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THE WHITE HOUSE  
WASHINGTON

14 Apr 80

Stu Eizenstat

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Rick Hutcheson

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THE WHITE HOUSE  
WASHINGTON

Stu  
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April 14, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

I am attaching two items you may wish to read before meeting with Prime Minister Begin. One is from Dr. Arthur Hertzberg, a leading figure in the Jewish community and a very reasonable person on the Middle East issue. The other is a particularly good article (after the first two pages) on the Middle East issue which might also be helpful.

For what little it's worth, my own feeling is that the best answer to this point is a "Gaza Strip First" policy under which Gaza is given its independence. This would show substantial additional progress without attempting a final resolution of all of the thorny West Bank issues and might compensate for a less-than-satisfactory definition of West Bank autonomy.

Good luck!

April 10, 1980

MEMORANDUM FOR STU EIZENSTAT

FROM: DR. ARTHUR HERTZBERG

I have just had an interview with the Israeli television network which will be televised at 7:00 p.m. in Israel. What I said was that Sadat remains a friend of Begin, deeply committed to the leadership of President Carter and that he is not generating a crisis attitude about May 26. In fact, he emphasized that the bottom line issues between Egypt and Israel are entirely centered on what remains of the issue of the West Bank and the Palestinians. What he is hoping for is a change in atmosphere, a new "political directive" from the principals, before May 26 and not a solution of the autonomy question.

My remarks on Israeli television amounted to a suggestion that Sadat was firm and reasonable but not pugnacious.

I would like to suggest that perhaps there is a way of breaking the impasse. It is Begin who is on the most delicate ground at the moment. Could he be helped by being offered his irreducible minimums:

1. that the settlements remain;
2. that in the interim three-year period the right of Jews to purchase land in the West Bank not be curbed by any law.

This ends the argument that the West Bank cannot be declared free of Jews. On the other hand, can we reduce the tendency of current thinking about the West Bank and propose that Arab autonomy should mean territorial control of the West Bank minus certain sectors reserved for Israel:

1. all necessary military arrangements for security;
2. instead of the notion that West Bank Arabs have personal autonomy in territory that Israel controls let us have the notion that Israelis living in the West Bank now are in the future shall have personal autonomy and vote in the Israeli elections, etc. in territory that is being administered by Arab authority for three years and ultimately by whatever political authority is devised at the end of the period.

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# In Defense of Camp David

Alan Dowty

THE Carter administration's Middle East policy began in the shadows of a report by the Brookings Institution which declared that "peace-making efforts should henceforth concentrate on negotiation of a comprehensive settlement." Most of 1977 was spent in a futile effort to reconvene the Geneva conference, culminating in a joint U.S.-Soviet statement of October 1. At that point, Anwar Sadat, able to recognize stalemate even if Washington could not, saved U.S. diplomacy "in spite of itself" by interposing his own dramatic peace initiative. Sadat's trip to Jerusalem caught Washington flat-footed; the administration could hardly avoid the conclusion that it must be a good thing, but Carter quickly confirmed that it would not deflect him from his pursuit of the Holy Grail:

We . . . have taken the position . . . that a separate peace agreement between Egypt and Israel is not desirable. This is predicated upon the very viable hope that a comprehensive settlement can be reached among all the parties involved.

Thus, when Egypt and Israel began bilateral negotiations, Secretary of State Vance insisted that such meetings should only "pave the way toward an ultimate Geneva conference." And throughout the first half of 1978 the United States supported enlargement of the agenda to include more divisive issues.

By the time of the Egypt-Israel meeting in Leeds, England, in July 1978, insistence upon a "package deal" had again paralyzed negotiations by linking soluble issues to the most intractable aspects of the entire Arab-Israel complex. At this point the U.S., badly in need of results rather than the preservation of doctrinal purity, convened the Camp David meeting and set its sights on what could be achieved rather than what defied solution. The result, to be sure, falls far short of a framework for a comprehensive peace; consider the vagueness of the general framework as opposed to the precision of the Egypt-Israel docu-

ment. But that is exactly what made the Camp David accords possible—namely, a recognition of the value of agreements with only some of the parties and on only some of the issues.

By this time, two years of its own experience, reinforced by the lessons of the Kissinger period, might have led the Carter administration to a clearer recognition of the requirements for diplomatic progress on Arab-Israel issues. Progress had been achieved when issues were separated rather than linked, when negotiations were pursued bilaterally rather than *en masse*, when uncooperative parties were excluded rather than courted, when diplomacy was conducted privately rather than through the media, when the United States served as honest broker rather than trying to impose its own conceptions—and when the overall aim was conceived as a *process* of building peace gradually rather than as the achievement of an all-encompassing one-time solution. Instead, U.S. diplomacy after Camp David returned to its comfortable habits, diverted only temporarily by a spasm of realism when the Egypt-Israel peace treaty was at stake. Consider the following activity in the wake of Camp David:

- Assistant Secretary of State Harold Saunders reassures Jordanians and West Bank Arabs that the United States envisions total Israeli withdrawal from the West Bank, including settlements, in any future peace agreement.

- The U.S. Consul in Jerusalem and members of his staff engage in high-profile consultations with West Bank Arabs, including PLO supporters.

- The Carter administration wages a valiant fight for its full \$90-million aid request for Syria—immediately after that country has rejected the Camp David framework in vitriolic terms.

- Following the earlier sale of F-15's to Saudi Arabia (justified as a reward for moderation) the administration meets Saudi opposition to Camp David by approving another \$5.1 billion in arms sales during fiscal 1979. In addition, rejectionist Libya is allowed to buy militarily useful 727's and 747's, and Jordan's Hussein is allotted 300 M-60 tanks. In December 1979, there is a further sale to Saudi Arabia of some 6,500 advanced missiles and bombs, including 916 Maverick missiles and 660 Sidewinder missiles.

ALAN DOWTY, here making his first appearance in COMMENTARY, is professor of government and international relations at Notre Dame. Mr. Dowty is currently at work on a study of American decision-making in Middle East crises.

ity not often matched in practice by even the most vocal sponsors of Arafat and company.

In such a frame of mind, the Camp David accords and the Egypt-Israel peace treaty indeed appear as dubious achievements.

THE strengths of the Camp David framework, which are considerable, are not readily apparent when the focus is on ultimate goals. Camp David needs to be seen as part of a process in which the immediate concrete terms may be less important than the fact of the process itself. It needs to be set in the perspective of current and future trends in the area; while it demonstrates that what was unimaginable only a few years ago is now possible, it also shows clearly what is still unimaginable (but may, with patience, also become possible in the future). As documents marking a point of passage in the evolution of the conflict, Camp David and the Egypt-Israel treaty are obviously "inadequate" as a final destination, but this does not impair their significance. To quote Meg Greenfield, "Viewed as exercises in process, these documents do take on a peculiar virtue and importance way out of proportion to their actual ability to make some things happen and guarantee that others never do."

One significant change marked by Camp David, and a peculiar strength of the peace-making process it represents, is the altered perception of interests and tactics among immediate parties. In the Egyptian view, the new state of relations with Israel is itself an improved means of gaining Israeli concessions on long-range issues. In the words of Butros Ghali, Minister of State for Foreign Affairs:

I believe that now that there is peace Egypt will have more leverage than before. . . . I will have power over, leverage over, Israel according to this normalization of relations. . . . The Israelis are interested in moving from peace-keeping to peace-building. So they want to build peace. My leverage is that it will be impossible to build the peace unless we find a solution to the Palestinian problems.

The Egyptian use of normalization as leverage on Israel might be seen as a weakness in Camp David, as an indication that commitments to the agreements are conditional. But a better reading would be that the Egyptian commitment is not based on wishful thinking or on the arbitrary whims of one man, but rather on the calculation that relations with Israel serve Egypt's tactical interest. This is a more solid foundation than good will alone. And whether the Egyptians are right or wrong at the moment, an important watershed has been passed when a major Arab belligerent argues publicly that normalization of relations with Israel, rather than non-recognition, is a more effective means of achieving Arab goals—including the resolution of the Palestinian question.

The Egyptians obviously have a high stake in

showing that they, and not their Arab critics, are correct. They have resisted procedures that would have undermined the Camp David process. They have muted their public reactions to Israeli moves that they deeply oppose, and have cooperated to head off serious crises. They have refrained from raising or stressing difficult issues that could be postponed. Had the Carter administration followed the same wise principle, the path of negotiations would have run considerably more smoothly.

The Egyptian tactical interest in Camp David is, of course, an outgrowth of the more general Egyptian interest in peace, an interest derived from the futility and costs of war, enormous economic pressures, a returning sense of Egyptian particularism, and reactions to new radical threats in the area. In many cases these Egyptian concerns are shared by Israel, so that Camp David is shored up by bilateral interests that go beyond Arab-Israel issues. Though this shared approach has only begun to find expression, it is one of the more striking aspects of the Camp David framework and should be included—though it seldom is—in any discussion of Camp David's strengths and weaknesses.

The fact that Egypt and Israel worked out their own arrangements for joint peace-keeping operations in Sinai, with minimal U.S. help, is one indication of cooperative action going beyond treaty terms. The image of the Egyptian Minister of Defense being escorted into the inner sanctum of the Israeli Defense Ministry is yet more vivid. There have been references to "common strategic understandings" reached by Israeli and Egyptian leaders at the Alexandria meeting in July of last year, which was described by Menachem Begin as the most important meeting in two years of Egypt-Israel talks. Foremost among such understandings were, presumably, opposition to Soviet moves throughout the area, concern about the spread of Khomeini-style unrest, agreement on Lebanon (Syria should get out), and reaction to events on the Arabian peninsula. It should be stressed that the leaders of the two countries were speaking and acting not on behalf of U.S. or Western interests, though they perceived their interests similarly, but rather on behalf of *their own* common strategic interests—a much more solid base upon which to build.

Aside from these broader issues, Camp David has already served immediate Egyptian interests very well. Sadat, alone of all Arab leaders, has achieved the commitment of total Israeli withdrawal from all of his country's occupied lands. In doing so, he has established the precedent of total Israeli withdrawal despite the vows of four Israeli governments that Israel would never surrender control over the Straits of Tiran (and Begin's right-wing critics are perfectly correct in stressing just how important this precedent may turn out to be). Furthermore, Sadat can argue that, whatever its defects from the Arab point of view, the Camp David framework embodies for the first time ex-

PLICIT Israeli recognition that the future of the West Bank will not be determined by Israel, but by international negotiation.

THE advocates of comprehensiveness will perhaps concede that the agreements serve Egyptian interests, but argue that Egypt cannot afford to ignore broader Arab interests. The isolation of Egypt in the Arab world seems to them insupportable in the long run. Of course it is not at all obvious why an Egyptian policy serving Egyptian interests should be so problematic. But let us answer the practical question: given the demonstrated hostility of other Arab states, can Egypt continue for long in "isolation"?

The strengths of Egypt's position should not be overlooked. By virtue of location, demography, and cultural preeminence, Egypt is the natural center of gravity in the Arab world. It is not easy to "isolate" a nation that represents nearly half of all Arabs (in fact, Egypt and two relatively friendly regimes—Sudan and Morocco—together comprise well over two-thirds of the Arab world). Without Egypt, the rest of the Arab world is weak and divided; Egypt's Arab opponents are well aware of this weakness and deeply frustrated by it—hence the violence of their response.

Egypt clearly has little to fear from external threats. It is shielded to the east by Israel, while the Sudanese regime to the south is friendly. As for Libya, Qaddafi has more to fear from Egypt than vice versa. Economic sanctions are ineffective; only a small part of Egypt's trade has been with other Arab countries, and Egypt's balance of payments has actually improved with the help of Western aid, remittances from Egyptians abroad, and increased revenues from oil and the canal.

Only internal upheaval (possibly promoted from without) is likely to divert Egypt from the course it has chosen. Yet neither Sadat's visit to Jerusalem nor the signing of the peace treaty occasioned significant shows of opposition—in fact, the only mass demonstrations have been in support of Sadat. Even critics have lately admitted that Sadat "apparently" has the support of his public. To be sure, open opposition is not encouraged in Egypt, and in any event opponents might not want to upset the planned Israeli withdrawal from Sinai. But behind this is a change of attitudes in Egypt that has been noted by every close observer over the last decade: a decline in Nasserist pan-Arabism, and a growing assertion of *Egyptian* interests. In this climate, the hostility of other Arab states arouses in Egypt not trepidation, but defiance. At the same time, far from being a withdrawal from Arab affairs, Sadat's initiatives can be seen as a bold and domestically popular reassertion of Egypt's "rightful" role in the area. As stated by Patrick Seale:

A likely hypothesis is that the treaty is Egypt's

rebellion against the mendicant status forced upon it by the surge of revenues enjoyed by the oil producers since 1973-74. . . . Resentment of "rich Arabs," a sentiment felt at many levels of Egyptian society, bred a determination in the leadership at least to rectify this unnatural state of affairs. Sadat's bold peace-making, his cavalier treatment of his former allies, his outrage when Saudi Arabia and Kuwait forsook him after Camp David, all suggest that he is making a bid to regain that Arab predominance which Egyptians feel is theirs by right. As Sadat has said, there can be no war without Egypt and there can be no peace without Egypt. The trips to Jerusalem, to Camp David, and then to Washington to sign the treaty are so many "lessons" which his Arab critics have to learn and in their turn recite. This is not isolationism, but the will to reassert leadership.

It seems unlikely that Egypt will in fact remain "isolated" for very long. Splits among other Arab countries and domestic instability elsewhere (Syria, Iraq) will inevitably create points of entry for Egyptian diplomacy. Already, Morocco is quietly accepting Egyptian aid in its Saharan war. Saudis, whatever they say publicly, do not want an unstable Egypt; the Saudi tycoon Adnan Khashoggi is even now helping to finance a new telephone system for Cairo. From Tunis, the *New York Times* reports that at the "relocated" Arab League headquarters, the feeling is that the move "is temporary and that a way will eventually be found to move back to Cairo."

But even if formal isolation should continue for a while, Egypt's position is viable. Butros Ghali has announced that when an autonomy plan is concluded, Egypt will consider its responsibilities on the Palestinian question fulfilled. At that point the Palestinians will have to speak on their own behalf. If they still refuse to participate, the Egypt-Israel treaty can and will stand on its own (and should Egyptians be tempted to renege once Israeli withdrawal is complete, a demilitarized Sinai, open to quick Israeli reoccupation, would serve as hostage for future good behavior).

