the price-supply situation improves.

Presently, we have no plans to purchase raisins for the 1979-80 school year. This past winter USDA delivered to schools raisins that had been contracted for from the 1977 crop. We paid \$756 per ton for raisins in July 1978 when a huge 1978 crop was anticipated. However, heavy rains during the drying season drastically reduced the size of the crop and prices of up to \$1,600 per ton have since prevailed. Therefore, we have made no further purchases, but will be purchasing other more plentiful and economical fruit items.

Also, and perhaps most importantly, the Department recently established a Food Quality Assurance Program for managing all specifications used by federal agencies for the procurement of their food items. This major initiative reduces duplication, simplifies the complexity and restrictiveness of specifications, and effects savings through the procurement of commercially-prepared, less costly food items. For example, we have already revised the specifications for diced beef and fish items, revisions that alone will save approximately \$3.5 million annually. By the end of fiscal year 1980, we will have reviewed and revised at least 20 major specifications resulting in annual savings of at least \$10 million.

We will continue to examine every aspect of our purchasing programs in order to identify and achieve savings for government and the Nation. We are grateful for your strong leadership in the fight against inflation, and you may depend on us for our continued best efforts and support.

Respectfully,

A large, stylized handwritten signature in black ink, appearing to read "B. B. England". The signature is written in a cursive, flowing style with prominent loops and a long, sweeping tail.

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

April 17, 1979

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze ^{CS}

Subject: Personal Income in March

Tomorrow (Wednesday, April 18) at 10:30 a. m., the Commerce Department will release its estimate of personal income in March.

Total personal income rose 1.0 percent last month -- significantly more than in February, but about equal to the average monthly rise during the past half year. Wages & salaries increased 1.2 percent last month compared with 0.9 percent in February; the larger rise in March stemmed mainly from a larger increase in average wage rates.

Personal income for the first quarter as a whole was 10.2 percent, at an annual rate, above the fourth quarter. This is a little less than the rise in consumer prices. By comparison, the fourth quarter rise of personal income was 14 percent, well above the rise in consumer prices. This slowdown in the growth of real personal income has been more or less paralleled by a slowdown of consumer spending for goods and services other than autos.

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EYES ONLY

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EYES ONLY

April 18, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze^{CS}

SUBJECT: Estimates of First Quarter GNP

At 10:00 a.m. tomorrow (Thursday, April 19), the Commerce Department will publish the first official estimates of GNP for the first quarter of 1979. These estimates show:

- o A rise of only 0.7 percent (annual rate) in real GNP, compared to a 6.9 percent rise in the prior quarter.
- o An annual rate of increase in the overall GNP price index of 8.7 percent, vs. 8.2 percent in the prior quarter.

Personal consumption expenditures (real) increased by only 1.7 percent: consumers increased their spending by less than the growth in their real after-tax income (3.7 percent), and increased their rate of saving slightly.

Residential construction fell by almost 14 percent, partly due to bad weather and partly to tight money.

Both Federal and State and local purchases of goods and services declined -- a total drop of 3.4 percent at annual rates. A portion of the Federal decline is due to spending shortfalls in several program areas. State and local construction fell, another reflection of the weather.

Business investment in equipment was up nicely (8 percent); business construction fell (weather); and inventory investment rose sharply, but by a bit less than we expected a month ago. (Inventory data for March aren't available yet).

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EYES ONLY

EYES ONLY

-2-

Net exports for the quarter fell, principally due to the very large rise in imports in January, a development which was partially reversed in February.

Interpretation

These estimates summarize the statistics on production, spending, incomes, and inflation that have been issued during the last two to three months. As such they provide only a limited amount of new information on the economic outlook. We continue to expect a rebound in GNP growth in the second quarter as the weather-related factors come back to normal. It is still difficult to assess with precision the underlying degree of strength in the economy. Certainly the advances posted by auto sales and producers' durable equipment outlays, the partial snap-back of housing, and the sharp rise in inventories all suggest that the current expansion has not come to an end. It is our assessment that the unusually severe weather in January and February has rearranged the pattern of economic growth we were expecting in the first half, without altering the basic scenario of a slowdown in the rate of economic activity to a more sustainable but still positive pace.

