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<td>Lloyd Cutler to the President. Re: Call from Prime Minister Trudeau (9 pp.)</td>
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FILE LOCATION
Carter Presidential Papers- Staff Offices, Office of Staff Sec.- Pres. Handwriting File, "5/8/80." Box 184

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THE PRESIDENT'S SCHEDULE

Thursday - May 8, 1980

8:00 Dr. Zbigniew Brzezinski - The Oval Office.

9:30 Congressman Jack Brooks. (Mr. Frank Moore).
(10 min.) The Oval Office.

10:00 Mr. Hamilton Jordan and Mr. Frank Moore.
The Oval Office.

11:00 Meeting with Agriculture Inputs Industries.
(Dr. Alfred Kahn) - The Roosevelt Room.
(10 min.)

11:45 Meeting with Senators Lawton Chiles and
Sam Nunn. (Mr. Frank Moore) - The Oval Office.
(15 min.)

# 1:00 Meeting with Dr. Zbigniew Brzezinski.
(15 min.) The Situation Room.

# 2:30 Reception for the Labor Council for Latin
The East Room.
(15 min.)

# 5:15 "Thank You" Reception for Supporters.
The State Dining Room.

7:00 Swearing-In Ceremony for Senator Edmund S.
Muskie as Secretary of State - The East Room.
CONGRESSIONAL SCHEDULING PROPOSAL

MEETING: With Senator Lawton Chiles and Senator Sam Nunn

LENGTH: 15 minutes

DATE: Thursday, April 3, 1980

PURPOSE: To discuss the problem of drug trafficking with Senators Chiles and Nunn

EVENT DETAILS: Location: Oval Office
Participants: The President, Senators Chiles and Nunn
Photographer: White House Photo

BACKGROUND: The permanent subcommittee on investigations will conduct further hearings on drug trafficking generally and the particularly acute problems in Florida. Senators Nunn and Chiles have been active in the subcommittee's investigations; Senator Chiles obviously has a legislative interest.

The Nunn bill amends the Internal Revenue Code to give the Internal Revenue Service expanded authority to crackdown on drug trafficking. At the hearing the Internal Revenue Service will be asked to comment on Senator Nunn's legislation. He would like to discuss the matter with you before that time.

Senator Chiles would also like to attend the meeting because of the enormous problems drug trafficking is causing Florida.

Both believe that increased federal involvement is essential.

As you know, both are endorsers and strong supporters.

INITIAL REQUESTER: Frank Moore
approved by Frank Moore

Date of Submission: April 2, 1980 (second request)
5-8-30

Dear Bill,

The President appreciated your letter.

(assisted again) I think he knew a good many
official pictures, so we cordially heard the original prints but we
liked the stolen black best of

Fred MacKay
WMH

4/30/80

Dear Sarah Weddington,

We have a mutual friend; Gene Whitten from Fort Lauderdale, Florida. He has privately told me that you are the person I need to contact to get a letter personally to the President. I would certainly appreciate this.

The letter enclosed is the one I would like you to deliver. There are 4 slides enclosed of the first lady — if he would like the original prints please notify me and I will be happy to do so.

I think the President and his staff are doing a great job and I thank the Lord for their guidance.

Sincerely Yours,

Bill Hinson Jr.
WMH

Dear President Carter,

I want to shortly say that I'm proud to have a man as yourself in the White House as our President.

To have a christian man in your seat is the best thing this nation needs.

I had the honor of meeting your wife in New Orleans and enclosed are four candid shots of your lovely wife. She is a wonderful lady.

May daily prayers are for the nation, yourself, and world peace. Thank you for everything you have done for the nation.

Sincerely Yours

Bill Hinson Jr.

Bill Hinson Jr.
P.O. Box 6341
WACO, TX.
76706

Electrostatic Copy Made for Preservation Purposes
Mr. President:

Hamilton would like to have a shortened political meeting tonight with Strauss, Jody, Tim, Pat and Rosalynn. May I set this up?

- yes - no

Phil

I prefer
2:30 or
7:30 pm

5/7/80

Mr. President:

Sen. Muskie should be confirmed Wednesday afternoon. Do you have any direction as far as a swearing-in ceremony for him?

Phil

7:30 PM
Earlier, better.
East Room

5/5/80

Mr. President:

Shall I proceed to schedule a meeting with Jack Brooks this week?

- yes - no

Phil

Let Jack work out

5/6/80

Electrostatic Copy Made
for Preservation Purposes
Mr. President:

Since it's been awhile I thought you might want to review this trip schedule before the Phila. events are "put to bed."

Phil
SUMMARY SCHEDULE
FOR VISIT TO PENNSYLVANIA

May 9, 1980

11:20 a.m. Depart South Lawn en route Philadelphia, Penn. (Flying Time: 1 hour, 5 minutes)
12:25 p.m. Arrive Philadelphia Naval Base. 10-minute motorcade to Fairmont Hotel.
12:40 p.m. Motorcade arrives Fairmont Hotel.
12:45 p.m. Greet Head Table guests of the World Affairs Council Luncheon. To holding room for 8 minutes.
1:00 p.m. Speech to the World Affairs Council of Philadelphia. Attendance: 900
1:33 p.m. Arrive Suite. Personal time: 1 hour, 2 mins.
2:35 p.m. Depart Suite, board motorcade for 10-minute drive to Temple University.
2:50 p.m. Arrive Temple University. To holding room for 6 minutes.
3:00 p.m. Town Hall Meeting - opening remarks, Q & A session. ATTENDANCE: 2000
4:00 p.m. Q & A session concludes. Proceed to motorcade.
4:05 p.m. Motorcade departs en route 20-minute drive to Philadelphia Naval Base.
4:30 p.m. Helicopter departs Philadelphia Naval Base en route Camp David. (Flying Time: 1 hour, 5 mins.)
5:35 p.m. Helicopter arrives Camp David.
MEETING WITH SENATOR LAWTON CHILES AND SENATOR SAM NUNN

Thursday, May 8, 1980
Oval Office
11:45 a.m. (15 minutes)

From: Frank Moore

I. PURPOSE

To discuss (1) the problems of drug trafficking in general; and (2) a bill co-sponsored by Senator Nunn regarding disclosure provisions in the Internal Revenue Code.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

The permanent subcommittee on investigations has been conducting hearings on drug trafficking generally and the particularly acute problems in Florida.

The Tax Reform Act of 1976 amended the Internal Revenue Code to make it more difficult for the IRS to disclose information provided them under the Tax Code and uncovered during audits. These amendments were enacted to protect taxpayers' privacy. The law enforcement community has demonstrated, however, that since 1977 the law has substantially reduced access to information which would help prove non-tax offenses, particularly drug trafficking and organized crime violations.