AS A peace strategy, therefore, the Camp David framework has quite substantial strengths, and in fact U.S. policy does not so much negate them (at least intentionally) as it tries to incorporate them into something broader. Camp David is explicitly envisioned as the first chapter of a comprehensive settlement, and any conflict between the short-term requirements of effective diplomacy and the long-term vision of a peace accepted by all parties is deliberately minimized. Of course reality is not so simple: it is not possible at one and the same time to give full support to the Camp David process and full satisfaction to the Saudis and others with their own particular conception of comprehensive peace. Choices and trade-offs are inevitable; the best peace strategy is not the most effective strat-

egy for winning Saudi applause, at least in the short run.

In making such choices, the practical dictates of successful peace-making should have priority over any other concern, both because peace is more important and because real progress is the best guarantee for achieving other goals *in the long run*. Pursuing the good will of the Saudis and other "moderate" Arabs on their terms, by contrast, will undercut the peace process, for the simple reason that the Saudi conception of a comprehensive settlement is unworkable.

The general unworkability of a comprehensive settlement under present circumstances should need little elaboration. In fact, the burden of proof should be on those who insist, in the face of contrary evidence, that a total settlement is feasible. The basic position of the PLO (which in Arab eyes defines Palestinian rights) and that of Israel are so far apart that any settlement would have to be imposed forcibly on one or the other or both. Comprehensiveness prevents any narrowing of this gap by tying the entire process to the most insoluble issues, the most intractable party, and the most unworkable diplomatic procedures. Continued faith in the possibility of a sudden resolution of this deeply-rooted conflict is testimony to the persistence of human optimism, but says something far less positive about one's grasp of historic realities.

It is important to realize how the Saudis, who are not especially known for empty utopianism, expect this process to work. The comprehensive settlement which they project is hardly a compromise, but satisfies all outstanding Arab demands aside from the destruction of Israel itself. Such a settlement would *still* not satisfy the PLO—let alone the rejection front—but would obviously have to be imposed on Israel. In the Saudi scenario, the United States would in fact impose these terms on Israel, which, given its dependence on American support, would have to submit. In other words, for the Saudis (and Jordanians, moderate Palestinians, etc.), a comprehensive settlement is a euphemism for an American-forced total Israeli withdrawal from the occupied territories (and possibly includes the "repatriation" of Palestinians).

Aside from the Saudi connection, there is no reason to think that such a course of action is any more in American interests now than at any time since the 1967 war. But even if the idea seemed good in theory, it would not work in the real world. For the United States to impose on Israel a settlement so detrimental to what Israelis see as their most vital interests would require more than just leverage; it would require complete control of Israeli politics and society. Advocates of an imposed peace (like George Ball) misread the bargaining situation between patron and client. It is not a one-way street, and especially not on a matter the client considers basic to survival, but which

for the patron is only one of a spectrum of concerns around the globe. The perceived importance of the issue, the degree of determination, and the willingness to pay costs in order to prevail will all be substantially greater for the client. And when the risk of submitting to the pressure seems greater than the risk of going without superpower support (the principal "lever"), the patron's ability to dictate is very slight. But does anyone really expect an American President to push to that point?

Advocates of an imposed peace cite as a model Eisenhower's imposition of withdrawal on Israel in 1957. But it is precisely this experience that fortifies Israeli resistance; the 1957 withdrawal did not contribute to Middle East stability, but solidified Nasserism in the region and prepared the way for a war fought under more adverse conditions ten years later. U.S.-Israel confrontations—in 1957, 1969-70, 1975, and to some extent in 1977—have never produced progress in Arab-Israeli diplomacy. Israeli concessions have been forthcoming, on the other hand, when confidence in the peace process and in the United States was strengthened. Sadat's initiative led to a total revision of Israeli attitudes on Sinai and the Straits of Tiran, after years of American pressure had added nothing. Sadat, though still entertaining an exaggerated notion of American leverage on Israel, has come to appreciate these complexities more fully and now pays closer attention to the dynamics of attitude change in Israel. Unfortunately, the other Arab states cling to the scenario of an American-imposed settlement that will "deliver" Israel with little or no need for concessions on their part.

**R**ATHER than feed these illusions, the United States would do better to combat them. There is a difference in kind between a peace of mutual accommodation, in which American influence is used to strengthen the confidence of both sides, and a dictated "settlement" in which basically unacceptable terms are unilaterally imposed on one side. The United States is committed to the first kind of peace, but words and actions that seem to denigrate partial achievements help to keep alive a belief in the imposed-peace scenario. The expectation that the United States can and will force Israel to accept Arab demands, outside the framework of mutual compromise and adjustment, is a chimera; the Saudis need to understand this.

In any case, the Arab-Israel conflict is hardly the only or even the main issue in Saudi relations with the United States. As such Arab observers as Abeer Dawisha have pointed out, the Saudis are concerned first of all with security and stability in the face of a number of internal and external threats: rising radicalism in the area, Soviet penetration, the unsettling effects of rapid development, encirclement by hostile regimes, and so

forth. The recent clear manifestations of internal instability underline the basic weakness of a feudal regime seeking to hoard a significant part of mankind's mineral wealth in the heart of one of the world's more volatile regions. As Dawisha notes, it is vital for Saudi Arabia to be perceived as an active participant in the "struggle against Zionism" in order to avoid involvement in quarrels that could expose its basic weakness. Cooperation with the United States is also an essential element in the Saudi reading of its own security interests; attitudes to the United States will be determined largely on this basis and not in response to the American position on the Arab-Israeli conflict.

Nor is the link to oil pricing and supply as direct as John Connally and George Ball proclaim. A recent Senate Foreign Relations Committee study confirms what should be obvious to any serious analyst of post-1973 oil marketing: OPEC prices, and decisions on production levels by particular countries, are determined by economic criteria and not by political motives. The same can be said of decisions on the disposition of surplus revenues; they are invested for maximum profit and not for political effect. The Western position on oil price and supply would not be improved by one iota if the Arab-Israel conflict were to be magically resolved tomorrow. The problem of politically-inspired selective embargos is somewhat different, but as the Iranian case shows, not even this is a function of the Arab-Israel conflict alone. So long as the West is vulnerable to oil cut-offs, any source of instability in the Middle East is a potential threat. The solution must involve more than the elimination of one source of instability; it must attack the fact of dependence itself.

In light of these considerations, there is even less justification for the United States being deflected from what is clearly the only workable peace strategy. American ambivalence not only reflects an oversensitivity to public declarations by Arab states that ought not to be taken at face value, but also tends to undercut the chances of real diplomatic progress that would in the end win Saudi and other moderate Arab support—assuming the "moderates" genuinely believe that stabilization of the Arab-Israel conflict will reduce radical and Soviet influence in the area. Hints of U.S. backing for a comprehensive imposed peace can only be pernicious to the negotiating process, since they encourage Arab opponents of negotiation and discourage moderation among both Arabs and Israelis.

A case in point is U.S. Palestinian policy; the constant flirtation with the PLO has worked against moderating trends among Palestinians.

The PLO, whatever its leaders may privately hint about future changes of heart, is at present totally opposed to the negotiating process and the framework to which the United States is presuma-

bly committed. In positing as its goal a Palestinian state in place of, and not alongside, Israel, the PLO platform is a minority position among Arabs and probably even among Palestinians, despite their widespread verbal support for the PLO. On the other hand, there is little doubt that the PLO faithfully and authentically reflects the views of many Palestinians among the 1948 refugees, who in fact comprise its historic base of support and who are not entranced with the idea of a state confined to the West Bank. This, of course, does not prevent innumerable outside observers, with as much persistence as illogic, from urging a PLO-led state on the West Bank as an ultimate solution to the conflict.

Take, for example, George Ball in one of his more recent fulminations (*Worldview*, December 1979):

[We must] direct our diplomatic efforts at trying, in a realistic way, to deal with these recalcitrant and complex issues that lie at the center of the Arab-Israeli problem. . . . That means, in the first instance, being prepared not only to talk directly with the PLO but to say to them that the United States will support an arrangement providing self-determination to the peoples of the occupied areas, provided they in return are prepared, as a part of the final arrangement, to recognize the legitimate rights of the people of Israel to territorial integrity within the pre-1967 borders, subject to such minor rectifications as may be negotiated, and are prepared to agree to necessary measures of restraint to reinforce Israeli security. . . . Only when we frankly offer support for self-determination can we hope to gain the support of other Arab states in the area that have themselves accepted Resolution 242; only then can we expect the peoples now living in the West Bank and the Gaza Strip to respond in a manner that will enable the more moderate leaders of the PLO to agree to participate in a serious diplomatic effort.

Obviously Ball believes that self-determination in the occupied territories is sufficient to engage the PLO—or at least its "more moderate leaders"—in a final resolution of the conflict. He assumes that an Israel "within the pre-1967 borders" will pose no residual problems in a comprehensive settlement based on the formula of withdrawal in exchange for peace and recognition. This ahistorical tendency to treat the conflict as rooted in the events of 1967 is confirmed in Ball's comments on terrorism: "If one cannot condone terrorism, one can at least identify its roots, and historically terrorism has been a psychotic response to a military occupation." As though there were no terrorism used against Israel before 1967!

The idea of a West Bank Palestinian state or autonomous entity as centerpiece of an Arab-Israel settlement has tremendous and apparently unshakable appeal to some minds. It seems to tie up all the loose ends: the future of the occupied territories, a negotiating partner for Israel, a role for the

PLO. And there is indeed compelling logic behind the idea of dividing the area into self-governing Jewish and Arab states; after all, that was the basis of the 1947 UN partition plan. But the idea was rejected then by Palestinian Arabs on grounds that it was unjust and involved "grave practical difficulties . . . commerce would be strangled, communications dislocated, and the public finances upset."

Now, apparently, there are at least some Arabs willing to contemplate a Palestinian Arab state in *part* of Palestine as the key to resolving the conflict. And George Ball is not the only observer to seize on this idea as a means of escaping basic contradictions in the positions of the two sides. The Carter administration, from its original espousal of a "Palestinian homeland" in 1977 to its insistent pressures in the current autonomy talks, obviously believes that the Palestinian problem can be solved—to the satisfaction of enough parties to make it stick—with a program centering on the West Bank and Gaza.

There is, however, one small defect in this vision: the solution is irrelevant to the problem it is designed to solve.

The PLO did not originate in the 1967 war. It was founded by and still essentially represents the interests of the 1948 refugees from what is now Israel. Refugees from Acre, Jaffa, or Haifa are not interested in "returning" to Nablus or Hebron; had they wanted to resettle on the West Bank, they could have done so at any time between 1948 and 1967. But refugees in the West Bank area remain registered as refugees. The persistence of outside observers in trying to link the PLO and the West Bank illustrates the marvelous imperiousness of the human mind to facts and evidence that contradict comfortable notions (or, as a psychologist might put it, the avoidance of cognitive dissonance). The PLO cannot be blamed for this confusion, for its own statements and internal debates have been admirably clear on the topic. Over the disclaimers of their well-wishers in the West, PLO leaders have consistently confirmed the obvious implication of their basic goals: they do not regard a West Bank state, let alone West Bank autonomy (no matter how complete), as satisfaction of their grievances.

**I**N 1974, at the 12th session of the Palestine National Council, the PLO position on the liberation of the West Bank was debated at length and solemnly pronounced. It was decided that the PLO would agree to establish an "independent and fighting authority" on the West Bank if and when Israeli withdrawal there could be effectuated. Some factions opposed this on the grounds that even a "temporary" West Bank state would divert energy and attention from the basic struggle to liberate the rest of Palestine. The majority position, however, accepted the idea of a West Bank state as an interim step in the

achievement of the final goal, it being understood that such acceptance did not imply any change of attitude toward other occupied areas (i.e., what the rest of the world recognizes as Israel within its pre-1967 lines):

The PLO will struggle against any plan for the establishment of a Palestinian entity the price of which is recognition, conciliation, secure borders, renunciation of the national right, and our people's deprivation of their right to return and their right to determine their fate on their national soil.

In March 1977, the 13th National Council substituted the word "state" for the word "authority," but otherwise made no substantive changes. As Farouk al Kadouni, the PLO "Foreign Minister," carefully explained:

We accept at this stage that we have this state on only part of our territory. But this doesn't mean that we are giving up the rest of our rights. . . . There are two [initial] phases to our return. The first phase to the 1967 lines, and the second to the 1948 lines . . . the third stage is the democratic state of Palestine.

In August 1977, there was a serious American effort to get the PLO to accept UN Resolution 242, which at least implies recognition of Israel, in order to draw Arafat into the negotiating process and meet the requirements for initiation of U.S.-PLO diplomatic contact. President Carter, basing himself on apparently sincere Saudi and Egyptian assurances, conjectured optimistically that "Palestinian leaders have indicated indirectly that they might adopt Resolution 242," and offered publicly to begin U.S.-PLO talks if they would do so. But within hours a PLO spokesman had disclaimed any intention of accepting 242 unless it were fundamentally rewritten, thus leaving Carter in a somewhat exposed position and embarrassing the Saudis and Egyptians.

Just recently, as noted earlier, the administration floated the idea of another Security Council Resolution "complementing" 242, despite a lack of indication that it would have any greater success in attracting the PLO to a peace negotiation based on coexistence with Israel; this effort was abandoned after protests from both Israel and Egypt that it undercut the autonomy talks by discouraging the cooperation of Palestinians who would accept that basic framework of the Camp David accords.

The PLO position has been reiterated so often, and so recently, that refuting the tiresome wishful thinking of the George Balls becomes in itself tiresome. For example, the recent statement by the PLO representative in Saudi Arabia (a "moderate" in PLO politics): "Every entity set up in a part of Palestine will be a starting point for the liberation of the rest of the territories of Palestine" (*Al Riyadh*, November 13, 1979). From

time to time a visiting journalist or politician, convinced that he alone has been privy to the innermost thoughts in PLO circles, emerges from a tête-à-tête with Arafat and declares that the PLO is ready to recognize Israel. Usually PLO leaders repudiate such self-appointed spokesmen at once; Arafat could not long maintain his position or the organization were he to try to redefine its *raison d'être* by personal fiat. And why should greater trust be put in private assurances that PLO leaders do not dare make public, than on solemn statements of policy that have been painstakingly debated and negotiated within the organization over the years? In any event, until changes in the PLO position are made public, they can hardly serve as a basis for negotiations.\*

**E**VEN if PLO leaders were to accept the idea, a West Bank state would not solve the problems of the 1948 refugees. The West Bank is about a quarter the size of Massachusetts, and much of it is barren. Generally it has been an exporter rather than an importer of people; the "Palestinizing" of Jordan before 1967, with a steady population flow to the East Bank, was in large part an expression of the population pressure and lack of economic opportunity on the West Bank. The West Bank population now is about 700,000, while there are more than 1.5 million registered refugees outside the West Bank. In no conceivable way could more than a fraction of them be accommodated on the West Bank itself.