Prices

The price statistics included in the GNP report are particularly interesting. The overall price index for personal consumption expenditures behaved as follows:

	<u>Percent change at annual rate</u>
<u>Total consumption price index</u>	<u>10.2</u>
Food	18.2
Energy	17.8
All other	7.3

This pattern confirms our analysis from other data, that insofar as finished consumer goods are concerned, our major problems are food and energy. Price increases of other finished goods have been much more moderate. (Prices of nonfood materials and parts, however, are not behaving so well).

EYES ONLY

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

April 18, 1979.

MEMORANDUM FOR: DAVID AARON

FROM: STEVE LARRABEE

SUBJECT: Presidential Message to Kosciuszko Foundation

Attached is a draft of a Presidential message to the Kosciuszko Foundation. The original request stated that the message was due April 28. However, a representative of the Foundation called yesterday to say that she has to have the message by Thursday, April 19, at the very latest in order to have it printed in a brochure which goes out to members.

Bob Gates talked to Zbig this morning by phone. He feels that it is very important that this request be granted on time. Once you have approved the message, I will send it by Federal Express in order to make the printing deadline tomorrow.

I have cleared the message with the Presidential speechwriters and with the Presidential Message Unit.

RECOMMENDATION:

That you approve the Presidential message at Tab A.

 APPROVE

DISAPPROVE

Anne Wexler also strongly concurs.

MA Chavin

out 4/18



The Kosciuszko Foundation

The American Center for Polish Culture

15 East 65th Street
New York, N.Y. 10021
(212) 734-2130

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DR. STEFAN S. ZIEMIAN

March 14, 1979

The Honorable Zbigniew Brzezinski
Assistant to the President
for National Security
White House
Washington, D.C. 20500

Dear Dr. Brzezinski:

This year friends of The Kosciuszko Foundation will have an opportunity to join in commemorating the appointment of the noted pianist and statesman, Ignacy Jan Paderewski, as Prime Minister of Poland sixty years ago, on Saturday, April 28, 1979 at our 44th annual dinner and ball. For close onto two hundred years Poland was partitioned among three of the greatest empires in Europe, and it was thanks to the undaunting spirit of the Polish people, led by such an outstanding leader as Paderewski that Polish traditions were kept alive and that the Polish people triumphed over impossible odds to regain their independence.

May we call on you to speak with President Carter regarding his sending us a congratulatory message to the friends and members of The Kosciuszko Foundation. We know of his sincere interest in the Polish American community, and we are hoping that he will extend to us his best wishes on this occasion.

On behalf of the staff of The Kosciuszko Foundation, we extend to your prayers and hopes that you and the President will be successful in your peace endeavors.

Sincerely yours,

Mary D. Van Starrex

Mary D. Van Starrex
Assistant Executive Director

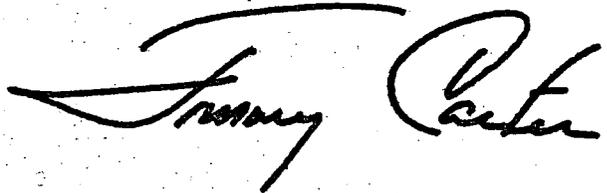
THE WHITE HOUSE

WASHINGTON

April 18, 1979

To the Kosciuszko Foundation

I extend best wishes to the members and friends of the Kosciuszko Foundation on the sixtieth anniversary of the appointment of Ignacy Paderewski as the first Prime Minister of the newly independent Polish state. The reconstitution of Poland, after 123 years of partition, symbolized the unwavering desire of the Polish people for independence and freedom and their undying determination to preserve their national traditions. I join with you in paying tribute to this great Polish patriot, who did so much to foster good relations between our two countries.

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

The Kosciuszko Foundation
15 East 65th Street
New York, New York 10021

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FM THE SITUATION ROOM

TO SUSAN CLOUGH FOR THE PRESIDENT

ZEM

UNCLAS WH90992

THE FOLLOWING CABLE WAS RECEIVED VIA PRIVACY CHANNELS
FROM SPEAKER O'NEILL WHO IS CURRENTLY IN BUDAPAST.