In December, 1979, Senator Nunn held hearings on a bill, co-sponsored by him, Senator Chiles and others which would loosen the Code's disclosure provisions. The IRS and some civil liberties groups were concerned that the Nunn proposal would unjustifiably compromise privacy interests. Senator Chiles held hearings in April which again showed a need for a change in the law and the way it was being implemented. Privacy groups did not raise any objections at that time.

After consultations with IRS, Justice and OMB we presented a draft bill to Senator Nunn's staff. The one unresolved
issue is whether books and records used by a corporation to prepare its tax return should be accorded the same privacy protection given to individuals. The main concern of Senator Chiles and Senator Nunn is their opinion that the Administration's bill is too weak. They feel that the Administration proposal which we have presented to them isn't much of a change from existing law, while their proposal is stronger and has enough safeguards to satisfy liberals and privacy groups.

Beyond the Tax Reform Act problems, they want to discuss other Federal drug enforcement problems. Drug enforcement has been an important issue in Florida. Since Senator Nunn has become Chairman of the Permanent Subcommittee on Investigations, he has pushed hard on law enforcement issues.

Participants: The President, Senator Lawton Chiles, Senator Sam Nunn

Press Plan: White House photo

III. TALKING POINTS

• The Administration is concerned that certain provisions of the Tax Reform Act have unnecessarily hindered law enforcement activities. On the other hand, we recognize the need to protect the privacy of taxpayers filing returns to the IRS.

• In his 1977 Message to the Congress on Drug Abuse, the President cited the Tax Reform Act amendments as a potential problem and stated that we would seek legislative changes if they proved to impede law enforcement efforts too severely.

• The concern of Federal enforcement agencies and the interest of Senators Nunn and Chiles has led the Administration to draft a bill which would allow increased and more prompt disclosure of IRS-held information. On Monday, May 5, we delivered a draft of this bill to Senator Nunn's staff.

• The one unresolved issue concerns access to corporate books and records. The IRS and Justice Department will set forth their views on the question this week and we will then decide on an Administration position. We will promptly communicate it to the Congress.

• Perhaps more important than statutory change is administrative agreements between the IRS and the Criminal Division which would encourage greater disclosure under existing law. Commissioner Kurtz and Philip Heymann are working on a memorandum of understanding which will indicate practical steps to be taken to ensure closer collaboration between the IRS and other Federal agencies in the future.
MEMORANDUM TO: THE PRESIDENT AND MRS. CARTER  
FROM: GRETCHEN POSTON  
SUBJECT: SCENARIO FOR SWEARING-IN/RECEPTION FOR EDMUND MUSKIE, MAY 8, 1980, 7:00 PM

6:30 PM  Guests arrive Southwest Gate and proceed to East Room via the Diplomatic Reception Room.

6:45 PM  Senator Edmund Muskie, Mrs. Jane Muskie, their family (Ernie and Ellen Muskie Allen, Ethan Allen, Lexi and Steve Muskie, Eddie and Melinda Muskie Stanton, Martha Muskie and Ned Muskie) and Judge Frank Coffin (U.S. Court of Appeals, Portland, Maine) and arrive Northwest Gate and proceed to Blue Room.

Cabinet Members also meet in Blue Room.

Members of Congress are escorted directly to reserved area in East Room.

6:50 PM  THE PRESIDENT AND MRS. CARTER enter the Blue Room and greet guests.

Cabinet Members are escorted to reserved area in East Room.

Muskie family members are escorted to positions on platform.

Mrs. Muskie is escorted to platform.

Judge Coffin is escorted to platform.

Senator Muskie is escorted to platform.

THE PRESIDENT AND MRS. CARTER are announced into the East Room. MRS. CARTER is escorted to reserved area, and THE PRESIDENT proceeds to podium on platform.

THE PRESIDENT makes remarks about Senator Muskie and then introduces Judge Coffin. THE PRESIDENT steps back and to his left.
Judge Coffin, Senator Muskie and Mrs. Muskie proceed with Swearing-In Ceremony.

Secretary Muskie steps to podium for remarks.

THE PRESIDENT AND MRS. CARTER leave State Floor.

Secretary Muskie, Mrs. Muskie proceed to Cross Hall to position under the Seal for receiving line.

Reception follows in State Dining Room.

Additional Blue Room participants:
The Honorable and Mrs. William P. Rogers
The Honorable Henry Kissinger
Joseph Zengerle

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

Rick Hutcheson
May 5, 1980

The Assistant Secretary of the Air Force
Washington

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

Dear Mr. President:

A week ago you visited with the injured members of the rescue mission in Iran and spoke to Airman Bill Tootle, who told you that he wanted more than anything to go home to his family. The next day, I visited these men to express the pride and support of the Air Force for their courage and sacrifice. Learning of Airman Tootle's request to you, I diverted my aircraft and took him to his young wife and 4-month old daughter at Hurlburt Field. To the considerable press that gathered upon our Texas departure and Florida arrival, I made clear our desire to insure that the obvious intention of the President to provide every assistance to these brave men be carried out.

I write to inform you of the gratitude felt by all those involved in the rescue mission for your personal concern. The chief of the burn center told me that the spirit of all his patients improved markedly after your visit; Air Force Staff Sergeant Beyers, brought in on the critical list, was eating chicken and mashed potatoes when I arrived; and by the time Bill Tootle was reunited with his family, he was deeply moved. Bill told the press that he would volunteer to serve his country again if a similar opportunity arose.

I know how important the personal expression of support by the Commander-in-Chief can be. It was the best medicine possible for our people in San Antonio, and I hope you find occasion to give us all another dose soon.

Respectfully yours,

Joseph C. Zengerle
MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald
     Rick Hertzberg
     Bob Rackleff

SUBJECT: Presidential Talking Points: Meeting with Agricultural Machinery and Fertilizer Producers

Scheduled delivery: Thur, May 8, 11 AM Roosevelt Room

Your talking points for this group are attached.

Clearances

Alfred Kahn
Ray Jenkins
David Rubenstein
Talking Points for Farm Machinery and Fertilizer Companies

1. WELCOME TO THE WHITE HOUSE. I APPRECIATE YOUR JOINING IN OUR EFFORT TO MEET WITH KEY INDUSTRIES TO HELP REDUCE INFLATIONARY PRESSURES. LET ME NOTE SOME RESULTS ALREADY. TWO WEEKS AGO, I ASKED NON-FERROUS METALS COMPANIES TO RESTRAIN PRICE INCREASES. EARLIER THIS WEEK, REYNOLDS METALS AND KAISER ALUMINUM ANNOUNCED ROLLBACKS OF PREVIOUS INCREASES. I HAVE THANKED THEM PUBLICLY FOR AN OUTSTANDING ACT OF CORPORATE RESPONSIBILITY.