This does not exhaust the practical problems of a PLO-led state in such close proximity to Israel. Even if the will to suppress terrorism were present, the divisions and internal dynamics of the PLO would make control of provocations next to impossible. Conventional security issues have been stressed at length by military analysts. Modern military technology, far from reducing the significance of the West Bank for Israel, increases that significance; for example, modern surface-to-air missiles from West Bank territory could effectively block all Israeli airfields. Critics point out that Israel survived a hostile government on the West Bank before 1967, but there is no comparison between the military capabilities of pre-1967 Jordan and the potential of a Soviet-equipped and Soviet-trained military establishment in the 1980's—stationed in an area commanding the strip of territory with three-quarters of Israel's population. Nor, given the distances, would demilitarization solve the problem; a hostile army, if allowed free movement on the West Bank, could cross the Jordan and reach the Mediterranean before Israel could mobilize. Thus any Israeli government must be extremely sensitive to the nature of any regime or leadership in an autonomous or independent West Bank, and certainly would never, so long as it was in touch with reality, relinquish control to any group associated with the PLO's current aims and tactics.

There is, of course, the notion that being given a state to run would domesticate and moderate the PLO leadership. The evidence for this pious assertion is elusive. The weight of recent evidence—Iran, Vietnam, Libya, South Yemen, Cuba, Uganda—would indicate that radical leaders are seldom absorbed by domestic problems but in fact prefer to rally their countries against foreign "enemies" as such problems mount.

And why should West Bank residents have PLO rule, dominated by refugees not from the West Bank, imposed upon them? In what way is this any more just than the rule of Nationalist Chinese refugees over native Taiwanese? Of course, at the present time West Bank leaders proclaim their support of the PLO, as a means of showing their opposition to Israel and acting in conformity with the prevailing Arab mood. But one can be skeptical about the extent to which they would actually welcome rule by Yasir Arafat; their interests, their outlook, and their own personal and communal aspirations all point the other way. As a non-displaced, non-refugee population, they have repeatedly indicated their acceptance of permanent co-existence with Israel. Even the emergence of a new, assertive, presumably pro-PLO leadership in the mayoral elections of 1976 may in the end undermine the PLO's position, since it is much more difficult for the PLO to discredit such leadership, while the mayors are emerging as an authentically indigenous power center, to the unhappiness of the PLO.

Most Palestinians are not refugees, and most already reside in the Palestinian "homeland" in its broader definition (including the East Bank). The non-refugee population of the West Bank takes in some 15-20 per cent of all Palestinians, and is one of four major Palestinian constituencies. The others are West Bank residents who have moved (voluntarily) to the East Bank, the original East Bank population, and the 1948 refugees (living mainly in Lebanon, Syria, Jordan, and the Arab oil-producing states). Applying the rule of self-determination, West Bank residents should have a great deal to say about the future of the West Bank, while the PLO has no clear mandate to participate in such discussions. The autonomy talks in the Camp David framework are based on this assumption, and rightfully assign the key negotiating role to an elected local authority. Furthermore, once the PLO is excluded, the definition of the remaining issues becomes clearer and the chances for success more substantial.

\* The January 1980 issue of the pro-Arab journal *The Middle East* surveyed Palestinian leaders on the question of whether the Palestinian National Charter, which calls for armed struggle until the liberation of all of Palestine, should be changed. Eleven PLO officials and Palestinian intellectuals associated with the PLO (but no West Bank or Jordan residents) were interviewed, covering the full spectrum of opinion among expatriate Palestinians, the PLO's basic constituency. All eleven opposed any changes in the Charter.

ONCE we assume mutual acceptance and the end of Israeli control of Arab-inhabited areas, discussion of the future of the West Bank becomes a matter of defining autonomy or independence both with regard to Israel and with regard to Jordan. With regard to Israel, it is obvious that even the Likud does not want to perpetuate direct control of a large Arab population. To be sure, the present Israeli government has proposed a severely restricted operational definition of autonomy, and there remains the emotional issue of Jewish settlement, but one can expect further concessions toward meaningful autonomy as bargaining continues (especially if Labor, as expected, wins the next Israeli election). In addition, the Israeli position on autonomy is very sensitive to the evolution of West Bank leadership; a genuinely autonomous leadership, free of PLO domination, would win more Israeli concessions on autonomy.

The growth of Israeli willingness to contemplate genuine local autonomy is reflected in the recent statements of Moshe Dayan, who has urged an end to Israeli military government and the *unilateral* extension of home rule, even in advance of and without reference to the Egypt-Israel autonomy talks. Dayan, long considered almost an annexationist on West Bank issues, now argues that the Israeli presence there should be limited to security-related matters: preventing the entrance of Arafat, the establishment of terrorist bases, etc. As for the reluctance of local officials to cooperate, he points out that elected officials already exist and that it is unlikely they would refuse to wield additional powers that were unilaterally and unconditionally extended to them.

As for autonomy vis-à-vis Jordan, when stripped of the PLO connection this is simply the issue of the future linkage between West and East Banks. In this more limited context, and despite the eclipse of Jordan's role in recent years, there is still a strong case for close linkage. In the first place, closer ties to Jordan make it possible for Israel to contemplate a reduction of its own role; in other words, less autonomy from Jordan makes possible more autonomy from Israel. But, more substantively, the West and East Banks are driven together by objective facts. By any test of geography, history, demography, linguistics, culture, or sociology, East and West Banks belong together. Both were a part of the original British mandate of Palestine. Even by the narrow definition of "Palestine" as only that territory west of the Jordan River, half of Jordan's population is of Palestinian origin. In its basic documents the PLO refers to Jordanians and Palestinians as "one people," and has called for a government in Amman "that will cohere with the Palestine entity." These ties are reinforced by economic complementarity and demographic realities (with the movement across the Jordan, there is hardly a family that is not split between the two banks). Geographically,

the West Bank's only Arab border is with Jordan.

Given the PLO tide of the last few years, Jordanian officials have been very coy about reunification. But they do, nevertheless, make every effort to maintain their influence on the West Bank. Salaries are still paid to West Bank officials, municipal budgets are still underwritten, and maps including the West Bank are still issued. Despite appearances, the likelihood of at least some linkage between the West Bank and Jordan remains quite high, and in this respect also the Camp David framework is realistic in specifying a Jordanian role in negotiations.

Finally, it should be noted that although the PLO enjoys near universal *verbal* support in the Arab world, PLO leaders complain regularly and bitterly in the Arab press over the subordination of the Palestinian cause to the interests of Arab states (Libya being the latest case). No Arab state regards support of the PLO as a primary interest; most seek to manipulate the Palestinian issue to their own benefit in intra-Arab rivalries. As Carter was indiscreet enough to note publicly, in his experience no Arab leader had ever privately urged the establishment of an independent Palestinian state. One of the last things that Jordan or Saudi Arabia wants is to strengthen the power and influence of Yasir Arafat. Even the Syrians are happy to see the PLO militarily weak, internally divided, and totally dependent on Arab governments. The idea that the PLO alone could disrupt any Middle East settlement overlooks this dependence; Arab states could control the PLO any time by withdrawing their support.

THE presence of all these differences not only within the Arab world at large but in the narrower world of the Palestinians themselves is something U.S. policy should be making use of in order to promote a practical settlement. Instead, the U.S. has persistently ignored these differences in favor of signaling its desire to deal with a PLO still committed to total ends. Thus it is no wonder that West Bank moderates have not stepped forward, and that U.S. policy has succeeded only in defeating itself.

It is conceivable that moderate Palestinian representation can come from within as well as from outside the PLO, but in either case the strategy for encouraging moderation must include a clear and unambiguous rejection of the PLO as now constituted. Anything else creates the impression among PLO leaders that they can gain acceptance without altering their goals. As Elie Kedourie has noted, American policy toward the PLO risks repeating the mistake committed in the 1930's by the British, who made Palestinian diplomacy dependent on the most extreme elements of the Arab community and thus effectively guaranteed the failure of their efforts—and the creation of today's problems.

With a U.S. policy of unambiguous support for

the Camp David framework, the chances for substantial diplomatic progress on Arab-Israel issues would be much better than the experts would have us believe. The current hostility to Sadat should not obscure the fact that basic trends have been positive; consider the public positions of Arab countries now against their positions one or two decades ago. Even the Syrians followed Sadat's lead up to a point after the 1973 war, and remain formally committed to a settlement, based on UN Security Council Resolution 242, that implies acceptance of Israel. In fact only the PLO, together with Libya, Iraq, and South Yemen, cling to the rejectionist position that was universal in the Arab world only twelve years ago, at the time of the Khartoum conference after the 1967 war.

Against this background, it is not inconceivable that the Camp David framework could prove attractive. Much of the Arab criticism of Sadat involves timing and tactics; Sadat has moved too fast for his Arab partners and has in their minds given away too much in return for vague formulas. But if future negotiations achieve concrete results, the major criticism will have been met. Many moderate Palestinians originally reacted favorably to Sadat's initiative. In December 1977, 9,000 Nablus residents signed a petition in support of his moves (since then, pressure to conform, reinforced by events like the murder of the Imam of Gaza, has discouraged such public expressions). Clearly the actions of the radicals indicate a real fear that the Camp David framework might "seduce" the moderates; the unusual frequency of visits to Hussein by formerly hostile Arab leaders shows in a perverse way their recognition of Camp David's potential appeal and the need to counter it.

Nor should one despair of the autonomy talks. Egypt and Israel both have strong interests in keeping the diplomatic process moving, and as the deadline approaches there will be greater pressure to make concessions. Israel's initial proposals, so widely condemned, should be seen as an initial bargaining position, and we need to recall that the

present government has more than once abandoned demands that had been described as basic and non-negotiable. But even if the deadline is missed (as it was with the Egypt-Israel treaty), negotiations will continue, and the Egypt-Israel treaty can in the meantime stand on its own. Eventually pressures for results, combined possibly with the return of a Labor government and growing disillusionment with the costs of military occupation in Israel, will produce an agreed-upon autonomy plan. The completion of such a plan would put an end to the immediate Egyptian role; if West Bank residents still declined to cooperate, the plan could simply be put on the shelf until attitudes changed. But it would become increasingly difficult for West Bank leaders to refuse to run their own affairs—especially as many aspects of autonomy could even be unilaterally put into effect by Israel.

But the United States must in the meantime put its full weight behind the delicate process of peace-building that is now unfolding. It must convincingly reject once and for all the Arab conception of an imposed peace, and stop sending signals that cast doubt on its commitment to the Camp David framework. It must make certain that military options remain unappealing, and that American actions strengthen the moderates rather than the militants in each country. The appeal of cooperation can be reinforced by stress on other issues of importance to countries in the area, getting away from the illusion that all relations with Arab countries are a function of U.S. ties with Israel. Aid to Egypt and actions to counter radical threats in the area are two possible courses.

When the United States has adhered to the realistic approach embodied in the Camp David documents, it has made progress. When it has tried to satisfy the opponents of the Camp David approach, it has succeeded only in jeopardizing the entire process. To recognize this simple truth is the beginning of wisdom for the United States in dealing with the Arab-Israel conflict.

THE WHITE HOUSE  
WASHINGTON

14 Apr 80

Stu Eizenstat  
Scotty Campbell

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

Rick Hutcheson

2107

|   |                           |
|---|---------------------------|
|   | FOR STAFFING              |
|   | FOR INFORMATION           |
| / | FROM PRESIDENT'S OUTBOX   |
|   | LOG IN/TO PRESIDENT TODAY |
|   | IMMEDIATE TURNAROUND      |
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|   | FOR APPROPRIATE HANDLING  |
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ACTION  
FYI

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|---|----------------|
|   | VICE PRESIDENT |
|   | JORDAN         |
|   | CUTLER         |
|   | DONOVAN        |
| / | EIZENSTAT      |
|   | MCDONALD       |
|   | MOORE          |
|   | POWELL         |
|   | WATSON         |
|   | WEDDINGTON     |
|   | WEXLER         |
|   | BRZEZINSKI     |
|   | MCINTYRE       |
|   | SCHULTZE       |
|   |                |
|   | ANDRUS         |
|   | ASKEW          |
|   | BERGLAND       |
|   | BROWN          |
|   | CIVILETTI      |
|   | DUNCAN         |
|   | GOLDSCHMIDT    |
|   | HARRIS         |
|   | KREPS          |
|   | LANDRIEU       |
|   | MARSHALL       |

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|---|------------|
|   | MILLER     |
|   | VANCE      |
|   |            |
|   | BUTLER     |
| / | CAMPBELL   |
|   | H. CARTER  |
|   | CLOUGH     |
|   | CRUIKSHANK |
|   | FIRST LADY |
|   | FRANCIS    |
|   | HARDEN     |
|   | HERTZBERG  |
|   | HUTCHESON  |
|   | KAHN       |
|   | LINDER     |
|   | MARTIN     |
|   | MILLER     |
|   | MOE        |
|   | PETERSON   |
|   | PRESS      |
|   | SANDERS    |
|   | SPETH      |
|   | STRAUSS    |
|   | TORRES     |
|   | VOORDE     |
|   | WISE       |

To Scotty Campbell  
a) A good report, maybe  
optimistic - b) What are your  
problems? c) Can I help  
you?  
J. Carter

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# Civil Service Reform

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## A Report on the First Year

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Alan K. Campbell  
Director



United States  
Office of  
Personnel  
Management

January 1980

**Electrostatic Copy Made  
for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON

14 Apr 80

Stu Eizenstat

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

Rick Hutcheson

cc: Frank Moore

2120

BERKLEY BEDELL  
6TH DISTRICT, IOWA

COMMITTEES:  
AGRICULTURE  
SUBCOMMITTEES:  
LIVESTOCK AND GRAINS  
FAMILY FARMS, RURAL  
DEVELOPMENT AND SPECIAL STUDIES  
CONSERVATION AND CREDIT  
SMALL BUSINESS  
SUBCOMMITTEES:  
ANTITRUST AND RESTRAINT OF TRADE  
ACTIVITIES AFFECTING SMALL BUSINESS

Congress of the United States  
House of Representatives  
Washington, D.C. 20515

April 7, 1980

WASHINGTON OFFICE:  
405 CANNON HOUSE OFFICE BUILDING  
WASHINGTON, D.C. 20515  
(202) 225-5476

DISTRICT OFFICES:  
479 FEDERAL BUILDING  
FORT DODGE, IOWA 50501  
(515) 573-7169

318 FEDERAL BUILDING  
SIOUX CITY, IOWA 51101  
(712) 252-4164 EXT. 281

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

Dear Mr. President:

The agricultural economy in our area is in danger of complete economic collapse unless there is immediate improvement. Without a significant increase in the price of farm products, we face an economic disaster not seen in this area since the Great Depression. The problems extend beyond the farm sector to the entire economy of the area, and could well threaten the economic health of the entire nation.