1

FM AMEMBASSY BUDAPEST

TO THE WHITE HOUSE

B U D A P E S T 1234

FROM: SPEAKER TIP O'NEILL

1. AT THE OPENING OF MY MEETING WITH JANOS KADAR APRIL 17, I READ YOUR MESSAGE, EXPRESSING TO KADAR YOUR WARM REGARDS AND DESIRE FOR CONTINUED VISIBLE IMPROVEMENT IN RELATIONS BETWEEN UNITED STATES AND HUNGARY.

2. IN REPLY KADAR THANKED ME FOR YOUR MESSAGE, AS WELL AS FOR YOUR GREETINGS, WHICH HE RETURNED SINCERELY. HE REQUESTED ME TO FORWARD TO YOU HIS GOOD WISHES. KADAR STATED THAT HE IS SATISFIED WITH THE PROGRESS IN UNITED STATES-HUNGARIAN RELATIONS OVER THE PAST FEW YEARS. HE HIGHLY APPRECIATES YOUR EFFORTS TO SOLVE PAST PROBLEMS, ESPECIALLY YOUR DECISION TO RETURN THE CROWN OF ST. STEPHEN. IN THIS CONNECTION, KADAR REFERRED TO DISSENTING OPINIONS REGARDING THE CROWN'S RETURN WHICH WERE EXPRESSED IN CONGRESS.

3. KADAR SAID THAT THE HUNGARIAN GOVERNMENT AND PEOPLE APPRECIATE CONGRESSIONAL APPROVAL OF THE EXTENSION OF MFN. THEY VALUE IT AS A MANIFESTATION OF U.S. INTENTIONS TO DEVELOP RELATIONS WITH HUNGARY. KADAR ASKED ME TO TELL YOU THAT HE REALIZES MUTUAL EFFORTS WERE NEEDED, INCLUDING YOURS, THE ADMINISTRATION'S, AND BY CONGRESS, FOR THE RECENT FAVORABLE PROGRESS IN RELATIONS. HE ADDED THAT HUNGARY SERIOUSLY INTENDS TO DEVELOP COOPERATION WITH THE UNITED STATES IN MANY WAYS. IN THIS CONNECTION, KADAR RECALLED THAT HE HAS PERSONALLY MET WITH MEMBERS OF BOTH THE SENATE AND THE HOUSE, AND UNDERLINED THE IMPORTANCE OF PERSONAL CONTACTS.

4. I READ YOUR MESSAGE WHILE REPORTERS WERE PRESENT. I UNDERSTAND THAT THE VOA, AP, AND UPI FILED STORIES, INCLUDING REFERENCES TO THE MESSAGE. KADAR DELAYED HIS REPLY UNTIL AFTER REPORTERS HAD LEFT THE ROOM.

0338

3700

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for Preservation Purposes**

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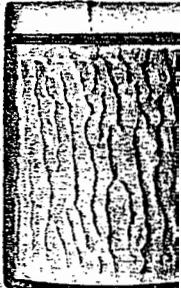
APRIL 19, 1979

THE WHITE HOUSE
WASHINGTON

SIU EISENSTAT
JODY POWELL
FRED KAHN

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

Rick Hutcheson



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

ACTION
FYI

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

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

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

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

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Unclas
CLASSIFICATION

FROM: Susan Clough
TO: Rick HUTCHENSON

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FOR COMMCENTER USE ONLY

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SPECIAL INSTRUCTIONS:

THE WHITE HOUSE
WASHINGTON

April 18, 1979

NOTE TO SUSAN CLOUGH

FROM: FRED KAHN

Stu, Jody and I believe that the
President should see this as soon
as possible.

Thank you.

To
Susan

Tell Jody -
Don't aggravate
the cattle
farmers -

J

THE WHITE HOUSE

WASHINGTON

April 18, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT

SUBJECT: Agency Food Procurement

As Fred's memo to you indicates, the departments have responded well to our efforts to get them to purchase less beef and certain other high priced items. The news of the agencies' decisions will widely be seen as an important anti-inflation action by the government.

For that reason, Jody and I believe this procurement announcement can stand on its own, and does not need to await future decisions that you might make on beef import quotas. (Other than Fred and Charlie, all of your advisers will recommend against beef import quota changes; delaying this announcement until you make that decision, therefore, may not produce a more significant announcement.)