2. THIS MEETING COMES AT A TIME OF ACCELERATING PROGRESS AGAINST INFLATION. IN THE EIGHT WEEKS SINCE I ANNOUNCED MY INTENSIFIED PROGRAM, THE BOND MARKETS HAVE RECOVERED, INTEREST RATES HAVE FALLEN, AND SIGNS INDICATE THAT INFLATION WILL DROP SIGNIFICANTLY LATER THIS SUMMER. THIS UNDERSCORES THE CRUCIAL IMPORTANCE OF VOLUNTARY RESTRAINT. I AM ESPECIALLY CONCERNED ABOUT A POSSIBLE RENEWED OUTBURST OF INFLATION IN THE FOOD SECTOR.

3. THIS IS A DIFFICULT PERIOD FOR THE FARM SECTOR, AND FOR MANY COMPANIES REPRESENTED HERE. FARMERS ARE SQUEEZED BY LOWER THAN EXPECTED FARM PRICES, HIGHER PRODUCTION COSTS, AND TIGHT CREDIT. THEY ARE BUYING LESS FARM MACHINERY AND LESS FERTILIZER. THE FARM MACHINERY INDUSTRY IS BEING ESPECIALLY AFFECTED. YET I BELIEVE THAT THE CURRENT LULL IS SHORT-LIVED. I EXPECT FARM PRICES TO REBOUND SIGNIFICANTLY DURING THE SECOND HALF OF 1980. WE HAVE ALSO TAKEN STEPS TO MAKE MORE CREDIT AVAILABLE TO
FARMERS, AND THE SITUATION WILL IMPROVE FURTHER AS INTEREST RATES CONTINUE TO FALL.

4. DURING THIS DIFFICULT INTERIM, HOWEVER, WE MUST WORK TOGETHER. I ASKED BOB BERGLAND TO BE HERE TO DISCUSS WITH YOU HOW BEST TO PROCEED. OUR GOAL MUST BE THE LONG-TERM HEALTH OF AMERICAN AGRICULTURE. FARM PRODUCT PRICES, ALTHOUGH NOT AS HIGH AS SOME LIKE, WILL REMAIN STRONG. THE PROBLEM IS THAT PRODUCTION COSTS ARE RISING FASTER THAN RECEIPTS, AND WILL CONTINUE TO RISE UNTIL WE CONTROL INFLATION. CLEARLY, INFLATION IS THE NUMBER-ONE PROBLEM OF AMERICAN AGRICULTURE.

5. I AM ESPECIALLY CONCERNED THAT DURING THE FIRST QUARTER OF 1980, PRODUCER PRICES FOR AGRICULTURAL CHEMICALS AND CHEMICAL PRODUCTS -- INCLUDING FERTILIZERS AND PESTICIDES -- HAVE GONE UP AT A 46.5% RATE. FARM EQUIPMENT PRICES, DESPITE A PAINFUL DECLINE IN SALES, ROSE AT A 12.4% RATE, ABOUT THE SAME AS 1979. CONTINUED INCREASES AT THESE RATES WOULD BE VERY HARMFUL TO OUR EFFORTS BOTH TO CONTROL INFLATION AND ENSURE A HEALTHY FARM SECTOR.

6. THE ONE SURE WAY TO REDUCE PRESSURES IS VOLUNTARY PRICE RESTRAINT. I REALIZE THAT YOUR PRODUCTION COSTS ARE RISING RAPIDLY, AND THAT IT WILL TAKE EXTRAORDINARY RESOLVE TO HOLD YOUR PRICES DOWN. BUT THESE ARE EXTRAORDINARY TIMES, AND TIMING IS IMPORTANT. YOUR RESOLVE TO HOLD DOWN PRICES NOW CAN HEAD OFF A POTENTIALLY DANGEROUS WORSENING OF FOOD PRICE INFLATION, AND I URGE YOU TO HELP IN THIS EFFORT.

#  #  #
THE WHITE HOUSE
WASHINGTON

May 6, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald
Rick Hertzberg
Achsah Nesmith

SUBJECT: Presidential Talking Points: Reception for Labor Council for Latin American Advancement

Scheduled Delivery: Thur, May 8, 2:30 PM
East Room

Your talking points for this occasion are attached.

Clearances

Esteban Torres
Landon Butler
Ray Jenkins
David Rubenstein
1. I HAVE LOOKED FORWARD TO THIS OPPORTUNITY TO EXTEND TO ALL THE LEADERS OF THE LABOR COUNCIL FOR LATIN AMERICAN ADVANCEMENT UNA MUY CALUROSA BIENVENIDA [a very warm welcome] (Oo-nah Mwee Cah-loo-ros-sah Bee-en-ve-nee-dah) BECAUSE I APPRECIATE THE IMPORTANCE OF YOUR MISSION AND YOUR COMMITMENT. JACK OTERO HAS BEEN A VALUABLE MEMBER OF MY COMMISSION ON IMMIGRATION POLICY. I APPRECIATE HIS FORTHRIGHTNESS AND SUPPORT (one of earliest to announce last September) AND SHARE HIS OVERRING CONCERN FOR THE SPANISH-SPEAKING WORKER.

2. I AM DEEPLY CONSCIOUS OF THE PROBLEMS YOU FACE, THE SOLUTIONS YOU SEEK AND THE IMPORTANT CONTRIBUTIONS THAT HAVE BEEN MADE BY HISPANIC TRADE UNIONISTS IN THE STRUGGLE FOR POLITICAL, ECONOMIC AND SOCIAL JUSTICE. THAT IS ONE REASON I BROUGHT ESTEBAN TORRES, FORMERLY OF THE UAW, WHICH WAS ONE OF YOUR FOUNDING MEMBERS, TO THE WHITE HOUSE TO HELP ME DEAL WITH THESE ISSUES ON A CONTINUING BASIS.

3. SINCE IT WAS ESTABLISHED IN 1973, LACLAA HAS SPREAD ACROSS THE COUNTRY, WITH CHAPTERS NOW IN 22 STATES. YOU HAVE MADE GREAT STRIDES IN VOTER REGISTRATION, VOTER EDUCATION AND GET-OUT-THE-VOTE CAMPAIGNS, AND BECOME A POTENT VOICE WITHIN THE AMERICAN LABOR MOVEMENT. WE STOOD TOGETHER IN FIGHTING EVERY ATTEMPT IN THE CONGRESS TO WEAKEN THE DAVIS-BACON ACT AND IN THE FIGHT FOR LABOR LAW REFORM.

4. THE TRAINING AND PREPARATION OF OUR YOUNG PEOPLE TO LEAD
PRODUCTIVE, REWARDING LIVES IS ONE OF MY HIGHEST PRIORITIES. THAT IS WHY WE HAVE INCREASED FEDERAL FUNDING OF EDUCATION BY MORE THAN 70%, LARGELY TO TEACH BASIC SKILLS TO DISADVANTAGED YOUNGSTERS AND TO HELP STUDENTS FROM LOW AND MIDDLE INCOME FAMILIES GO TO COLLEGE, AND TO IMPROVE BI-LINGUAL EDUCATION.