We fully realize the importance of controlling government spending and reducing inflation. However, this goal will never be achieved if the net effect is to sacrifice large segments of the agriculture sector in the process.

Mr. President, when the grain embargo was imposed, you promised that the American farmer would not be made to bear more than his share of the cost of the embargo and pledged from 2 to 3 billion dollars as evidence of your determination. This commitment has not been kept. Northwest Iowa farm commodity prices now stand below pre-embargo levels, and relief can come only from the full exercise of your commitment.

The Secretary of Agriculture has begun to buy some corn for C.C.C. stocks. This is costly to the taxpayers, and we do not relish the government owning large quantities of any one commodity. This concern stems in part from the USDA's recent action to offer 13 million bushels of C.C.C. soybean contracts to the market, an activity that has contributed to a drop of approximately one dollar per bushel in the soybean price since the embargo.

Instead of the government buying corn, we urge you to order the Department of Agriculture to increase the loan rate on corn from \$2.10 per bushel to \$2.50 at once, and make the loans available to all farmers, as provided for by recent congressional action. This approach, which relies on price improvement through the market place, is far superior to the current approach and can also be more expeditiously implemented, thus staving off the economic collapse that now appears so imminent.

Your action in this regard will be a clear signal to farmers that you recognize the nature and magnitude of the problems facing the rural economy today and that you are prepared to take steps to address these problems. We urge your immediate attention to this matter and look forward to your response.

Sincerely,

  
Berkley Bedell  
and concerned citizens  
of Northwest Iowa

Electrostatic Copy Made  
for Preservation Purposes

*To Steve  
for assessment  
J*

BERKLEY BEDELL  
6TH DISTRICT, IOWA

COMMITTEES:  
AGRICULTURE  
SUBCOMMITTEES:  
LIVESTOCK AND GRAINS  
FAMILY FARMS, RURAL  
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SMALL BUSINESS  
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Washington, D.C. 20515

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(515) 573-7169

318 FEDERAL BUILDING  
SIOUX CITY, IOWA 51101  
(712) 252-4164 EXT. 281

April 3, 1980

President Jimmy Carter  
The White House  
Washington D.C. 20500

Dear Mr. President:

We, the undersigned, as American taxpayers and residents of areas dependent upon the health and vitality of the agricultural sector, are writing to inform you of the severe economic problems that face our particular area.

The rapidity and severity with which the tight money, restrictive credit, and disastrously low farm prices have struck our area is enough to boggle the imagination. Those old enough to recall the days of the Great Depression say that the withering of our local economies, if un-arrested, appears to have us headed for a repeat of those dark days. Farmers cannot get money to plant, bankers do not have money to loan, and consumers do not have money to spend. Many in the agricultural and small business sectors, which depend upon short-term credit and cash flow to survive, face certain extinction unless some remedial measures are taken immediately.

Mr. President, we do not ask for handouts. We recognize the urgent need to bring inflation under control, and agree with efforts to control federal spending. However, unless there is some flexibility in policies which recognize the need to prevent a financial collapse in our rural area, we fear that we may experience a collapse which could bring the whole country down with it.

Mr. President, you need to know that we are in trouble.

Sincerely,

  
Berkley Bedell

THE WHITE HOUSE  
WASHINGTON

14 Apr 80

Jack Watson

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

Rick Hutcheson

cc: Arnie Miller

THE WHITE HOUSE  
WASHINGTON  
April 12, 1980

MEMORANDUM FOR THE PRESIDENT  
FROM: JACK WATSON *Jack*  
SUBJECT: CEA Appointment

*Jack*  
*We go through this each time re CEA - Always winding up with white males - Take 10 days (4/25) let Sarah/Anne help. Keep quality high*  
*J*

Although, as you know, I feel very strongly about fulfilling our Affirmative Action responsibilities and think we should exhaust every reasonable effort to do so, I concur in Charlie Schultze's recommendation of Stephen Goldfeld to replace Lyle Gramley as a member of the Council of Economic Advisors.

I have spoken at length with Charlie about his efforts to identify some qualified women or minority candidates for the position to be filled and am personally satisfied that it would be a mistake to hold-up Goldfeld's appointment pending a further search. As Charlie and Stu point out in the attached memoranda, macro-economics is simply not a field which has, as yet, attracted many women or minorities.

Given the critical importance of this position, Charlie's need to have it filled as soon as possible, Goldfeld's superb credentials and experience in both forecasting and monetary policy, and his willingness to accept the appointment, I recommend that you approve Charlie's recommendation.

We will continue to work closely with Charlie to find qualified women and minorities to serve on the professional staff of the Council.

Approve appointment of Stephen Goldfeld \_\_\_\_\_

Disapprove appointment of Stephen Goldfeld \_\_\_\_\_

THE WHITE HOUSE  
WASHINGTON

4/14/80

Mr. President:

Memos from Stu concurring,  
and from Sarah Weddington  
and Arnie Miller dissenting,  
are attached.

Rick

THE WHITE HOUSE

WASHINGTON

April 11, 1980

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
SUBJECT: CEA Appointment

I want to concur in Charlie Schultze's recommendation of Stephen Goldfeld to replace Lyle Gramley. Goldfeld has an outstanding reputation as a macroeconomist and, this late in the term, we are fortunate to be able to get someone of his ability for that position.

At some point, I hope we can get a minority or a woman to fill one of the CEA slots. But I think it would be a mistake to hold up Goldfeld's appointment in what will likely be a futile search for a minority or woman with the requisite credentials. Macroeconomics is not a field, unfortunately, that has attracted many women or minorities. I am sure we could find someone in that category to fill the position, but I am equally sure that the credentials of the person would suffer drastically when compared to Goldfeld.

Further, as the state of the economy becomes increasingly more important, it is essential that our chief economic forecaster be of the highest professional quality. Goldfeld meets that standard very well.

THE WHITE HOUSE

WASHINGTON

April 14, 1980

MEMORANDUM FOR THE PRESIDENT

FROM:

SARAH WEDDINGTON *S.W.*  
ARNIE MILLER ~~AM~~

SUBJECT:

Member, Council of Economic Advisers

Attached is a memorandum from Charlie Schultze who recommends Steven Goldfeld to replace Lyle Gramley as a Member of the Council of Economic Advisers.

When Bill Nordhaus left the Council last February 1979, we worked closely with Charlie to identify women who might serve. Charlie preferred George Eads because of his background in regulatory matters and while he did not commit to recruiting a woman for the next vacancy, he left that as a strong possibility.

We now have that opportunity to make an important affirmative action appointment. There are currently no women or minority members on the Council. While four of the fourteen senior staff members are women, there are no minorities among the nineteen professional staff.

We recommend that you ask Charlie to take an additional ten days and make a special effort to find a woman or minority for this vacancy. We will help him. Anne concurs.

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

March 31, 1980

MEMORANDUM TO THE PRESIDENT

From: Charlie Schultze <sup>CLS</sup>  
Subject: Replacement for Lyle E. Gramley

Since the nomination of Lyle Gramley to the Board of Governors of the Federal Reserve System I have conducted an extensive telephone search for candidates for the macro economist Member of the Council of Economic Advisers, who must be responsible for forecasting and for monetary policy. I have found an excellent Member: Stephen Goldfeld of Princeton University.

Goldfeld is 39 years old. He received his Ph.D. in Economics from MIT and has been teaching at Princeton University since 1963 where he is Class of 1920 Professor of Money and Banking. He is highly respected for his maturity and judgment as well as his competence in the field. He has published extensively on applied economic matters.

While Goldfeld is completely familiar with the large scale econometric forecasting models and knows how to adjust them, he is not a slave to them. He has good common sense and practical judgment. He is an expert on monetary policy and is comfortable with financial market issues.

The senior people in the economics profession with whom I checked almost universally regarded him as the brightest and the best-suited to the job of anyone they could think of. He was one of Art Okun's favorite younger economists.

Goldfeld knows something about the CEA since he worked here as a Senior economist in 1966.

Knowing of your concern for the adequate representation of women at the highest levels of government, I made an extensive search for a woman. There are, in fact, very few women forecasters. I did check out in some depth two private forecasters with New York consulting firms. One of these women, who works for Alan Greenspan, got generally mediocre recommendations. The other got several good reviews but a highly negative report from a long-time associate and employer.

THE WHITE HOUSE  
WASHINGTON

April 11, 1980

Rick Hutcheson

MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald  
Rick Hertzberg  
Bob Rackleff *BR*

SUBJECT: Presidential Remarks:  
Dinner Toast for  
Prime Minister Begin

Scheduled Delivery:  
Tue, April 15, 7:30 PM  
State Dining Room

Your dinner toast for this occasion  
is attached.

Clearances

State Department  
NSC (Hunter)  
Ray Jenkins  
Al Moses  
David Rubenstein

Rackleff  
Draft A-1; 4/11/80  
Scheduled Delivery:  
Tues, 4/15/80, 7:30 PM

Begin Toast

Prime Minister Begin, Mrs. Begin, Ladies and Gentlemen:

Rosalynn and I are delighted to welcome the Prime Minister of Israel and Mrs. Begin to Washington once again, and to have this opportunity to renew our longstanding friendship.

Next Monday is the thirty-second anniversary of Israel's birth as a sovereign state. During those years the miracle of Israel has been proclaimed to the world -- this vibrant, free and democratic people, assuming its rightful place among the world's great nations.

As the leader of a great nation and close partner of the United States, Prime Minister Begin has distinguished himself as a man of courage, of vision, and of peace. Many people said that peace could not come to the Middle East: that the issues

were too intractable, the emotions too deep, for anyone to move forward. But with Prime Minister Begin's efforts -- along with those of our good mutual friend President Sadat -- the first concrete steps have been taken on the long road to a comprehensive peace: the age-old dream of Israel.

The last few years have been busy and rewarding ones in the search for peace in the Middle East. Less than two and one-half years ago, Prime Minister Begin and President Sadat met in Jerusalem. Their meeting, and the renewed hope for a comprehensive and lasting peace in the Middle East, thrilled the world. As we watched, the leaders of two countries which had been long-time enemies sat down to begin the task of making peace.

Less than a year later, Israel, Egypt and the United States forged at Camp David a framework to pursue this quest for peace. It is a framework based on United Nations Security Council Resolutions 242 and 338 and on the recognition that peace requires

respect for the sovereignty, territorial integrity and political independence of every state in the area; and their right to live in peace within secure and recognized boundaries, free from threats or acts of force. That framework remains today the only positive path proposed toward a comprehensive peace, which includes a resolution of the Palestinian problem in all its aspects.

Camp David specifies the creation of a self-governing authority for the West Bank and Gaza, freely elected by the people who live in those two areas. And with the establishment of a self-governing authority, Israel has agreed to withdraw the military government and the civilian administration associated with it, and then to withdraw troops and redeploy those that are left into specified security locations.

The agreement also calls for a strong local police force, which can be in liaison with Israeli, Egyptian and Jordanian officers. It calls for security arrangements to be agreed upon,

and clearly this means that Israel must be secure. It calls for a recognition of the legitimate rights of the Palestinian people; that the Palestinians have a right to participate in the determination of their own future; that the Palestinian question should be resolved in all its aspects; and that there should be discussions and agreement during the transition period on ways to admit refugees from the 1967 war.

On the basis of the Camp David framework, through our combined efforts, Israel and Egypt concluded a Treaty of Peace last spring. The magnitude of that event becomes even more clear when we consider what has happened since Israel has returned two-thirds of the Sinai; and in an act given too little recognition by an oil-starved world, Israel also returned the oil fields, as agreed in the treaty. Ambassadors have been exchanged; there are full diplomatic relations and tourism between the two countries which thirteen months ago were still in a state of war with each other and had been for over thirty years.

Now we have turned our attention and our partnership to the next task at hand: a self-governing authority to provide full autonomy for the inhabitants of the West Bank and Gaza.

This will challenge the best in us. Our meetings, and my meetings with President Sadat last week, can add to the progress already made in the current negotiations for a self-governing authority. Egypt and Israel have set a goal of May 26 for completing these talks. We will play our role as a full partner in assisting Israel and Egypt to reach that objective.

To reach success in the days ahead will require each party to be prepared to offer compromises and find solutions to the problems which remain. The United States will work unreservedly with them to achieve this goal.

Let me make special mention of the unique relationship between Israel and the United States. I have in the past spoken of -- and I reaffirm here tonight -- the unswerving commitment

of the United States to Israel's security. That commitment is obvious in our military and economic assistance to Israel which in recent years has been at unprecedented levels. It reflects the importance our Nation attaches to Israel's security and to the well-being of its people. A strong Israel serves our own security interests. We have stood at Israel's side for over thirty years. Israel can count on the United States. We know we can count on Israel.

And our concern for Israel's security and its future is not just for today -- it is forever.

Let me also state that we will not negotiate with the Palestinian Liberation Organization, nor will we recognize the PLO unless it accepts Resolutions 242 and 338 and recognizes Israel's right to exist. We oppose the creation of an independent Palestinian state. And we believe that Jerusalem should remain undivided, with free access to the Holy Places for people of all faiths.

Mr. Prime Minister, our partnership, our friendship, our unique relationship will stand us in good stead in our efforts in the days to come. I am confident that, with God's help, we will reach our ultimate goal -- a just and lasting peace in the Middle East. I can think of no better way of expressing this sentiment than the words of the Prime Minister in this House when the Egypt-Israel peace treaty was signed: "Peace unto you, shalom salaam...forever."

Ladies and Gentlemen, please join with me in a salute to the Israeli people, the deep and enduring friendship between the United States and Israel, the partnership for peace, and the Prime Minister and Mrs. Begin, who honor us this evening with their presence.

###

THE WHITE HOUSE  
WASHINGTON

April 14, 1980

*Rick Hutcheson*

MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald  
Rick Hertzberg  
Bob Rackleff

SUBJECT: Presidential Talking  
Points: Fair Housing  
Bill Meeting

Scheduled Delivery:  
Wed, April 16, 3 PM  
Cabinet Room

Your talking points for this occasion  
are attached.

Clearances

Anne Wexler  
Louis Martin  
David Rubenstein

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

April 14, 1980

TO: JANE HARTLEY

FROM: TOM TEAL  
SUSAN CLOUGH

SUBJECT: NAMES TO BE RECOGNIZED BY THE PRESIDENT AT THE  
FAIR HOUSING BILL MEETING

Attached is a copy of the first page of the talking points submitted to the President today for the Fair Housing Bill Meeting in the Cabinet Room on Wednesday, April 16, at 3 P.M.