Jody and I both believe the anti-inflation program could use a visible boost now. In addition, given the general lack of news in Washington this week, this procurement announcement would get maximum publicity. Next week, given the other announcements you are likely to make and the return of the Congress, the procurement announcement may be buried on the back pages.

I recommend that you allow Fred to make the announcement tomorrow at the White House. Jody strongly agrees with that recommendation.

THE WHITE HOUSE
WASHINGTON

April 18, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: FRED KAHN

SUBJECT: Agency Responses to Your Prudent
Shopping Memorandum

The Departments of Agriculture and Defense and the Veterans Administration have responded to your April 5 memoranda asking them to reduce their purchases of high-priced food in favor of equally nutritious but lower-priced substitutes through Fiscal Year 1980.

The three agencies have decided to reduce their purchases of beef over the next eighteen months by a total of about 57 million pounds -- about 25% less than they had intended.

The Veterans Administration has discontinued purchase of all raisins, nuts, and veal because of high prices. They have revised their plans to buy 120,000 pounds of frozen wax beans, 115,000 pounds of frozen limas, and 42,000 pounds of frozen peaches and shifted to canned substitutes because of the higher prices of the former.

Secretary Brown intends to achieve Defense's 28.9 million pound reduction in beef purchases in part by substituting a 20% soy protein extender in all ground beef served to military personnel except in hospitals. Defense will buy no more raisins for the remainder of this year and reduce next year's purchases by 50%. They will discontinue their intended purchase of all red salmon for 1979 and reduce their 1980 target by 50%.

Agriculture will reduce beef purchases for the 1979-1980 school lunch program by 26.5 million pounds, substituting increased amounts of pork and poultry. As of now, they plan no raisin purchases for next year.

The agencies have promised to continue to watch for other developing situations of short supply or increasing prices and to adjust their food buying decisions accordingly. I have the clear impression that your notes to them have really increased their sensitivity to being prudent shoppers, and that they have already adjusted their food and menu planning operations in direct response. I do not say this in criticism: each of these agencies had taken important steps to economize before you communicated with it. And each serves an important constituency and has had to be sensitive to complaints it was slighting them.

For this last reason, among others, I believe we need to handle the announcement of these actions with some care.

There are a number of important considerations that should be weighed in deciding who should make the announcement and how.

One option is that it should be the three agencies who should make it. The main reason for doing so would be to shield you from the criticisms of the interest groups affected -- cattlemen, military personnel, veterans groups, school districts, and Members of Congress who support them.

On the other hand, this would also largely deny you and the anti-inflation program both the credit for showing the public we are doing just about everything we can about food prices, and the advantages of setting a clear public example for consumers to follow. Announcement by the three agencies separately would diffuse this public perception.

The second possibility therefore would be for you to make the announcement. I think it would be superfluous for me to spell out the reasons: they all relate to the importance of the fight against inflation. The two opposing considerations are, first, that the action is not important enough to come from you -- and might elicit the reaction "Is that all you can do?" -- and second that you would then bear the brunt of the political criticisms from affected groups.

Max Cleland, for example, feels quite strongly that no one should make the announcement. He believes it will elicit severe adverse reaction from veterans organizations against your Administration.

A third possibility would be for me to make the announcement. This would at least partially meet the two arguments against your doing so. If you approve, I could make the announcement Thursday, April 19.

A final possibility is that no one make an announcement this week. DPS promises to have ready for you by next Monday a decision memo on increasing beef imports. Your decision on that proposal could well determine how to handle the announcement on beef procurement. Charlie and I will recommend, for example, that you do promulgate a further relaxation of the import quotas and announce it along with the reductions in beef procurement and steps consumers can take to moderate purchases of items in scarce supply.

Decision:

- Announcement by agency heads only
- Announcement by you
- Announcement by Kahn with agency heads
- No announcement

*Use
revised
text*

DRAFT PRESIDENTIAL STATEMENT

As every American consumer knows, we are going through one of the worst periods of food price inflation in recent years. These price increases threaten the success of our entire effort to slow inflation. A large part of the problem results from a shortage of beef and some fruits and vegetables.