5. YOUNG PEOPLE MAKE UP AN ESPECIALLY HIGH PROPORTION OF THE HISPANIC POPULATION, AND UNEMPLOYMENT AMONG HISPANIC TEENAGERS RUNS HIGHER THAN THE NATIONAL AVERAGE (19.1% compared to 16.1% for all teenagers and 36.5% for black teenagers). AS A RESULT OF NEW YOUTH PROGRAMS ESTABLISHED BY MY ADMINISTRATION, ALMOST 70,000 ADDITIONAL HISPANIC YOUTH RECEIVED EMPLOYMENT AND TRAINING SERVICES IN FY 79. OUR NEW $2 BILLION YOUTH INITIATIVE WILL BE CONCENTRATED IN AREAS WITH THE GREATEST POVERTY AND UNEMPLOYMENT, AND YOUNG PEOPLE WITH LANGUAGE BARRIERS WILL BE GIVEN PRIORITY.

6. OVERALL HISPANIC EMPLOYMENT HAS BEEN INCREASING AT A RATE MORE THAN DOUBLE THAT FOR THE POPULATION AS A WHOLE. OF THE 9 MILLION NEW JOBS CREATED IN THIS COUNTRY IN THE LAST THREE YEARS, ONE MILLION OF THEM WENT TO HISPANICS.

7. WHEN, AS PRESIDENT, I JOINED WITH AMERICA'S LABOR LEADERS IN SIGNING A HISTORIC NATIONAL ACCORD, I PROMISED YOU THAT IN EVERY ECONOMIC DECISION I MAKE, LABOR WILL BE A FULL PARTNER FROM THE BEGINNING TO THE END. I DEMONSTRATED MY COMMITMENT WHEN I REVISED THE FEDERAL BUDGET.

8. ALL OF THE PROGRESS WE HAVE MADE IS THREATENED BY INFLATION. OUR ENERGY PROBLEMS ADD DIRECTLY TO INFLATION. TO DEAL WITH OUR NUMBER ONE DOMESTIC PROBLEM, I HAVE PUT IN PLACE A TOUGH PROGRAM
OF GASOLINE CONSERVATION, VOLUNTARY WAGE AND PRICE RESTRAINTS, CREDIT RESTRAINTS, STRUCTURAL ECONOMIC REFORMS AND A BALANCED FEDERAL BUDGET.

WE ARE PROTECTING THE MOST VULNERABLE, BUT THIS NECESSARY PROGRAM WILL INVOLVE SOME SHARED SACRIFICES FOR MOST AMERICANS. WE CAN TURN THE TIDE IF WE WORK TOGETHER. WE HAVE THE OPPORTUNITY TO MAKE INFLATION A TEMPORARY PROBLEM, TO ACCOMPLISH A MAJOR REALIGNMENT IN OUR ECONOMIC LIFE. IN THE DECADES AHEAD, THAT CAN MAKE POSSIBLE UNPRECEDENTED EXPANSION, AND ALONG WITH IT, CONTINUED PROGRESS TOWARD OUR GOALS OF SOCIAL JUSTICE.

9. EVENTS IN IRAN AND ELSEWHERE IN THAT REGION UNDERSCORE THE URGENCY OF CONFRONTING OUR SERIOUS PROBLEMS AT HOME. THE PLIGHT OF OUR HOSTAGES REMAINS IN MY MIND AND HEART DAILY. I DEEPLY REGRET THAT OUR RESCUE MISSION DID NOT SUCCEED, BUT I HAVE NO REGRETS WHATEVER THAT WE TRIED. I AM SICKENED BY THE CALLOUS DESECRATION OF THE BODIES OF THE DEAD AMERICANS, CARRIED OUT BY MEN WHO CLAIM TO BE RELIGIOUS LEADERS. OUR NATION REMAINS DETERMINED TO BRING OUR PEOPLE SAFELY HOME.

MY FIRST RESPONSIBILITY AS PRESIDENT IS TO MAINTAIN OUR NATION'S SECURITY. HISPANIC-AMERICANS HAVE ALWAYS ACCEPTED MORE THAN THEIR SHARE OF THE BURDEN OF MAINTAINING MILITARY SECURITY, IN PEACE AND WAR. THAT RESPONSIBILITY ALSO INCLUDES ENERGY SECURITY AND ECONOMIC SECURITY. TO BE STRONG OVERSEAS, WE MUST BE STRONG AT HOME. JUST AS YOU HAVE FOUGHT BESIDE ME IN THE FIGHT FOR SOCIAL JUSTICE, I AM DEPENDING ON YOU TO HELP ME IN THIS BATTLE AS WELL.

# # #
MEMORANDUM TO THE PRESIDENT

FROM:  RAY JENKINS

SUBJECT:  Baltimore Sun Interview

Your interview with The Baltimore Sun will be at 1:30 p.m. today, in the Oval Office, 20 to 25 minutes in duration, conducted by:

-- Ernest B. (Pat) Furgurson, the Washington bureau chief for the Sun and syndicated columnist.

-- Gilbert Lewthwaite, who covered the 1976 campaign and who is now assigned to the White House for the Sun.

The interview will be published, probably Sunday, in a Q & A format.

Pat Caddell says you have been very effective in these targeted interviews in the past and suggests no departure in style and substance from the recent ones. Specifically, he suggests:

1. You concentrate on foreign policy, perhaps drawing from the Philadelphia speech. We are in a difficult time and a difficult world, but we are doing the right things. A couple of fresh Q & A's on Afghanistan are attached.

2. To the extent possible without overstating, you might make the point that there are signs that inflation is abating.

3. In a measured way, differentiate between yourself and Kennedy, then stress the seriousness of the Reagan challenge coming in the fall.

Also attached is The Sun's editorial which rather weakly endorses you.

Attachments
Q: Is the resistance pretty well broken in Afghanistan? Are we supporting it adequately?

A: The fighting continues in Afghanistan at a fairly high level. Not only do the freedom fighters continue to command much of the countryside, there is also extensive resistance in the cities. Most impressive to me has been the determination of school children in Kabul to take a public stand against Soviet occupation. A number of these children, boys and girls, paid with their lives.

-- The Soviets continue to apply relentless pressure and losses among the freedom fighters are also high. The Soviets are bringing their most sophisticated equipment to bear in Afghanistan and seem to be using the country as a proving ground for new weapons, much as the Nazis did in Spain in the 1930s.

-- One result of this has been the incredible flow of refugees out of Afghanistan into Pakistan and Iran. There are now about a million such refugees -- one of every fifteen Afghans. This is an equivalent proportion to 15 million Americans.