The first paragraph contains the names of several people to be recognized by the President. You will need to update these salutations and their sequence on the day of the event to reflect the latest expected attendance.

If the salutations are correct as they stand, please confirm them by calling the Staff Secretary's office, x7052.

If there are deletions from the list, send a written note to the Staff Secretary giving the names of those who will not attend.

If there are additions, you must clear the new names and their sequence with the speechwriter, who will indicate which senior staff members you also need to consult. The additions should then be written on the attached page, showing clearly the order in which all names should be mentioned. Submit this corrected page to the Staff Secretary along with a note indicating which members of the senior staff have cleared the changes. When more than one or two names are being added, the salutations paragraph should be completely retyped and the changes underlined in red.

Salutations must always be confirmed or corrected no later than four hours before the event -- in this case, you must provide the update by 11 A.M. on Wednesday, April 16.

cc: Rick Hutcheson  
Al McDonald

[Salutations will be updated  
no later than 11 AM on Wed  
by Jane Hartley x2576.]

Bob Rackleff  
Draft A-1; 4/14/80  
Scheduled Delivery:  
Wed, April 16, 3 PM

Talking Points for Fair Housing Bill Meeting

1. LET ME BEGIN BY RECOGNIZING OUR 101ST SENATOR, CLARENCE MITCHELL, FOR HIS WORK ON THIS BILL, AND FOR A LIFETIME DEVOTED TO JUSTICE IN AMERICA. I WANT TO THANK CHAIRMAN PETE RODINO AND CONGRESSMEN DON EDWARDS AND TOM RAILSBACK FOR THEIR BIPARTISAN EFFORT IN THE HOUSE JUDICIARY COMMITTEE. LET ME ALSO THANK THE MANY OTHERS IN THIS ROOM FOR YOUR EFFORTS TO ENACT THE FAIR HOUSING AMENDMENTS OF 1980.

2. YOU ARE ALREADY FAMILIAR WITH THE PROVISIONS OF THIS LEGISLATION AND HAVE BEEN BROUGHT UP TO DATE ON ITS PROGRESS THROUGH CONGRESS. I JUST WANT TO MAKE A FEW ADDITIONAL POINTS BRIEFLY.

3. WHEN I TOOK OFFICE 3 YEARS AGO, I SET CIVIL RIGHTS ENFORCEMENT AND LEGISLATION AS ONE OF MY HIGHEST PRIORITIES. I WANTED TO BUILD ON THE PROGRESS MADE DURING THE 1960's. ONE OF THE CLEAREST NEEDS FOR PROGRESS HAS BEEN IN OUR FAIR HOUSING LAW. FRIDAY WAS THE 12TH ANNIVERSARY OF THE SIGNING OF AN ACT THAT MADE HOUSING DISCRIMINATION ILLEGAL. YET A KEY OMISSION IN ENFORCEMENT POWERS HAS DEPRIVED US OF THE NECESSARY TOOLS TO ELIMINATE HOUSING DISCRIMINATION. SINCE THEN, MANY OF YOU HAVE WORKED CONTINUOUSLY TO GET STRONG ENFORCEMENT BACK INTO THE LAW.

4. THAT GOAL IS FINALLY WITHIN REACH. WE FACE DETERMINED OPPOSITION FROM POWERFUL INTERESTS, BUT WE HAVE FASHIONED A BILL THAT REBUTS THEIR CRITICISMS. WE ARE MAKING ENFORCEMENT AN ADMINISTRATIVE MATTER, AS IT SHOULD BE, WHILE PROTECTING FUTURE RESPONDENTS FROM ARBITRARY RULINGS. WE HAVE REACHED A GOOD COMPROMISE, AND CHANCES FOR FINAL PASSAGE THIS YEAR ARE GOOD.

5. LET ME PUT THIS ACCOMPLISHMENT INTO CONTEXT. IT IS ONLY ONE OF MANY SOLID ADVANCES WE HAVE MADE IN THE PAST 3 YEARS OF WORKING TOGETHER. FOR THE FIRST TIME EVER, MINORITIES AND WOMEN ARE WELL-ESTABLISHED IN JUDICIAL AND EXECUTIVE POSITIONS. THE PEOPLE ENFORCING CIVIL RIGHTS LAWS TODAY ARE THE MEN AND WOMEN WHO STRUGGLED TO HAVE THEM ENACTED. WE EXPANDED AFFIRMATIVE ACTION PROGRAMS AND MINORITY BUSINESS AID. WE EXTENDED THE DEADLINE FOR RATIFICATION OF THE E.R.A. AND WE SECURED CONGRESSIONAL PASSAGE OF THE D.C. VOTING RIGHTS AMENDMENT. THESE 3 YEARS HAVE BEEN A PERIOD OF CONSOLIDATION OF PAST GAINS, AND OF NEW PROGRESS AS WELL.

6. THE MOST OBVIOUS MISSING ELEMENT IS A TOUGH FAIR HOUSING LAW, AND THAT IS WHY WE ARE HERE TODAY. THIS IS A DAY FOR REDEDICATION FOR THOSE OF US WHO HAVE SPENT SO MANY YEARS WORKING TO EXPAND CIVIL RIGHTS IN AMERICA. THE CIVIL RIGHTS TASKS FOR THE 1980's ARE NO LESS IMPORTANT. I WANT US TO JOIN TOGETHER AGAIN FOR THAT CAUSE.

# # #

For Filing

2106

Skaneateles  
Dahlia  
Cleveland, Ohio

May 31 P

THE WHITE HOUSE  
WASHINGTON

3/29/80

Mr. President:

You recently spoke with  
Vince "Mr. Coffee" Muratti  
in a receiving line and  
he mentioned your attendance  
at a fundraiser in late May.  
He told Lee Cling that you  
agreed to attend. Do you  
recall this conversation?

Yes -  
I gave a non-  
Comm Hal answer  
Phil <sup>Cleveland</sup> 1st May just the  
J

THE WHITE HOUSE  
WASHINGTON 4/12/80

Mr. President:

Bob Lipshutz called to say he would be in DC sunday afternoon thru monday evening. Leon Charney has been in Isreal for over a week and plans to remain until Begin departs DC. Lipshutz and Charney have been in daily contact and will talk by secure phone monday morning. Lipshutz will then complete his report for you and would like to see you monday afternoon.

Shall I schedule a meeting for Bob?

yes  no

Phil

If so, any other attendees?

*A memo would be preferable*  
J

THE WHITE HOUSE  
WASHINGTON

14 Apr 80

Jack Watson  
Arnie Miller

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

Rick Hutcheson

2108

THE WHITE HOUSE

WASHINGTON

April 11, 1980

①

MEMORANDUM TO THE PRESIDENT

FROM:

JACK WATSON *Jack*  
ARNIE MILLER *AM*

SUBJECT:

National Council on Educational Research

The National Council on Educational Research is a policy making body which advises the National Institute of Education. We have worked closely with the staffs of Secretary Harris and Secretary Hufstedler in making the following recommendations.

Maria Cerda (Illinois): Founder and former Director of the Latino Institute in Chicago. Formerly Member, Chicago Board of Education and Member, National Commission on the International Year of the Child. Recommended by Secretary Harris.

Timothy Healy (D. C.): President and Professor of English Georgetown University. Formerly at Fordham University and City University of New York. Recommended by Secretary Harris and Ann Wexler.

Joseph J. Davies (Louisiana): Former local school Superintendent and long time Member of the State Board of Education. Recommended by Senator Long.

John S. Shipp, Jr. (Florida): Director of Administration, Florida Department of Agriculture and Consumer Services. Formerly Associate Commissioner for Education, officer of a major textbook publishing company, and member of the Florida House of Representatives. Recommended by Phil Wise and Governor Graham.

Mary L. Ho (Hawaii): Active volunteer in programs for young children and runaways. Former President of the Junior League of Hawaii and the Hawaii Legal Auxilliary. Recommended by Senator Inouye.

RECOMMENDATION:

Nominate the slate as listed above to be members of the National Council on Educational Research.

approve

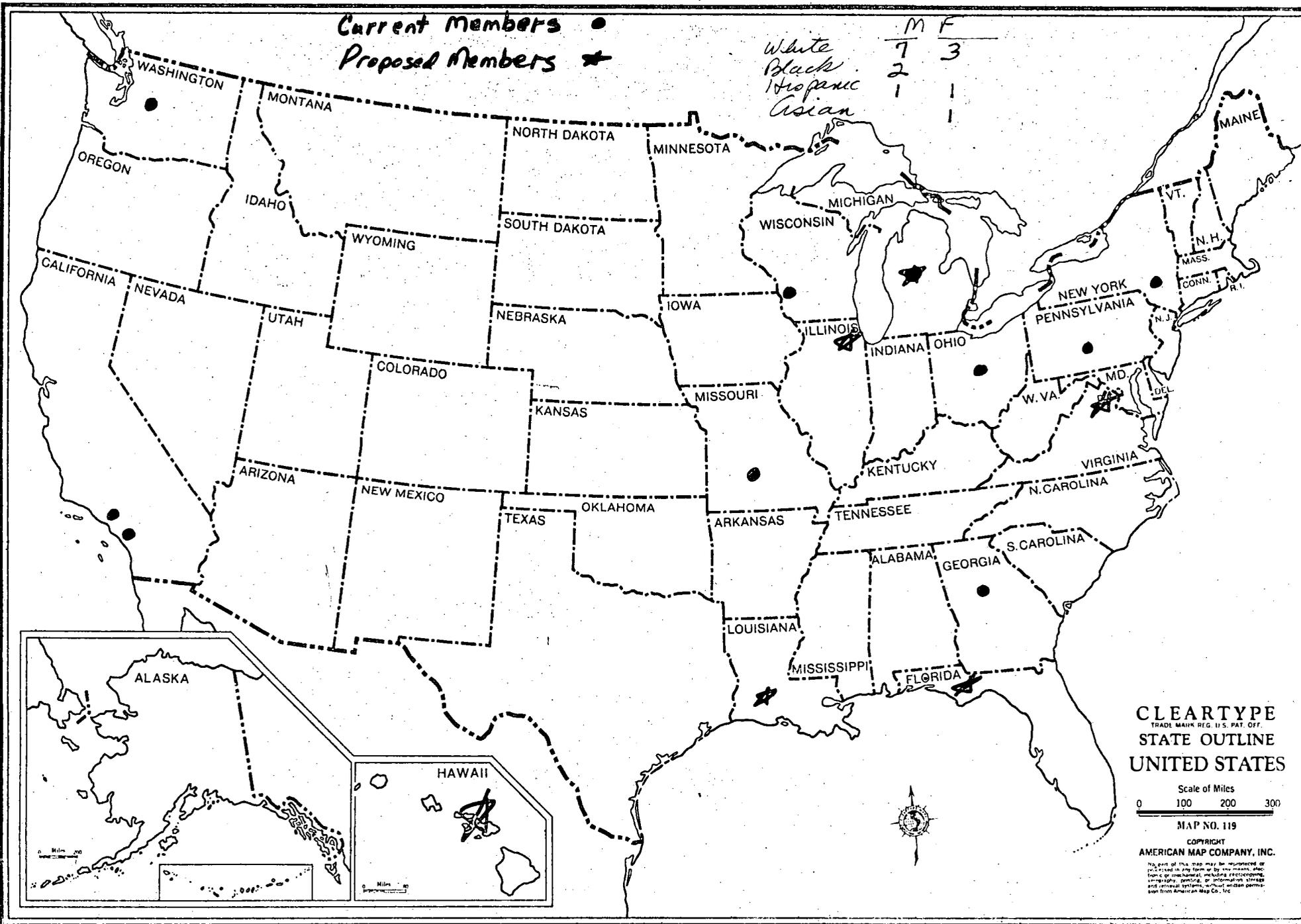
disapprove

**Electrostatic Copy Made  
for Preservation Purposes**

# National Council on Educational Research (15)

Current Members •  
Proposed Members \*

|          | M | F |
|----------|---|---|
| White    | 7 | 3 |
| Black    | 2 |   |
| Hispanic | 1 | 1 |
| Asian    |   | 1 |



**CLEARTYPE**  
TRADE MARK REG. U.S. PAT. OFF.  
**STATE OUTLINE**  
**UNITED STATES**

Scale of Miles  
0 100 200 300

MAP NO. 119

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## CURRICULUM VITAE

April, 1979

TIMOTHY S. HEALY, S. J.  
Georgetown University  
Washington, D.C. 20057

### Born

Manhattan, New York; April 25, 1923; son of Reginald Stafford Healy and Margaret Dean (Vaeth)

### Education

Regis High School, New York City, 1936-40

Woodstock College, Maryland:

A.B., 1946

Ph.L., 1947

M.A., 1948

Facultes Saint Albert, Louvain, Belgium

S.T.L., 1954 (Ordained, 1953)

Instituto del Santo Duque, Gandia (Valencia) Spain

One year of post-graduate theology, 1954-55

Fordham University

M.A., 1957

Oxford University, Oxford, England

D.Phil., 1965 (Supervisor: Professor Dame Helen Gardner)

### Fellowships

|           |  |
|-----------|--|
| 1963-1965 | Kent (Danforth) Fellowship   |
| 1969      | Postdoctoral Fellowship, Society for Religion<br>in Higher Education       |
| 1969      | Study Grant, American Philosophical Society,<br>Philadelphia, Pennsylvania |
| 1971      | Grant in Aid, American Council of Learned Societies                        |
| 1978      | Study Fellowship, Helen Dwight Reid Educational<br>Foundation              |

### Positions Held (Administrative)

|                |   |
|----------------|---|
| 1976-          | President and Professor of English, Georgetown<br>University  |
| 1969-1976      | Vice Chancellor for Academic Affairs and<br>Professor of English, The City University of<br>New York  |
| 1974(Jan-July) | Special Assistant to the Chancellor of the<br>State University of New York for planning<br>of State Prison College (on leave of<br>absence from CUNY) |
| 1965-1969      | Executive Vice President, Fordham University  |
| 1955-1962      | Director of Alumni Relations, Fordham University  |

Positions Held  
(Academic)

|           |   |
|-----------|---|
| 1976-     | Professor of English, Georgetown University   |
| 1969-1976 | Professor of English, Member Graduate Faculty,<br>Comparative Literature, City University of New York |
| 1968-1969 | Professor of English, Fordham University  |
| 1965-1967 | Associate Professor of English, Fordham University  |
| 1956-1962 | Assistant Professor of English, Fordham University  |
| 1955-1956 | Instructor of English, Fordham University   |
| 1946-1950 | Instructor in English and Latin, Fordham Preparatory School   |

Courses Taught

|               |   |
|---------------|---|
| Undergraduate | Freshman and Sophomore Introductory courses,<br>Chaucer, Shakespeare, 17th century, 18th century<br>novels, Modern British Poetry |
| Graduate      | Chaucer, 17th Century English Literature  |

Publications  
(Scholarly)

John Donne: Selected Prose, (Edited with Dame Helen Gardner)  
Clarendon Press, Oxford, 1967.  
John Donne: Ignatius His Conclave, Clarendon Press, Oxford, 1969

Publications  
(Recent General)

"The Debate over School Desegregation", The New Republic, April 4-11, 1970  
 "The Sectarian College and the Public Purse", Walter Gelhorn and Kent  
 Greenawalt, Oceana Publications, New York, 1970. (Introduction)  
 "Will Every Man Destroy the University", Saturday Review, December 20, 1971  
 "Open Admissions. Status, Trends and Implications", Barriers to Higher  
 Education. College Entrance Examination Board, Princeton, New Jersey, 1971.  
 "Who Should Attend College", Open Admissions and Equal Access.  
 American College Testing Association, New York, 1971.  
 "The Liberal Arts, Open Admissions, and the Training of Teachers",  
The Liberal Arts and Teacher Education: A Confrontation, University of  
 Nebraska Press, Lincoln, Nebraska, 1971.  
 "City University of New York Today", The World Yearbook of Education 1972,  
 London, England,  
 "The Future of Tenure", ADE Bulletin, Association of Departments of English,  
 New York, May, 1972.  
 "The Case for Open Admissions - New Problems - New Hopes", Change,  
 Summer, 1973.  
 "Can Quality Co-exist with Equality in a Just Community?",  
The College Board Review. Winter, 1976-77.  
 "Wicker's Attica, A Four Day Agony", America, June, 1975 (Review article).  
 "More Than a Question of Style", America, April, 1976.