The high prices of some fruits and vegetables, like raisins, oranges, and lettuce, are the result mainly of bad weather. Those prices should moderate when new crops are harvested within the next several months.

The painful inflation in beef prices, in contrast, is the simple reflection of the fact that our cattle herds have declined from a peak of 132 million in 1974 to about 110 million today, the largest percentage decline since the early 1900s.

Much of this problem traces back to events of five and six years ago, when unwise price controls on beef, high feed grain prices, and a consumer boycott caused cattle producers to operate at a loss for several years.

As this experience suggests, there is very little that can be done about the situation except to let the normal forces of the market restore the balance -- and they will. The increase in cattle prices during the last year and a half has been necessary to make beef production profitable again, and to encourage the rebuilding of herds -- both of which are necessary if we are to have adequate supplies and stable prices in the future.

For this reason, ~~I will not take any action~~ ^{no} that would lead to instability in beef markets or diminish those incentives to expand supply. ^{should be taken} ~~My Administration will not impose controls on beef prices, for the simple reason that it would be counterproductive, and I urge consumers not to boycott beef products. This is not what we need.~~ ^{There will be no price}

On the other hand, it is certainly both possible and desirable for us to be more prudent shoppers. By doing so, we will not only be protecting ourselves somewhat from the effects of inflation; this moderation of demand when supplies are short will keep prices from rising higher than necessary.

The Federal Government will lead the way. The three largest food buying Federal agencies -- the Departments of Defense

and Agriculture and the Veterans Administration ~~have~~ have, ~~at my direction,~~ reviewed their plans for food purchases for the next year and a half to determine whether they can, through more prudent buying, shift some of their planned purchases of the more expensive items in short supply to lower priced but equally nutritious substitutes. Every American shopper is trying to do the same. And I urge State and local government authorities and private organizations that buy large quantities of food to follow this example.

These three agencies have reported to me that they will reduce their purchases of beef in the next eighteen months by about 25% in favor of buying more poultry, pork and cheese than they had planned. This amounts to a reduction of about 57 million pounds of beef, by shifting to equally nutritious but lower-priced sources of protein.

All of the agencies have also suspended their plans to purchase raisins and other expensive fruit that is in short supply this year. The Defense Department will discontinue purchase of 325,000 pounds of red salmon this year and reduce next year's purchase by the same quantity. The

Veterans Administration will cancel its planned purchases of some frozen vegetables and fruit and buy lower priced canned goods instead.

~~I am strongly opposed to any kind of boycott, but I~~
encourage consumers to increase their purchases of ~~other~~
~~sources of~~ lower priced meat, such as pork and chicken,
as well as lower priced substitutes for ~~other~~ high-priced
fruits and vegetables, so that ~~the~~ inflationary pressures
on ~~these~~ scarce items are moderated, but the market for
them is not disrupted.

These actions by the food buying Federal agencies, along
with others we have taken in recent weeks and yet others
we will be taking in the weeks ahead, are part of our con-
tinuing effort to do everything we can to restrain
inflation, particularly in the basic necessities of life.



CONGRESSIONAL QUARTERLY
Weekly Report

Supplement to: Vol. 37 No. 16

April 21, 1979

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January-March 1979

96th Congress—First Session

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EXPLANATIONS OF INDEXES: INSIDE FRONT COVER

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1414 22nd Street, N.W. • Washington, D.C. 20037 • (202) 296-6800

THE PRESIDENT AND MRS CARTER'S
VISIT TO CALHOUN, GA.

Saturday, April 21, 1979

3:15 p.m. MOTORCADE DEPARTS residence en route Peterson Field,
Plains, Ga.

GUESTS AND STAFF INSTRUCTIONS:
Proceed to motorcade for board-
ing. Assignments as on arrival.

3:25 p.m. MOTORCADE ARRIVES Peterson Field. The President and
Mrs Carter board Marine One.

OPEN PRESS COVERAGE
CLOSED ARRIVAL

~~3:30 p.m.~~

Guests and Staff Instructions:
Proceed to helicopters for board-
ing. Assignments as on arrival
except delete Chip Carter and
James Carter IV from Marine One
and add Mrs A. Smith to Marine
One.