-- The resistance fighters have done an impressive job in fighting with what they can get their hands on -- much of it captured from Afghan Government and Soviet forces. I would not want to speculate on what other sources they may have. The main point though is that the substance of the resistance is Afghan; whatever foreign input there may be is miniscule. It is ridiculous to claim, as the Soviets do, that the uprising relies on outside support.

-- As a matter of long-standing policy, I cannot comment on whether or not the United States is involved in any way.
Is there any chance for a negotiated settlement in Afghanistan -- perhaps a neutralization scheme?

That depends on the Soviets. Negotiations of any kind of settlement are possible only in the context of prompt and total withdrawal of the Soviet occupying forces. It would be intolerable to have a situation in which the Soviets continued to crush Afghan freedom under cover of a protracted negotiation.

-- The United States is strongly in favor of a peaceful settlement that meets two basic criteria -- prompt and total Soviet withdrawal and a regime in Afghanistan that is acceptable to the Afghan people.

-- We have no ambitions for ourselves in Afghanistan nor do we seek an Afghanistan that would be a threat to the Soviet Union. The future of Afghanistan is something that the Afghan people should decide with the support of other concerned nations. Almost any arrangement acceptable to the Afghans would be acceptable to us and we would support it.

-- We welcome initiatives taken by others to find a solution to the Afghan situation; we ask only that they meet the minimum criteria I have mentioned.

-- We challenge the Soviets to state clearly their position on solutions to the situation in Afghanistan, including specifically their commitment to a speedy withdrawal of their forces. The responsibility is theirs for finding a just and peaceful solution. We promise to do all we can to facilitate it.
Presidential Picks ...

In Maryland's May 13 primary, Republicans and Democrats alike will have an opportunity to nudge their parties toward the political center, where national unity and consensus are to be found. The opportunity will present itself in the candidacies of Republican George Bush and President Jimmy Carter for the Democrats.

The task will be especially burdensome for GOP voters because a vote for Mr. Bush will be little more than a message to the Reaganite right now in control of the party. We have no illusions about Ronald Reagan's lock on the nomination. It is a lock fashioned by his long years on the mashed potato circuit, his mastery of television and the shift in the GOP's center of gravity to the more conservative South and West.

Nevertheless, as the Pennsylvania primary reminded the nation, East Coast Republicans represent a proud and progressive party tradition. Barry Goldwater might have wanted to saw off the East Coast and leave it drift out to sea. But a Maryland repetition of the Pennsylvania results (plus the Bush victories in Massachusetts and Connecticut) could deter the party from such thinking.

We doubt Mr. Reagan would be so foolish as to celebrate his nomination by narrowing his base and consigning GOP moderates to the outer darkness where Democrats and independents dwell. In his stewardship of California, Mr. Reagan indulged in rightwing rhetoric but ran the state with comparatively good sense. It is a characteristic of great potential merit, especially should he opt for a progressive running mate and platform. Meanwhile, Republican moderates should keep up the pressure with Mr. Bush as their candidate.

A former congressman, Republican national chairman, emissary to the United Nations and China, and director of the Central Intelligence Agency, Mr. Bush was chided at the outset for being many things but not accomplishing much. No more of his gutsy campaign in the face of great odds suggests that Mr. Bush is a man of real substance. His positions reflect a clear sense of where he and his party are—or should be—coming from. The Sun recommends George Bush in the Republican primary.

In the Democratic primary, circumstances are quite the reverse. Here Marylanders will have an opportunity to bolster a moderate incumbent president who already is favored to beat Senator Edward Kennedy. Readers of this page know that The Sun has found much to criticize in Jimmy Carter's performance. Too often it has been erratic, unknowledgeable and lacking in philosophical vision. Nevertheless, we respect the president's instincts. They reflect a personal integrity and a desire to search for what is best for the country.

These are terribly difficult times. This president has to cope with a world in which America's ability to control events is diminishing. Our nuclear monopoly is gone; our Soviet adversaries are extending their military reach; unstable oil-producing nations are draining the wealth of the industrial democracies.

Today's presidents are in charge of an imposed retrenchment that many Americans find hard to accept. Mr. Carter, unfortunately, has not yet mastered this problem, one that would be daunting to the best of leaders. But he instinctively knows the times call for moderate approaches that do not always conform to the ideology of the Democratic left.

Not so with Senator Kennedy, a politician committed to a controlled economy in the hands of a steadily more intrusive government. We fear Mr. Kennedy would be a divisive rather than a unifying figure. Yet he has exhibited an increasing maturity in his campaign and he may yet qualify some day for national consideration. For now, however, The Sun recommends that Democrats vote for President Carter.
I. PURPOSE

To discuss the subpoena of Secretary Duncan by the Government Operations Committee and several items on the legislative agenda.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background: Perhaps the most important piece of information concerning Jack Brooks is that a recount has been ordered for his primary election. Brooks won the primary by less than 500 votes.

We have asked Brooks for his help in the House on Regulatory Reform. Without his help, it will be impossible to get an acceptable bill. However, Regulatory Reform suffered a serious setback today in the Senate. The Judiciary Committee voted to adopt the Bumpers Amendment which may force us to withdraw regulatory reform.

Targeted Fiscal Assistance has passed both houses of Congress. Brooks has appointed the House conferees; Russell Long has not appointed the Senate conferees. Although both bills are similar, there are a few major differences in the countercyclical portions of the bill.

Brooks has opposed the concept of targeted fiscal assistance. Despite his personal opposition, however, he has reluctantly supported the program and has helped us to some degree.

Jack Brooks was particularly interested in the nomination of Nick Masters as Assistant Secretary of Legislation at the Department of Education. However several members of the authorizing committees found Masters unacceptable and strongly urged him to withdraw his name from consideration. We tried to find a suitable position for Masters at the Department, but Masters became frustrated and withdrew.
his name.

On Monday, May 5, we announced the nomination of Martha Keys for the Legislation position. Brooks may mention this to you.

Participants: The President, Jack Brooks, Frank Moore.

Press Plan: White House photographer only.

III. TALKING POINTS

1. Concerning Regulatory Reform, we had hoped to get an answer from Brooks' staff today about Brooks' willingness to chair the markup. However, because of the problems with his primary election, we have been unable to get an answer.

   If Brooks agrees to help, you should thank him and tell him that his acceptance is crucial to arriving at an acceptable bill in the House.

   You also might want to mention how important the bill is in the anti-inflation fight and in improving the operation of government.

   If Brooks does not agree to help, and we understand the burden it would place on his and his staff's time, the subject will effectively be closed.

   Unfortunately we do not expect a decision on the future of our involvement with the Regulatory Reform bill until later this week.