- "The CUNY Experience", Individualizing the System, Jossey-Bass, San Francisco, 1976.
- "Language and Civilization", Language in American Life, Proceedings of the Georgetown University - Modern Language Association Conference, October 6-8, 1977, Washington, D.C.
- "The Ignatian Heritage for Today's College", America, November, 1977.
- "Tax Credits for College Tuition", America, April, 1978.
- "Anarchy and a Built-In Gyro", AGB Reports, May/June 1978.
- "The Root and Rock of Medicine", Spectrum, The Mount Sinai Alumni, Spring 1978.

### Memberships

- Association of British Studies  
 Recusant History Society  
 Oxford and Cambridge Society  
 Trustee, New York College Bound Corporation, Chairman, 1966-69  
 Trustee, Marymount College (Tarrytown, New York) 1970-75  
 Trustee, METRO, New York Metropolitan Reference and Research Library Agency, 1973-74  
 Trustee, Le Moyne College (Syracuse, New York) 1975-  
 Trustee, St. Peter's College (Jersey City, New Jersey) 1975-  
 Trustee, Bard College, (Annandale-on-Hudson, New York) 1978-  
 Chairman, Kent Fellowship Interview Committee, 1966-70  
 Consultant, President's Commission on Campus Unrest (Scranton Commission), 1970  
 Member, New York State Joint Legislative Select Committee on Higher Education, 1973-76  
 Director, Journal of the History of Ideas, 1975-1976  
 Member, New York State Education Department, Doctoral Council, 1974-76  
 Member, Middle States Commission on Higher Education, 1975-  
 Member, Academic Affairs Commission, American Council on Education, 1976-  
 Member, Association of Jesuit Colleges and Universities, 1976-  
 Member, Federal City Council, 1976-  
 Member, Board of Directors, Boys' Club of Greater Washington  
 Director, National Association of Independent Colleges and Universities, 1977-; Vice Chairman, 1978-  
 Director, Council for Financial Aid to Education, 1978-  
 Member, President's Commission on Foreign Language and International Studies, 1978-  
 Vice Chairman, National Association of Independent Colleges and Universities, 1978-  
 Executive Committee Member, Consortium of Universities of Washington, D.C., Chairman, 1978-1979  
 Director, Pan American Development Foundation, 1979-  
 Member, National Center for Administrative Justice

- Listed in: Who's Who in America  
Who's Who in the East, 15th Edition  
American Oxonians  
Directory of American Scholars (Vol. II)

Military Service

102 Engr. Bn., 42 Inf. Div.: Rank - Captain

Honors

Phi Beta Kappa

Honorary Doctor of Law, Nazareth College, Rochester, New York

Honorary Doctor of Humane Letters, Pace University, New York, New York

## RESUME

NAME: María B. Cerda

ADDRESS: (Res.) 9029 S. Bennett  
Chicago, Illinois 60617  
Tel. (312) 221-5830

(Bus.) Latino Institute  
55 E. Jackson, Suite 2150  
Chicago, Illinois 60604  
Tel. (312) 663-3603

Born: Lares, Puerto Rico  
October 27, 1934

### EDUCATION

- University of Puerto Rico, Rio Piedras, Puerto Rico - received a B.A. in Psychology in 1956.
- University of Chicago, Chicago, Illinois - received a M.S.W. in Social Service Administration in 1960. Specialized in Child Development.

### SCHOLARSHIPS

- National Mental Health Association - 1958
- Illinois Department of Public Aid - 1959

### PROFESSIONAL EXPERIENCE

- |  |                                       |
|--|---------------------------------------|
| - Latino Institute<br>55 E. Jackson, Suite 2150<br>Chicago, Illinois 60604 | Executive Director<br>1974 to present |
| - Illinois Dept. of Public Aid<br>Chicago, Illinois                        | Caseworker<br>1957 to 1961            |

### CIVIC WORK

1. Former member of the Chicago Board of Education - 1969 - 1974.
2. Founding member of Aspira of Illinois, Inc. Former member of Board and chairperson in charge of fund raising - 1973 - 1975. Assisted in research project assessing the need of Latino children for the program in Illinois. Was involved in identifying resources, structuring the Board of Directors and Governors Board of Directors, fund raising activities, design and plan for implementation.

3. Member of the planning committee of the Conference of Puerto Ricans - 1968 and 1969. This was the first attempt to discuss the problems of the Puerto Rican community in Chicago involving the leadership, education, community and agencies delivering services.
4. Chairperson for the Scholarship Component of the Conference on Puerto Ricans.
5. Former member of the Camp Fire Girls. Assisted in the development of a program designed specifically for Latino girls.

### PRESENT BOARD AND CIVIC INVOLVEMENTS

#### Local

- Member, Advisory Council, Chicago Board of Education's proposal for funding by ESAA, 1978
- Member, City-wide Advisory Council on Desegregation
- Board Member, United Way of Metropolitan Chicago, member, Allocations Committee
- Board Member, The Rehabilitation Institute of Chicago
- Board Member, Health Care Service Association
- Board Member, Mental Health Association of Greater Chicago
- Board Member, Chicago Forum
- Associate Board Member, United Charities of Chicago
- Member, Alcoholism Steering Council, Comprehensive Health Council of Metropolitan Chicago

#### State

- Member, State of Illinois - Department of Public Aid, Welfare Services Committee
- Member, Illinois Employment and Training Council, Chairperson, Special Concerns Committee
- Member, Bilingual Advisory Council of the State Superintendent of Public Instruction
- Member, Special Joint Legislative Advisory Committee on Illinois Corrections.

#### National

- Member, National Bilingual Advisory Council for Children's Television Workshop (Sesame Street, Electric Company)
- Member, National Advisory Board, Journal of Multicultural Education
- Member, Steering Committee, National Urban Coalition

#### Awards

October 19, 1978 - Founder's Day Civic Award from Loyola University, for Outstanding example of responsible citizenship.

María B. Cerda  
page three

May 11, 1977 - Annual Award for Community Leadership. Y.M.C.A. - Urban Programs West Town.

March 28, 1977 - Annual Award from the Chicago Public Schools Social Workers.

July 30, 1976 - "Dynamic Woman of the Year and Profession Award for Outstanding Service in Furthering Women's Endeavors." Chicago Economic Development Corporation - Women's Division.

October, 1974 - Commendation Plaque - Chicago Board of Education.

June 15, 1974 - "Ms. Bilingual Education" for Excellence and Outstanding Service to the Spanish Speaking Community. G.I. Forum, Chicago Midwest Chapter.

November, 1973 - Award of Appreciation, Dedication and Achievements to the Cause of Craft Training and Education for all trades, Washburne Trade School.

1973 - Commendation. National Organization of Puerto Rican Women.

January, 1973 - Plaque. Organización de Educadores Puertorriqueños.

In addition to the above, I have given numerous talks, reports, workshops and presentations to schools, parent groups, community organizations, agencies and institutions, both locally and nationally, in the areas of: education; bilingualism/biculturalism; community development; parent involvement; organizational development; ethnic pluralism; minority groups; human relations; and the alternative role of educational institutions.

My primary interests are: advocating for better, more responsive and humane educational opportunities for all children, and the development of resources in the Latino community.



STATE OF LOUISIANA  
**BOARD OF TRUSTEES FOR STATE COLLEGES AND UNIVERSITIES**

ONE AMERICAN PLACE, SUITE 1412

BATON ROUGE 70825

**JOSEPH J. DAVIES, JR.**

Born in Algiers, Louisiana, Friday, June 13, 1913

BA and MA Degrees from Tulane University

Served as teacher, coach, and principal in public schools of Jefferson and St. Bernard Parishes

Served in U. S. Navy - World War II

> Superintendent of Schools for St. Bernard Parish - September, 1957 - July, 1975

Past Chairman, Sub-Committee No. 13 of 100-Man Committee to Study Education in La.

Past Chairman, 25-Man Superintendents' Committee, State Board of Education

> Member of the State Board of Education representing the First Congressional District from 1949-1964

President of State Board of Education - 1955 & 1960

Past President of Louisiana School Superintendents' Association - 1969

Past President - Goals Foundation Council

Past Chairman - Louisiana Advisory Committee for ESEA III

> Past Representative on the Executive Committee Region III of the President's National Advisory Council for ESEA III

Served on the Education Sub-Committee of the Standing Council for Academic Planning for Loyola University

Chairman of the Board of Directors of First National Bank of St. Bernard

Presently member of State Board of Trustees for Colleges and Universities and Chairman of Academic Affairs Committee

Member - AASA, LTA, American Legion, DAV, WYES TV, United Fund, NSRA, LSBA, LASA

Participated: AASA Field Study Mission to Germany - 1969  
AASA Field Study Mission to Scandinavia - 1971  
Bi-National School Conference in Santiago, Chile - 1970  
School to School Relationship St. Bernard - Guayaquil, Ecuador  
U. S. State Department Overseas School Division

Awards: Arabi Lions Club Award - Outstanding Service, 1958  
St. Bernard Parish Business and Professional Women's Club  
"Boss of the Year" Award, 1961  
Rotary Club Award - "C. Earl Columb" for Outstanding Service to  
St. Bernard Parish, 1967 and 1971

Honored by fellow educators throughout the State of Louisiana at a  
Testimonial Dinner on November 30, 1972, at which time he received  
numerous plaques and commendations.

Mr. Davies was responsible for developing the first district-wide non-graded  
continuous progress program in Louisiana and revised the school district  
curriculum (K-12) in all disciplines in terms of performance objectives.

904/488-5321

RESUME'

John S. Shipp, Jr.  
2551 Marston Road  
Tallahassee, Florida 32303

Office: 116, Capitol Building

Personal

Born

March 17, 1918  
Williamson, Georgia

Married

Sybil Doke Shipp  
of Alachua County Florida  
June 23, 1940

Children

Gwen Shipp Moore  
Orange Park, Florida  
(Husband is Lt. Robert L. Moore  
U.S.N. Air)

Gayle Shipp Walters  
Tampa, Florida  
(Husband is Steven L. Walters, M.D.  
Surgeon)

Religion

Methodist

Education

High School - Greenville, Georgia in 1935  
(Valedictorian)

Bachelor of Science - University of Florida  
1939 (Math & Science)

Masters of Science - Florida State University  
1954 (Administration & Supervision)

Military

U. S. Navy - W.W. II as Gunnery Officer,  
Executive Officer and Commanding  
Officer of war vessel afloat

RESUME

John S. Shipp, Jr.

Page 2

Affiliations

Capital City Tiger Bay Club  
Kappa Delta Pi  
Elks  
Mason 32%  
Shrine (Morocco Temple)  
Theta Chi  
Past President, Marianna Junior Chamber  
of Commerce  
Past Vice-President, Florida Junior  
Chamber of Commerce

Experience

- . Director of Administration  
Department of Agriculture & Consumer Services  
(Florida)
- . Executive Assistant to State Treasurer  
(Florida)
- . Associate State Commissioner of Education  
for Administration (Florida)
- . Executive Assistant to State Commissioner  
of Education (Florida)
- . Coordinator of State Adoptions and Assistant  
to Chairman of the Board of Harcourt, Brace  
Jovanovich, Inc. (New York City)
- . Vice-President of Silver-Burdett  
(subsidiary of Time-Life, Inc.)
- . Southern Regional Manager and National  
Sales Manager of Holt, Rinehart, and Winston  
(subsidiary of Columbia Broadcasting System)
- . Southern Regional Manager of The John C. Winston  
Company
- . Florida Representative of The John C. Winston  
Company
- . Member of Florida House of Representatives -  
Member of outstanding 3-man delegation in  
1955 session
- . Assistant Manager and Underwriter of Equitable  
Life Assurance Society of U.S. in Central Fla.
- . High School Principal, Elementary Principal  
and Teacher in Florida public schools

August, 1978

Mary L. Ho  
2611 Ferdinand Avenue  
Honolulu, Hawaii 96822

Phone: 808-988-4844

### Education

Graduated from Corvallis High School, Corvallis Oregon, 1955  
Graduated from Stanford University, 1959, B.A. English

### Employment

Stanford University Medical School, Palo Alto, California,  
Dept. of Genetics, 1959-60. Secretary.

Bendix Systems Division, Ann Arbor Michigan, 1961-63.  
Secretary.

### Community Volunteer Involvement

Oahu Committee for Children and Youth, 1967-69; Mayoral  
Appointment; Chairman of the Subcommittee on Services to  
Adolescent Girls.

Aloha United Way, 1974-78; member Board of Directors,  
Secretary 1976, Executive Committee 1976-78.

The Junior League of Honolulu; President 1977-78.

The Hawaii Legal Auxilliary; President 1975.

Kindergarten and Childrens Aid Association; member Board  
of Directors 1971-75, Vice-President 1978. (non-profit organi-  
zation, operating 7 pre-schools primarily for children of working  
Mothers.)