3:30 p.m. MARINE ONE DEPARTS en route Tom B. David Airport,
Calhoun, Ga.

(Flying Time 1 hr. 30 min)

5:00 p.m. MARINE ONE ARRIVES Tom B. David Airport, Calhoun, Ga.

OPEN PRESS COVERAGE
CLOSED ARRIVAL

Guests and Staff Instructions:
Proceed to motorcade for boarding,
assignments as follows:

Pilot

Spare Dr. Lukash

Lead D. Lee

Limo THE PRESIDENT and Mrs Carter
Jack and Judy Carter?

Follow up

Control P. Wise, Cmdr. Reason, K. Schumacher,
S. Clough

Staff Car

I.D.

Press Car 1

Press Car 2

WHCA

Tail

5:10 p.m. MOTORCADE DEPARTS en route Jack Carter's Soybean Plant.

(Driving time 15 min.)

5:25 p.m. MOTORCADE ARRIVES Soybean Plant. The President and Mrs Carter, escorted by Jack and Judy Carter proceed on tour of Soybean Plant.

PRESS POOL COVERAGE

Guests and Staff Instructions:
You will be escorted on a tour of the plant.

5:50 p.m. THE PRESIDENT AND MRS CARTER proceed to motorcade.

Guests and Staff Instructions:
Board motorcade, assignments as on arrival.

5:55 p.m. THE PRESIDENT AND MRS CARTER board motorcade.
MOTORCADE DEPARTS en route Cedar Lake Lodge.

(Driving time 10 min.)

6:05 p.m. MOTORCADE ARRIVES Cedar Lake Lodge. THE PRESIDENT AND MRS CARTER proceed inside lodge.

R O N

Guests and staff instructions:
You will be driven to your hotels.

Sunday, April 22, 1979

9:10 a.m. THE PRESIDENT AND MRS CARTER board motorcade.
MOTORCADE DEPARTS en route First Baptist Church.

(Driving time 15 min)

Guests and staff instructions:
Board motorcade, assignments as on the previous day.

9:25 a.m. MOTORCADE ARRIVES First Baptist Church.

PRESS POOL COVERAGE

The PRESIDENT will be met by Dr. Bob Maddox, pastor.

The PRESIDENT AND MRS CARTER WILL proceed inside and take their seats.

9:30 a.m. THE PRESIDENT AND MRS CARTER listen to a choir presentation by a Boy Scout Troop.

9:40 a.m. THE PRESIDENT AND MRS CARTER attend Sunday school.

Guests and Staff Instructions:
Those planning to attend will be seated in a reserved section.

10:30a.m. THE PRESIDENT AND MRS CARTER DEPART Sunday School and proceed to the Church Fellowship hall for pictures with the families of those children who are being dedicated.

(OFFICIAL PHOTO ONLY)

10:50a.m. THE PRESIDENT AND MRS CARTER proceed to Church Sanctuary for the morning worship service.

Note: The dedication will take place at the beginning of the worship service.

12:00a.m. Morning worship service concludes. THE PRESIDENT AND MRS CARTER proceed across the street to the Brown residence for lunch.

Guests and Staff Instructions:
Lunch arrangements will be made for you. See Dan Lee.

12:05p.m. THE PRESIDENT AND MRS CARTER ARRIVE Brown residence for lunch.

1:55 p.m. All Guests and Staff proceed to motorcade.
Assignments as on arrival.

2:30 p.m. THE PRESIDENT AND MRS CARTER board motorcade.
MOTORCADE DEPARTS en route airport.

2:45 p.m. MOTORCADE ARRIVES AIRPORT. THE PRESIDENT AND MRS CARTER board MARINE ONE

OPEN PRESS COVERAGE
CLOSED ARRIVAL

2:50 p.m. MARINE ONE DEPARTS en route Dobbins Air Force Base.

(Flying Time: 30 min.)

3:20 p.m. MARINE ONE ARRIVES Dobbins AFB. THE PRESIDENT AND MRS CARTER board AIR FORCE ONE.

3:25 p.m. AIR FORCE ONE DEPARTS en route Andrews Air Force Base

(Flying time: 1 hr. 20 min.)