2. Brooks should be asked to fully support your targeted fiscal assistance proposal, to aim for a bill which would provide for $250 million for targeted fiscal assistance and to oppose the Snowe amendment, which would drastically cut funds for New York City.

   You should also mention to Brooks that when Long appoints his conferees, you hope that the conference will get underway immediately and that it will report an acceptable bill.
MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD N. CUTLER

SUBJECT: Status of the Outstanding Contempt Citation
Recommended by the House Government Operations
Subcommittee on Environment, Energy and
Natural Resources Against Secretary Duncan

Since your meeting yesterday afternoon with Charles Duncan,
there has been an exchange of 3 letters between the Executive
Branch and the Subcommittee. Copies of those letters are
attached.

Our latest letter proposed that we submit all of the subpoenaed
documents for in camera inspection by the Subcommittee,
except for documents which clearly represent advice to the
President or clearly provided the foundation for the advice
the Secretary gave to you, and legal opinions by DOE's
Office of General Counsel dealing with the legality of the
gasoline conservation fee. We agreed to submit all other
requested documents for confidential examination, without
waiving our right to assert later a privilege as to any
document which the Subcommittee may request be turned over
to it.

The Subcommittee has agreed to commence a review of the
documents on the terms outlined in our letter; that process
began this afternoon.

The Subcommittee did not agree to withdraw the recommendation
that a contempt citation be voted against Secretary Duncan.
It did, however, recommend that the full Government Operations
Committee not vote on the contempt citation at its meeting
this morning, and the full Committee took no action at its
meeting.

Accordingly, we seem to have reached a temporary solution,
although what the Subcommittee or the full committee will
ultimately do remains to be seen. If the subject arises
during the course of your meeting with Chairman Brooks, I
recommend that you remind Brooks of Secretary Duncan's desire to cooperate with the Subcommittee, but continue to insist that the confidentiality of Executive Branch communications which underlie the major presidential decisions be protected. Brooks should be thanked for his help in working out the compromise reached thus far.

You might add that voting a contempt citation against a Cabinet member at such an early stage is a poor way of achieving the kind of cooperation that is essential to work out a reasonable compromise between the Congressional need for information to carry out its legislative and oversight responsibilities and the Executive's need to preserve the confidentiality of the frank advice that Executive Branch officials supply to Cabinet members and the President.
Hand-Delivered

May 6, 1980

Honorable Charles W. Duncan, Jr.
Secretary, Department of Energy
Forrestal Building
Washington, D.C.

Dear Secretary Duncan:

The Subcommittee on Environment, Energy and Natural Resources met in informal session immediately following our noon meeting. The Subcommittee members present agreed to ask full Government Operations Committee Chairman Jack Brooks to defer consideration of the outstanding contempt citation voted against you April 29 for one week, subject to your acceptance of the following procedure for compliance with the April 24 subpoena:

1) The Department will bring to the Subcommittee offices, as soon as possible today, all the documents enumerated in the list attached to the May 5 letter from Counsel to the President Lloyd Cutler to me, except for the following documents: Documents numbered 3, 4, 5, 6, 36, 44, 50, 54, 64, 65 and 56. As you can observe, the eleven documents not to be brought to the Subcommittee this afternoon are those in the following categories: documents directed to the President or to Stu Eizenstat, classified documents and those written by non-DOE personnel. This distinction among the validly-subpoenaed documents reflects the "good faith" accommodation we agreed to at our noon meeting. All the other documents in the May 5 list, when brought to the Subcommittee offices, will remain available to the Subcommittee Members and designated staff for confidential review and notetaking. They will remain in the custody of the Department of Energy, a DOE lawyer will be permitted to remain present while the documents are reviewed, and the documents will not be considered to have been produced to the Subcommittee in final compliance with the subpoena.

2) The purpose of this executive session review of these documents by the Subcommittee and staff is to determine which specific documents will then be required to be produced. The Subcommittee will
provide DOE with an enumerated list of all documents to be produced as rapidly as possible. It is the intention of the Subcommittee to compile that list within the next two days. As soon as possible upon receipt of that list, DOE will produce each document so demanded or indicate specifically by number that, with respect to each document not so produced, the President has personally asserted executive privilege on that document. The Subcommittee will at that juncture weigh the claim of executive privilege on specific documents. It is the understanding of the Subcommittee that the DOE will respond, either by the production or the assertion of privilege as specified above, within 24 hours of the Subcommittee's identification of the documents it wishes to have produced to it after its executive session document examination.

3) The Subcommittee expects to call Secretary Duncan and other DOE officials for testimony at an open hearing early next week. At that hearing, the DOE officials testifying will discuss and be questioned upon the information contained in the documents examined or produced to the Subcommittee.

I have already called Chairman Brooks as instructed by the Subcommittee. He has agreed to postpone the contempt citation vote, if you agree to the above procedure. Since the contempt matter otherwise would properly remain before the full Committee tomorrow morning, a response from you this evening is of course urgent. We appreciate your concern for a mutually satisfactory resolution of this matter which you have exhibited in our deliberations today. I am sure you will be able to respond to the Subcommittee promptly and affirmatively.

Thank you in advance.

Sincerely,

Toby Moffett
Chairman

TM: bhcc
cc: Mr. Lloyd Cutler
    Counsel to the President

Honorable Jack Brooks
Chairman, Committee on Government Operations

Members of the Subcommittee on Environment, Energy, and Natural Resources
Dear Mr. Chairman:

Thank you for your letter of May 6 to Secretary Duncan in response to our letter of May 5 offering certain suggestions for accommodating our differences concerning the production of documents underlying the President's decision to impose a gasoline conservation fee. We accept the modifications proposed in your letter of May 6, subject to the additional understandings reached with you and the Subcommittee staff after receipt of your letter:

1. The itemization of documents set forth in Paragraph No. 1 of your letter—i.e., those which will not be submitted for confidential inspection by the Subcommittee—will be expanded to include documents numbered 32, 40, 41, 47, 48, 49, 62 and 63.

2. Our submission of documents for confidential inspection does not waive our right later to assert a privilege as to any document so submitted.

3. Because the purpose of this inspection is a limited one, it is understood that the Subcommittee will not use the information so acquired until such time as particular documents are produced under the subpoena. Particularly, we understand that Subcommittee members will not question witnesses about the contents of any documents which have not been so produced. We of course understand that what you learn from this confidential review cannot be unlearned, but we understand that your use of what you have learned will be circumscribed as set forth above.

DOE is prepared immediately to submit the agreed upon documents for confidential inspection in accordance with the Subcommittee's letter of May 6 and the above understandings.
As set forth in my letter of May 5, the purpose of this inspection is to assist you in identifying those documents for which the Subcommittee has a particular legislative need that could outweigh the public interest in the President's ability to obtain frank advice from other officials of the Executive Branch.