The Association of Junior Leagues, Area VI Council Member,  
1978-79. (Serving as one of the seven elected Area VI council  
members, responsible for 38 Junior Leagues in western States,  
Canada and Mexico. The Junior League program is one of  
training young women for effective participation in voluntarism.)

Hale Kipa Runaway Shelter; Board of Directors, 1969-72. Member  
of original steering committee that established this facility for  
troubled youth.

## Community Volunteer Involvement - Cont.

Kula Kokua, Board of Directors 1972-74. Member of original steering committee that established this preschool serving children with behavioral problems. Program is one of intervention for children with potentially more severe emotional disorders and seeks treatment prior to the school experience.

Friends of the East West Center, Board of Directors 1975-78.

Council on Asian Pacific Affairs, Advisory Committee 1978.

"The Family in Hawaii" Conference, March, 1978. Member of the Planning Committee. Conference was sponsored by the Junior League of Honolulu and The University of Hawaii; statewide meeting with a number of national authorities on the family present, including Ms. Laura Miller, Special Assistant to Secretary Joseph A. Califano. Speakers, Panelists, and workshop sessions addressed topics related to "Forces Affecting the Family" and "Families of the Future".

"The Governor's Conference on Voluntarism", April, 1977. Member of the Planning Committee. Conference was sponsored by the Governor's Office of Voluntarism and addressed topics related to the changing role of the volunteer and effective volunteer programs.

## Honors

Volunteer Service Award, 1975, The Volunteer Service Bureau of Hawaii.

## Personal History

Born of immigrant parents in Hood River, Oregon, July 23, 1937. Married to Stuart T.K. Ho, Attorney, Businessman, former member of the House of Representatives, State of Hawaii. Mother of three children, Peter 13, Cecily 11, and Heather 9.

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

National Institute of Education  
 Department of Health, Education, and Welfare

AUTHORITY: P. L. 92-313 of June 23, 1972, Title III, Sec. 301  
 (36 Stat. 329) - effective 7/1/72  
 20 U.S.C. 1221e(c)  
 P.L. 94-482, Title IV, Sec. 403, 90 Stat. 2227, October 12,

METHOD: Ex officio & nominated to the Senate

MEMBERS: Director of the National Institute of Education  
 and  
 such other ex officio members who are officers of the  
 United States as the President may designate  
 and  
FIFTEEN members appointed by the President, by and  
 with the advice and consent of the Senate

Director, National Institutes of Health (Order - 7/24/73)  
 Chairman, National Endowment for the Humanities  
 (Order - 7/24/73)  
 Chairman, National Endowment for the Arts (Order - 7/24/73)  
 Director, National Science Foundation (Order - 7/24/73)  
 Commissioner of Education (Order - 7/24/73)

The members of the Council shall be appointed so that the  
 Council shall be broadly representative of the general public;  
 of the education professions, including practitioners and  
 researchers; and of the various fields of education, including  
 preschool, elementary and secondary, postsecondary, con-  
 tinuing, vocational, special, and compensatory education.

CHAIRMAN: Designated from among its appointed members by the  
 President

Continued

NATIONAL COUNCIL ON EDUCATIONAL RESEARCH

National Institute of Education  
Department of Health, Education, and Welfare

TERM:

THREE YEARS, except that the members first taking office shall serve as designated by the President, five for terms of three years, five for terms of two years, and five for terms of one year. Any member appointed to fill a vacancy shall serve for the remainder of the term for which his predecessor was appointed. (HOLDOVERS) Any appointed member who has been a member of the Council for six consecutive years shall thereafter be ineligible for appointment to the Council during the two-year period following the expiration of such sixth year. The term of office of each member shall expire on September 30 of the year in which such term would otherwise expire, unless a successor to such member has not been appointed and confirmed by the Senate by such date, in which case such member shall continue to serve until a successor has been appointed and qualified.

SALARY:

\$190 WAE - per the National Council Staff - 11/24/76

PURPOSE:

Establish general policies for, and review the conduct of, the Institute; advise the Assistant Secretary for Education and the Director of the Institute on development of programs to be carried out by the Institute; present to the Assistant Secretary and the Director such recommendations as it may deem appropriate for the strengthening of educational research, the improvement of methods of collecting and disseminating the findings of educational research and of insuring the implementation of educational renewal and reform based upon the findings of educational research; prepare an annual report to the Assistant Secretary on the current status and needs of educational research in the United States; submit an annual report to the President on the activities of the Institute, and on education and educational research in general, which shall include such recommendations and comments as the Council may deem appropriate, and shall be submitted to the Congress not later than March 31 of each year.

NOTE: The Director shall make available to the Council such information and assistance as may be necessary to enable the Council to carry out its functions.

THE WHITE HOUSE  
WASHINGTON

14 Apr 80

Jack Watson  
Arnie Miller

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

Rick Hutcheson

2109

THE WHITE HOUSE

WASHINGTON

April 9, 1980

C

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON  
ARNIE MILLER

*Jack*  
*AM*

SUBJECT:

Director, Office of Self-Help Development  
and Technical Assistance, National Consumer  
Cooperative Bank

The National Consumer Cooperative Bank provides financial and technical assistance to consumer cooperative self-help endeavors. The Office of Self-Help Development and Technical Assistance is to aid new and low income cooperatives to become eligible for bank borrowing by providing capital advances, interest subsidies and technical assistance. You have appointed the fifteen members of the Bank Board of Directors. The remaining appointment is the Director of the Office of Self-Help and Technical Assistance.

Wayman D. Palmer is presently Director of the Department of Community Development for the city of Toledo, Ohio. Prior to assuming that position, he served as executive director of a large community development organization in the same city. His extensive management experience coupled with his demonstrated ability to work with low income groups argue strongly for his being able to quickly and successfully implement this phase of the bank's activities.

Larry Connell, Chairman of the National Credit Union Administration and Chairman of the bank's board and Rick Hutcheson concur with the following recommendation.

RECOMMENDATION:

Nominate Wayman D. Palmer, of Ohio, as Director of the Office of Self-Help Development and Technical Assistance, National Consumer Cooperative Bank.

approve

disapprove

WAYMAN D. PALMER

Ohio

EXPERIENCE

|             |  |
|-------------|--|
| 1973 - Date | Director<br>Department of Community Development<br>City of Toledo, Ohio                                    |
| 1972 - 1973 | Assistant Director<br>Department of Community Development<br>City of Toledo, Ohio                          |
| 1969 - 1972 | Executive Director<br>Economic Opportunity Planning Association<br>of Greater Toledo, Inc.<br>Toledo, Ohio |
| 1967 - 1969 | Assistant Director<br>Economic Opportunity Planning Association<br>of Greater Toledo, Inc.<br>Toledo, Ohio |
| 1966 - 1967 | Director, Neighborhood Youth Corps<br>Board of Community Relations<br>Toledo, Ohio                         |
| 1953 - 1966 | Teacher - Coordinator<br>Toledo Public Schools   |
| 1950 - 1952 | Teacher, Public Schools<br>Columbia, South Carolina  |

EDUCATION

|      |                             |
|------|-----------------------------|
| 1950 | Ohio State University. B.S. |
| 1970 | University of Toledo. M.Ed. |

PERSONAL

Black Male  
Age 53  
Democrat

THE WHITE HOUSE  
WASHINGTON

14 Apr 80

Jack Watson  
Arnie Miller

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

Rick Hutcheson

211

THE WHITE HOUSE

WASHINGTON

April 9, 1980

②

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON  
ARNIE MILLER

*Jack*  
*AM*

SUBJECT:

Director, Information Security Oversight Office,  
General Services Administration

We join with Admiral Freeman in requesting that you approve the appointment of Steven Garfinkel as Director of the Information Security Oversight Office in GSA. Garfinkel has acquired extensive experience in declassification matters as a result of his current position, Chief Counsel for the National Archives, and his service on the Justice Department's Steering Committee on the Freedom of Information Act.

Zbig and Stu concur with the following recommendation.

RECOMMENDATION:

Approve the appointment of Steven Garfinkel as Director,  
Information Security Oversight Office.

approve

disapprove



Administrator

April 7, 1980

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

Dear Mr. President:

On December 26, 1979, the Director of the Information Security Oversight Office (ISOO) in the General Services Administration resigned.

As a result of extensive searching and review by a well-qualified selection board chaired by my Deputy, I have selected Mr. Steven Garfinkel to perform the duties as Director of the ISOO. A short resume of Mr. Garfinkel is enclosed. In accordance with the provisions of Section 5201 of Executive Order 12065, your approval of this appointment is requested.

Respectfully,

R. C. FREEMAN III  
Administrator

Enclosure



## RESUME OF STEVEN GARFINKEL

### EDUCATIONAL

College: George Washington University, Washington, DC, 1963-1967,  
B.A. with Distinction and Honors, 1967

Legal: George Washington University Law School, Washington, DC  
1967-1970, J.D. with Honors, 1970

### PROFESSIONAL

Acting Assistant General Counsel, Office of General Counsel,  
General Services Administration, March 1979 to present (alternating  
with another senior attorney as Acting Head of Administration and  
Records Division of General Counsel's Office).

Chief Counsel for the National Archives and Records Service,  
1974 to present.

Formerly Chief Counsel for Civil Rights and Chief Counsel for  
Information and Privacy.

Attorney-Adviser, Administration and Records Division, Office of  
General Counsel, General Services Administration, 1970 to present.

General administrative law practice with background in government  
information law, government contract law, litigation, equal  
employment opportunity law, government personnel law, legislation  
and environmental law.

Promotions from GS-9 to GS-15 in the shortest amount of time  
permissible under Civil Service law.

Federal Bar Association nominee (twice) as "Outstanding Young  
Federal Lawyer."

Member, President's Steering Committee on Presidential Records.

Member, Justice Department Steering Committee on Freedom of  
Information Act.

Recipient of GSA "Commendable Service" Award.

Recipient of commendation for work on the Presidential Records Act  
of 1978.

RESUME OF STEVEN GARFINKEL (Continued)

Recipient of commendations from Department of Justice and Office of Personnel Management.

REFERENCES

Hugh Carter, Jr., Assistant to the President  
Michael Cardozo, Senior Associate Counsel to the President  
Michael Berman, Counsel to the Vice President  
James B. Roads, Archivist of the United States (retired)

THE WHITE HOUSE  
WASHINGTON

14 Apr 80

Frank Moore

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

Rick Hutcheson

cc: The Vice President  
Hamilton Jordan  
Stu Eizenstat  
Jack Watson

ADMINISTRATIVELY CONFIDENTIAL

2112

THE WHITE HOUSE

WASHINGTON

April 11, 1980

C  
/

ADMINISTRATIVELY CONFIDENTIAL

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Weekly Legislative Report

INTRODUCTION

The report is brief this week since Congress has been in recess. The anti-inflation section, therefore, will commence next week.

I. Domestic Policy Issues

1. Energy

ESC

The ESC conference should be meeting sometime this week although nothing firm has been scheduled. The Senate is waiting to receive a formal House offer on Titles II and III (Gasohol).

Rationing

Senator Johnston plans to introduce rationing legislation Tuesday which calls for an excise tax/taxpayer rebate system instead of the coupon/check writing system being considered by the Administration.

More Fuels Tax

The EPG reviewed the scope of the tax on April 7, instructing the working group (Treasury, Energy, OMB and Transportation) to staff out the options relating to coverage of the tax and the effect of exemptions. Staff work will continue on developing the proposal, aiming toward a possible submission to Congress in mid-May. Meanwhile, Congressional activity will have to be constantly monitored.

The prospect of Congress voting a gasoline tax at any time is problematical; in an election year it is unlikely. Hence, the best prospects for the motor fuels tax may be after the elections. We can expect opposition to the motor fuels tax to surface rapidly, as everyone strives to indicate to the voters that they oppose high gasoline taxes. Senators Dole and Roth have already introduced a resolution disapproving of the conservation fee. Senator Long has indicated that he would join an effort to reverse the action and that he will strongly oppose the motor fuels tax.

**Electrostatic Copy Made  
for Preservation Purposes**

## 2. The Budget

Senate Budget Committee floor action is scheduled to begin Tuesday, although Senator Muskie may try to delay final action until the following week. We are attempting to develop a consensus among the Senate Leadership to support a floor amendment to modify the Budget Committee's recommendations in the direction of our revised budget. This would involve reducing Defense outlays and increasing outlays for other programs.

To pursue this strategy, Jim McIntyre and I will meet with Senators Byrd and Muskie on Monday to discuss with them how best to modify the Budget Resolution on the Senate floor and set the stage for further progress in conference.

## 3. Trucking Deregulation

The trucking deregulation bill is scheduled for Senate floor action this week. It will be considered either before or after the Budget Resolution. The trucking associations' lobbyists will be in full swing on the hill beginning Monday. Any delay in the scheduling of the bill will strengthen their hands considerably.

## 4. FTC Authorization

The FTC conference committee is scheduled to meet sometime this week. WHCL has been working with the conferees to help them reach agreement. The major points of contention are: (1) the FTC's role in litigation against the Formica company's ability to maintain "Formica" as a trademark; (2) standards and certifications; (3) the Kid-Video issue.

## 5. Youth Initiative

Chairman Hawkins has drafted a substitute youth bill which he is currently circulating among members. It is not certain at this point who the co-sponsors will be. The Chairman is having trouble developing the bi-partisan support he usually enjoys on such legislation. The Employment Opportunities Subcommittee still plans, however, to hold a mark-up on Thursday. Department of Labor CL will be working with the subcommittee as they develop their bill. The Republicans still want to include the education portion of the bill although they have not written their own draft.

## 6. General Revenue Sharing/Transition Aid to Cities

The general revenue sharing proposal with transitional aid to cities will be submitted to Congress this week. Secretary Miller is scheduled to testify on Thursday before the House Subcommittee, and a full Governmental Affairs markup is scheduled for May 7.

The Senate should begin committee consideration and markup about one week after the House.

#### 7. Debt Limit Increase

Secretary Miller is scheduled to testify on Wednesday before the Senate Subcommittee on Finance Taxation and Debt Management. Senate floor action will follow soon thereafter as the debt ceiling must be extended before midnight May 31, 1980. Since the House last year voted favorably to incorporate the Public Debt ceiling into the budget process, we should not experience our usual delay in the House of Representatives on final passage.

#### 8. 1980 Multilateral Development Bank Authorization

The Conference Report is scheduled for House floor action late this week.

Treasury will coordinate a Congressional liaison effort with the Departments of State and Agriculture (economic development allows for the importation of agricultural products). Treasury CL targeted House members to be contacted Tuesday and Wednesday.

If the House approves the Conference Report, then quick Senate passage should easily follow. Congressman Reuss is asking for an Administration vote count on this bill, and there is a possibility that he could refuse to bring the bill to the floor if there are not enough assured votes for passage.