4:45 p.m. AIR FORCE ONE ARRIVES Andrews Air Force Base.

4:45 p.m. THE PRESIDENT AND MRS CARTER board MARINE ONE.

4:50 p.m. MARINE ONE DEPARTS en route South Lawn

(Flying time: 15 min)

5:05 p.m. MARINE ONE ARRIVES South Lawn.

~~CONFIDENTIAL~~ EYES ONLY

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EYES ONLY

April 16, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*

SUBJECT: Housing starts in March

Tomorrow afternoon (Tuesday, April 17) at 2:00 p.m., the Bureau of the Census will release the figures on housing starts and housing permits in March. Total housing starts, seasonally adjusted at annual rates, were 1,793,000, up sharply from February's slightly revised level of 1,384,000. For the first quarter as a whole, housing starts averaged 1.6 million, down from the fourth quarter's level of 2.1 million.

The March data confirm our earlier view that part of the reason for the January and February decline was the severe weather. The March data are consistent with a level of housing starts, free of both normal and abnormal seasonal effects, in the 1.65-1.70 million range. This "underlying" rate in the first quarter is about 100 thousand starts below our internal forecast made several months ago. The combination of higher interest rates and usury ceilings in some states has begun to produce a lower level of housing starts, but not a severe decline.

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for Preservation Purposes

DETERMINED TO BE AN ADMINISTRATIVE
MARKING BY *Jay* DATE *5/2/90*

~~CONFIDENTIAL~~ EYES ONLY

Imm
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FOR COMMCENTER USE ONLY

FROM: Bill Simon

TO: Susan Clough
for the President

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MARKING BY Jay

DATE

5/22/90

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

EYES ONLY

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~~CONFIDENTIAL~~

EYES ONLY

FOR COMMCENTER USE ONLY

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FROM: Bill Simon
TO: Susan Clough for
The President
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DECLASSIFIED
E.O. 12356, SEC. 3.4(b)
WHITE HOUSE GUIDELINES, FEB. 24, 1983
BY Jny NARS, DATE 5/2/80

CONFIDENTIAL

EYES ONLY

~~CONFIDENTIAL~~

EYES ONLY

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

April 20, 1979

EYES ONLY

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CS*

Subject: Manufacturers' New Orders

At 10:00 a. m. Monday, April 23, the Bureau of the Census will release advance estimates of manufacturers' new orders for durable goods for March. The estimates indicate a fall in total new orders of 2.5 percent, from an upward revised February level. Orders for nondefense capital goods dropped by 4.3 percent in March.

The decline was concentrated in four categories.

- o Orders for commercial aircraft and parts were off \$1 billion after a dramatic increase in February. The March drop partly reflected cancellations of orders by Iran.
- o Orders for defense goods were down \$0.7 billion, again after a very strong (\$1.3 billion) February rise.
- o Motor vehicles and parts orders fell \$0.5 billion. This may result from a quirk in the data collection process; auto demand is still very strong.
- o Orders for primary metals declined by \$0.5 billion. These orders had also declined in February from a very high January level.

Even with the March decline, total orders for durable goods in the first quarter were 19.2 percent, at an annual rate, above the fourth quarter level. Similarly, orders for nondefense capital goods increased at an annual rate of 27.7 percent between the fourth and first quarter.

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DETERMINED TO BE AN ADMINISTRATIVE
MARKING BY *Jan* DATE *5/22/70*

~~CONFIDENTIAL~~

EYES ONLY

~~CONFIDENTIAL~~

EYES ONLY

-2-

The March advance orders data do not contradict the notion that demands for durable goods, particularly business capital goods, were quite strong in the first quarter. The decline in orders for primary metals products in February and March is in fact encouraging. It suggests that high inflation and concerns about shortages may have resulted in less of a scramble for inventories than we had found. This improves the chances for the "soft landing" we are trying to achieve.

~~CONFIDENTIAL~~

EYES ONLY

Imm
PRECEDENCE

~~Confidential~~
CLASSIFICATION

FOR COMMCENTER USE ONLY

FROM: Bill Simon
TO: Susan Clough for
The President

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SPECIAL INSTRUCTIONS:

Eyes Only

THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

April 20, 1979

EYES ONLY

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