Sincerely,

Lloyd N. Cutler
Counsel to the President

The Honorable Toby Moffett
Chairman, Subcommittee on Environment, Energy and Natural Resources
Committee on Government Operations
U.S. House of Representatives
Washington, D.C. 20515

cc: The Honorable Paul N. McCloskey, Jr.
Ranking Minority Member
May 7, 1980

HAND DELIVERED

Honorable Charles Duncan
Secretary of Energy
Washington, D. C. 20585

Dear Secretary Duncan:

Thank you for the May 7 letter from Presidential Counsel Lloyd Cutler. It is now my understanding that the Department this afternoon will bring to the Subcommittee offices documents within the scope of the April 24 subpoena for the purpose of beginning executive session review. It is further my understanding that the Department at this time does not intend to bring to the Subcommittee documents numbered 32, 40, 41, 47, 48, 49, 62 and 63. On behalf of the Subcommittee, I wish to reiterate the Subcommittee view that the Subcommittee is entitled to production of those documents also, and they remain subject to our outstanding April 24 subpoena.

In order to demonstrate our desire to move forward with the substantive consideration of the Department of Energy's capacity to administer and monitor the petroleum import fee, we will begin the executive session document examination process with the documents the Department has committed itself to bring to us today.

As I indicated in my letter yesterday, the outstanding contempt citation voted against you April 29 remains pending before the full Government Operations Committee. Committee consideration and a vote thereon were deferred this morning in order to give you limited additional time to comply fully with the April 24 subpoena.

Sincerely,

Toby Moffett
Chairman

TN: bhm
cc: Mr. Lloyd Cutler
Honorable Jack Brooks
Members of the Subcommittee on Environment, Energy, and Natural Resources
BACKGROUND: Scotty Campbell has sent you a memorandum on the problem with Senior Executive Service bonuses in the House Appropriations' Committee (attached). He asked you to call Chairman Whitten. We recommended against the call at the time because Steed, the Chairman of the Appropriations Subcommittee, agreed to attempt deleting the bonus prohibition in the Subcommittee's next meeting. Steed failed. The offending language now appears in the supplemental that will be marked.

NOTES: (Date of Call 5-8)

up in full Committee at 9:30 tomorrow (Thursday) morning. We now recommend you call Chairman Whitten before the 9:30 mark-up as originally recommended by Scotty.

TALKING POINTS:
1. Please re-read the Campbell memorandum.

2. Mr. Chairman, if you find it is absolutely essential to include an amendment on SES bonuses when the full Committee meets, I wish you could work with my staff to draft a substitute amendment that has less serious implications for civil service reform. Bill Cable of my Congressional Liaison staff will be in your mark-up. He will talk with you about it.

FYI - We have asked OPM and OMB to prepare a substitute amendment in case it is needed. The Amendment would limit pay plus bonuses for any one SES employee to $59,500 per annum and retain your current authority to grant up to 60 special Presidential bonuses. This would retain substantial bonus authority.
Mr. President

When talking with Whittier about SES this morning, you should first thank him for moving rapidly on the food stamps money. The two issues are in the same set of supplementals.

[Signature]
Bob [Legible only partially]
MEMORANDUM FOR THE PRESIDENT

FROM: Alan K. Campbell
        Director

SUBJECT: Bonus Payments for Outstanding Members of the Senior Executive Service

This is to inform you of a serious Congressional threat to the successful implementation of the Civil Service Reform Act and to request your assistance in overcoming the problem.

As you know, the Civil Service Reform Act contains provisions that would permit the most outstanding senior executives to receive financial bonuses and Presidential rank awards for truly exceptional performance. The Act also places stringent limitations on the payment of the bonuses: no agency can give bonuses to more than 50 percent of their Senior Executive Service members; no "political" appointees are eligible for bonuses; Presidential ranks—Meritorious and Distinguished—are limited to 5 percent and 1 percent respectively, of the government-wide total of Senior Executives; with the sum total of salary plus bonuses being limited by the law.

Recently, there has been an effort in the House of Representatives, led primarily by a few staff members, to deny bonuses to members of the Senior Executive Service. This would be done by inserting restrictive language in the Fiscal Year 1980 Supplemental Appropriations Bill. The Subcommittee on Treasury, Postal Service, and General Government, chaired by Tom Steed, has actually taken a tentative vote to this effect. We have been working hard to have this vote reversed and also, have begun conversations on the Senate side in an effort to head off any move of this kind there.

Both critics and supporters of Civil Service Reform view the payment of Senior Executive Service bonuses as a crucial test of your determination—as well as Congress—to implement the various provisions of the Act. Failure to pay these bonuses will give credence to the claim of many skeptics that the government's executives were tricked into joining the Senior Executive Service. Moreover, many will be convinced that we do not intend to honor our promise to provide financial rewards for truly outstanding
performance. Given the central role to be played by top managers in making the reform effective, any failure to implement fully the provisions of the Senior Executive Service will jeopardize all of the other aspects of the reform effort. The successful implementation of such key features as the improved systems for appraising performance, merit pay for middle-level managers, and the new labor relations provisions depends largely on the effective operation of the Senior Executive Service. A painstaking review of the performance of these executives is still underway but we expect agencies to be very restrained in making recommendations for bonus payments this first year, realizing full well that the credibility and future of the Senior Executive Service is at stake.

We have contacted Chairman Steed and all of the other members of his Subcommittee. With the help of a letter from Jim McIntyre, the personal intervention of some Cabinet members, and the assistance of Congressmen Mo Udall, Jim Hanley, Bill Ford, and Ed Derwinski, we believe we have been able to convince the Subcommittee to reverse its tentative decision. Mr. Steed has promised to reopen the issue. There remains, however, the possibility that language denying the use of any appropriated funds for Senior Executive bonuses will be included in other Subcommittee actions or will surface at the full committee level in the House.

I believe a call from you to Jamie Whitten, Chairman of the House Appropriations Committee, indicating your interest in this matter would be very helpful. If, in the next two or three days, Chairman Whitten were made aware of your concern that the Congress not undermine the successful implementation of Civil Service Reform, I am optimistic that any action that would prohibit bonus payments can be stopped at the full committee level.
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MEMORANDUM FOR THE PRESIDENT
FROM:  Jack Watson
SUBJECT:  Cuban Refugees - Status Report #2

Following is a summary of recent activity.

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<th></th>
<th>Cumulative</th>
<th>May 7</th>
<th>May 6</th>
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<tr>
<td>Arrivals</td>
<td>23,821</td>
<td>3,820</td>
<td>3,995</td>
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<tr>
<td>Boats</td>
<td>773</td>
<td>120</td>
<td>178</td>
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<td>Number at Key West</td>
<td>4,774</td>
<td>4,774</td>
<td>4,823</td>
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<td>processing and/or</td>
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<td>transportation to Eglin</td>
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<td>or Miami)</td>
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<td>Number at Eglin</td>
<td>5,961</td>
<td>5,961</td>
<td>3,086</td>
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<tr>
<td>Number at Miami/Dade</td>
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<td>Detained</td>
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<td>community)</td>
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<td>Resettled</td>
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Electrostatic Copy Made for Preservation Purposes
On Tuesday, a serious bottleneck formed at Key West, the initial receiving and processing point. Space at the Orange Bowl, Nike sites, etc. are being used as holding places for aliens awaiting processing and transportation to Miami or Eglin.