### II. Foreign Policy Issues

#### 1. FY 80 Foreign Assistance Conference

The House and Senate Budget Committees have completed markup of a Third Budget Resolution for FY 80 and we expect floor action the week of April 21.

The House Budget Committee voted out an outlay ceiling for international affairs of \$10.1 billion but the Senate cut back to \$9.9 billion. Even if the Committees were to compromise at \$10.0 billion, there are still insufficient funds under the functional ceiling to fund the FY 80 Foreign Assistance Conference Report and the supplementals we have pending on the Hill.

The number squeeze is only part of the problem. Politically, it is becoming increasingly difficult for the Congress to consider any large spending measure, particularly a multi-billion dollar foreign aid bill for FY 80. Members will undoubtedly question the need to vote on a \$9.8 billion appropriation when we are already operating on a \$9.6 billion continuing resolution which is valid for the full fiscal year.

If the Conference Report cannot be enacted, we must soon inform Congress of our funding priorities. The House Appropriations Committee will begin work on an FY 80 omnibus supplemental/rescission

Package in late April or early May and our package of FY 80 priorities might be funded through this mechanism.

NSC Advisor

Warren Christopher will testify Thursday before the Foreign Relations Committee on Senator Zorinsky's proposal to require confirmation by the Senate for the Assistant and Deputy Assistant to the President for National Security Affairs. Zorinsky holds the view that the NSC Advisor, since he also performs a policy and negotiating role, should be held accountable by the Congress. State will strongly oppose this proposal on grounds that it intrudes upon the office of the Presidency and impedes the development of a unified, coherent foreign policy. We will also make the case that the Carter Administration has fully informed and involved the Congress in foreign policy matters. Zorinsky may again be successful in attaching his amendment to the State Department Authorization Bill, but we are hopeful that the House Foreign Affairs Committee will object to this provision, as they did last year.

The program for the House of Representatives for the week of April 14, 1980, is as follows:

MONDAY

April 14

EASTER DISTRICT WORK PERIOD  
HOUSE NOT IN SESSION

TUESDAY

April 15

1. H.R. 6613 - Eliminate Duplicate Jurisdiction  
in Collective Bargaining.

H.R. 6554 - Maritime Authorizations

WEDNESDAY

April 16

S. 2009 - Central Idaho Wilderness Act of 1979

THURSDAY and FRIDAY

April 17 and 18

CONFERENCE REPORT ON S. 662 - International  
Development Banks

H.R. 6614 - Sea Grant Authorizations

H.R. 6081 - Special Central American Assistance

THE WHITE HOUSE  
WASHINGTON

14 Apr 80

Mr. President

Per your notation, please  
find attached the Russell  
memo re Processing Noncompliance  
Cases.

Rick Hutcheson

President kept me  
"one page he wanted"  
(?)  
- - R

EIZENSTAT:

(4/1) Brief assessment of the summary of principal provisions of the House proposal concerning S. 1308 -- In Progress, (expected 4/16).

RUSSELL:

(4/3) Your strategies for industry meeting and processing non-compliance actions seems ok. Simplify into a brief list of steps and then send a copy -- Done.

*where is it?  
attached in*

EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL ON WAGE AND PRICE STABILITY  
WINDER BUILDING, 600 - 17TH STREET, NW.  
WASHINGTON, D.C. 20506

APR 11 1980

MEMORANDUM FOR THE PRESIDENT

FROM : R. ROBERT RUSSELL *RR*

SUBJECT : PROCESSING NONCOMPLIANCE CASES

As you requested, we have written a one-page description of the steps to be taken in processing noncompliance cases. Also attached is a more complete description to be sent to the EPG and selected other department heads.

Both documents have been reviewed and approved by the EPG, Al McDonald, and Anne Wexler.

Attachments

## PROCESSING NONCOMPLIANCE CASES

- Step 1: Notice of probable noncompliance is sent by CWPS. Company is called to alert it that Notice is being mailed. No publicity at this stage since the notice is based on preliminary -- often fragmentary -- data.
- Step 2: Company has 10 business days in which to respond (or request extension of time) and request a conference with CWPS staff. The conference is scheduled within one week of receipt of response. No publicity of response or conference.
- Step 3: The Assistant Director for Price Monitoring reviews the company response and writes the decision. If the decision absolves the company, it is made public if appropriate. If the decision is unfavorable, CWPS calls the company and gives it an opportunity to take corrective action. Usually the company is given 2 to 3 days to formulate its corrective-action proposal, and typically the company requests a conference to discuss its proposal.
- Step 4: If there is no offer of corrective action, or the offer is inadequate, the Chairman of CWPS or his designee determines whether or not a call from him at this stage might be productive.
- Step 5: If the company takes corrective action, a favorable decision is written. CWPS coordinates within the Administration about the announcement. If the company does not agree to take corrective action, the noncompliance decision is made public. There should be no other public statement at this point because the company can request reconsideration and have another conference or a hearing if there is a substantial, material, disputed question of fact.
- Step 6: If an initial noncompliance decision is issued, there are three possible outcomes: (1) the company seeks reconsideration (within 10 working days) and the initial noncompliance decision is reversed by the Director of CWPS, (2) the company does not seek reconsideration, and (3) the company seeks reconsideration and the initial noncompliance decision is affirmed by the Director.

- o In event (1), the company seeks reconsideration and may have a conference or hearing, after which the favorable decision is written and released.
- o In event (2), CWPS can send the company's name to OFPP 11 working days after the initial decision. Before sending the name to OFPP, the Chairman of CWPS may arrange additional consultations between the Administration and the company to urge corrective action. If the company takes corrective action, a favorable decision is written and released to the public. If there is no corrective action, the fact that the company's name is added to the list is made public. In either case, CWPS coordinates within the Administration about the public announcement.
- o In event (3), the company seeks reconsideration and may have a conference or hearing, after which the unfavorable decision is written but not released. CWPS calls the company and asks for corrective action. If there is no offer of corrective action, the Chairman of CWPS may arrange additional consultation between the Administration and the company to stress the importance of compliance and to urge the company to contact the Council immediately to develop an acceptable corrective action plan. If the company agrees to take corrective action, a favorable decision is written and released to the public. If the company is recalcitrant, the unfavorable decision is made public and the company's name is sent to OFPP 3 days later. In either case, CWPS coordinates within the Administration about the public announcement.

Step 7: OFPP notifies DOD and GSA of the new list of noncompliant companies for possible procurement sanctions.

THE WHITE HOUSE  
WASHINGTON

4/3/80

Fred Kahn  
Bob Russell

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

Rick Hutcheson

cc: The Vice President  
Stu Eizenstat  
Charlie Schultze

EXECUTIVE OFFICE OF THE PRESIDENT  
COUNCIL ON WAGE AND PRICE STABILITY  
WINDER BUILDING, 600 - 17TH STREET, NW.  
WASHINGTON, D.C. 20506

APR 2 1963

*Job - Seenas  
ok - Simplify into  
a brief list of  
steps & send  
me a copy  
J*

MEMORANDUM FOR THE PRESIDENT

From : R. Robert Russell *RRR*

Subject: Strategies for Industry Meetings and Processing  
Noncompliance Actions

This morning you asked for a brief memo outlining our plans for steps we will take to escalate the Administration's jawboning activities.

NONCOMPLIANCE ACTIONS

1. Background

There are three steps in the Council's formal procedures for processing noncompliance actions: (1) a Notice of Probable Non-compliance, (2) an initial decision, and (3) a decision on reconsideration. Before both the initial decision and the decision on reconsideration, the company is given an opportunity to take corrective action to bring itself back into compliance. (Corrective action typically is not contemplated before a company receives a Notice of Probable Noncompliance, since these notices generally are not publicized.) On a few occasions, we have called on Fred Kahn to help urge the companies to take corrective action.

2. Revised Strategy

We plan two types of actions vis-a-vis noncomplying companies: (1) escalation of the pressure on companies to take corrective action by greater involvement of senior Administration officials at an earlier stage, and (2) intensified public criticisms of companies on the list of noncompliers by senior Administration officials. CWPS will provide background papers on the companies (including non-confidential data on company costs, prices, profits, noncompliance status, and market share; government policies affecting the company; and structure and performance of the industry).

Pressure on companies to take corrective action will occur after each of the first two steps in the CWPS decision process. When a company is initially found out of compliance and refuses to take correction action, we will collaborate with Fred Kahn on which

official should call the company CEO to stress the importance of cooperating with the CWPS staff in reaching a resolution of the matter. (Typically Fred will make the call, but in some cases it may be appropriate for the Secretary of the Treasury, the Secretary of Energy, or some other cabinet-level official to do so.)

If the company still refuses to take corrective action, another opportunity for escalation of the jawboning occurs when (and if) CWPS confirms the decision on reconsideration. If the company is again uncooperative, a call from you or the Vice President might be constructive. Before issuing the decision, we will coordinate with Ann Wexler's task force on the advisability of such intervention.

In collaboration with the Speakers Bureau, we will ask Administration officials to follow your lead in publicly criticizing companies on the noncompliers list. Copies of the background papers on the companies will be sent to all Administration officials, and they will be asked to take advantage of speaking events to excoriate guidelines violators. Preparation of background papers on the existing non-compliers will be prepared by the end of next week.

#### INDUSTRY MEETINGS

A series of industry inflation meetings (one every two weeks) has been planned. The principal objective is to target the anti-inflation effort on problem sectors, to identify sources of inflation that might be influenced by government policy, and to establish the importance of the anti-inflation program through the participation of you and the Vice-President. A schedule of these meetings is attached.

Although most of the meetings focus on fairly homogeneous commodities, such as industrial chemicals, others deal with differentiated groups of commodities related in some way. For example, the meeting on agricultural inputs can be used to focus attention on the rising costs of fertilizer and farm machinery. The manufacturing-products meeting is intended to isolate consumer products exhibiting the greatest rate of inflation.

Before each of these meetings, in collaboration with the Department of Commerce, we will prepare a background memo summarizing the following information on the industry: price trends, input price trends, import trends, an overview of noncompliance problems, and extant policy issues.

Substantially before each meeting, we will discuss with Ann Wexler's inflation task force and with Jodi Powell the desirability of your or the Vice President's participation (usually 5-minute drop-bys) and of the appropriate press coverage.

Attachment

INDUSTRY MEETINGS SCHEDULE

| <u>Planned Meeting Date</u> | <u>Industry Group</u>                            | <u>Inflation Rate* (last 3 months)</u> | <u>Percentage Share of Manufacturing</u> |
|-----------------------------|--|--|--|
| 1. April 11                 | Industrial Chemicals                             | 30.1                                   | 3.1                                      |
| 2. April 25                 | Metal and Metal Products                         | 28.8                                   | 6.5                                      |
| 3. May 9                    | Construction Materials<br>(Nonmetallic Minerals) | 26.4                                   | 2.8                                      |
|                             | Asphalt Roofing                                  | 53.4                                   | ---                                      |
|                             | Concrete Ingredients                             | 19.9                                   | ---                                      |
|                             | Concrete Products                                | 18.2                                   | ---                                      |
|                             | Structural Clay Products                         | 19.4                                   | ---                                      |
|                             | Misc. (e.g., insulation)                         | 38.0                                   | ---                                      |
| 4. May 23                   | Agricultural Inputs                              |  |  |
|                             | Fertilizer                                       | 45.3                                   | ---                                      |
|                             | Equipment  | 14.8                                   | 1.9                                      |
| 5. June 6                   | Manufacturing: Consumer Goods                    |  |  |
|                             | Toys, Games, etc.                                | 36.8                                   | ---                                      |
|                             | Soaps and Detergents                             | 15.9*                                  | ---                                      |
|                             | Sporting Goods                                   | 15.9*                                  | ---                                      |
|                             | Furniture and Bedding                            | 12.4*                                  | ---                                      |
| 6. June 20                  | Machinery  |  |  |
|                             | Construction Machinery and Equipment             | 21.1                                   | 1.9                                      |
|                             | Electrical Machinery and Equipment               | 21.4                                   | 6.5                                      |
| 7. July 6                   | Paper and Allied Products                        | 17.8                                   | 1.8                                      |
|                             | Woodpulp   | 30.9                                   | ---                                      |
|                             | Paperboard                                       | 26.9                                   | ---                                      |
|                             | Bldg. Paper and Board                            | 18.2                                   | ---                                      |

\* Inflation rate figures marked by an asterisk are based on the CPI. All others are from the PPI. All data are on an annual basis.



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

APR 11 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Russell, Director *Bob*  
Council on Wage and Price Stability  
John White, Deputy Director *JW*  
Office of Management and Budget

SUBJECT: Procurement Sanctions

Pursuant to your instructions to Fred Kahn, the Economic Policy Group (EPG) has redrafted the procurement sanctions memorandum to follow a low-key approach and limit it to approval of waivers at the Secretarial level.

We recommend that you sign the memorandum and send it to the agency heads.

*Kate King advised: 5:25 PM, 4/11/80*

THE WHITE HOUSE

WASHINGTON

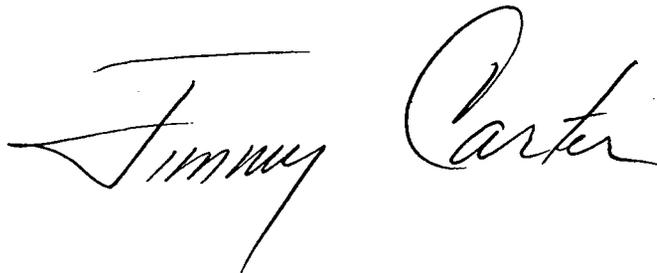
MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS  
AND AGENCIES

SUBJECT: Procurement Sanctions

Inflation continues to be one of our most pressing national problems. It is a problem which we must all fight together, and with every weapon at our disposal.

In the fall of 1978, the Council on Wage and Price Stability developed wage and price guidelines and we asked for voluntary compliance with those guidelines. We went a step further with respect to Government purchasing, and stated that firms which did not comply with these guidelines would not be eligible to receive Federal Government contracts worth more than \$5 million.

It is critical that the Government continue to make prudent buying decisions as a purchaser and consumer of goods and services. Accordingly, I ask that each of you personally take responsibility for approval of all requests to waive either certification of compliance with the Council on Wage and Price Stability's standards or ineligibility for contract awards to assure scrutiny at the highest level of all such requests. Specifically, waivers should not be granted unless approved by the Head of the Agency or a Cabinet-level official, whichever is higher, after prior consultation with the Chairman of the Council on Wage and Price Stability. Waivers should only be considered for the most essential national security requirements and then only when there are no alternative sources available.

Jimmy Carter