The maximum capacity at Eglin is 10,000 persons and this will soon be reached. I have asked that Fort Chaffee in Arkansas be brought on-line as the next processing/staging area for incoming Cubans. We announced this action in a press release yesterday after appropriate notification of the Arkansas delegation and Governor Bill Clinton. Fort Chaffee has a maximum capacity of 20,000. The Department of Defense and FEMA are moving quickly on the preparations and Chaffee will be ready to receive the first 1,000 persons by Monday or sooner, if possible.

I have asked the Department of Defense, FEMA, and GSA to survey potential sites in other parts of the country for possible use as additional processing/staging areas. Since the second largest concentration of Cuban/Americans in the country is in New Jersey, we are looking for possible sites in that general area so as to facilitate resettlement. If the influx continues at the current rate of approximately 4,000 Cubans per day, arrangements can be made to use Fort Jackson in South Carolina as an interim staging area for about 3,000 persons. No announcement has been made of this contingency, but we will, of course, make proper pre-notifications if we have to move to this option.

I sent Gene Eidenberg back down to Florida yesterday afternoon to continue discussions with leaders of the Cuban/American community there and to solicit their active support in stemming the boat flow. Since our credibility with the community has significantly improved within the last several days, I think we have a reasonable prospect for gaining their support. One potential problem that we face, however, is that in order to get their support for stemming the boat flow, we must make an alternative offer for getting the Cubans here in a safer and more orderly way.

Stu, Warren Christopher, John White, and I and others met yesterday afternoon to discuss what options along this line we might recommend to you. We will have a recommendation for you on this subject as soon as possible.
Miscellaneous

The Coast Guard seized a vessel yesterday which was carrying 400 - 500 passengers in a boat that was not equipped to carry even half that number. In addition to the unsafe nature of the vessel itself, there were fewer than 200 life jackets aboard. We have given wide publicity, both through Voice of America and on Spanish radio and TV in Miami/Dade, about this incident to underscore both the callous and dangerous nature of Castro's actions, and our own vigorous attempts to mitigate the danger by seizing such vessels.

Early reports indicate that approximately 10% of the Cubans that have moved through health screening have venereal disease. I have asked the U.S. Public Health Service to increase its medical screening and treatment capacity, as necessary, in all the staging areas to deal with these and other health problems.

We are trying to estimate as accurately as possible the need for additional federal manpower to perform the whole array of necessary services in all locations as the numbers increase, e.g., law enforcement, security, health screening, processing, transportation, logistical support, etc. Needless to say, very significant numbers of additional personnel are being required on a daily basis. In order to permit Governor Graham to stand-down the Florida National Guard, we have dispatched U.S. military personnel to South Florida.

I'll give you another status report on Saturday.
THE WHITE HOUSE
WASHINGTON

May 8, 1980

MEMORANDUM
To: The President
From: Al Moses
Re: UN Resolution on the Expulsions

I do not concur in the recommendation that we abstain on the watered-down UN resolution. An abstention, even on a watered-down resolution, does not correct the basic problem of an unbalanced resolution in a highly inflammatory setting. The killings at Hebron were shocking. Arafat has claimed credit for the killings and in a major article in The New York Times today challenged once again the whole Camp David process. A veto would make it clear to the Security Council that we will not accept the uncoupling of responsibility. In other words, as long as the Security Council refuses to cite the killings at Hebron and the responsibility of the PLO, we will veto action directed against our ally. As recommended in my memorandum of yesterday morning, it would have been better if we had stated this position at the outset and not become engaged in the more difficult choices confronting us at this hour.

You should know that the Jewish community in this country is already aroused over the State Department's mild condemnation of the expulsions which was posted Tuesday. The failure to veto a resolution that does not condemn the killings at Hebron and the PLO's responsibility for those killings will be seen as temporizing with Palestinian terrorists.
Alfred Kahn

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

Rick Hutcheson
FOR STAFFING
FOR INFORMATION
FROM PRESIDENT'S OUTBOX
LOG IN/TO PRESIDENT TCDA
IMMEDIATE TURNAROUND
NO DEADLINE
FOR APPROPRIATE HANDLING
LAST DAY FOR ACTION

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THE WHITE HOUSE
WASHINGTON
May 7, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER
ALVIN FROM,
DEPUTY TO ALFRED KAHN

SUBJECT: Meeting with Representatives of Agriculture Inputs Industries
Thursday, May 8, 1980
Roosevelt Room
11 a.m. to 11:15 a.m.

I. PURPOSES

The purposes of this meeting are four:

- to send a signal to farmers that the Administration is trying to lower their input costs, which are, in part, responsible for the present economic squeeze on them.

- to emphasize that the Administration is working to guard against the possibility of an explosion in food inflation later this year that could have the effect of undercutting the progress we are making in bringing the overall rate down.

- to urge the fertilizer producers and, to the extent possible, the farm machinery companies to exercise price restraint.

- to discuss steps the Administration is taking to aid the farm economy.
II. BACKGROUND, PARTICIPANTS AND PRESS

A. Background

This is the fourth in a series of meetings with leaders of important industries.

Prices for major agriculture inputs rose sharply during the first three months of 1980. During the first quarter, producer prices for agricultural chemicals -- including fertilizers and pesticides -- increased at an annual rate of 46.5 percent, compared to an increase of 15.3 percent during all of 1979. Producer prices for agricultural machinery and equipment increased 12.4 percent during the first quarter of 1980, as compared to 9.6 percent increase in 1979.

These high input prices, lower farm prices, and tight credit have resulted in a temporary squeeze on the farm economy. Moreover, according to USDA, if the inflation in agriculture inputs continues unabated, it could threaten a return to a prosperous farm economy the Department is projecting for later this year and the rest of the 1980s.

There is no doubt, however, that the farm economy is depressed temporarily. Net farm income, USDA predicts, will be significantly lower in 1980 than in 1979. That downturn has affected the farm input industries, as well. Farm machinery sales and profits in the first quarter of 1980 were less than in the same quarter of 1979, and USDA predicts farmers will use less fertilizer this year than last.

That economic slowdown in the agriculture input industries has not yet resulted in price moderation. While USDA believes price moderation will come later in the year, as noted above, producer prices for fertilizer, pesticides and even farm machinery rose significantly faster during the first quarter of 1980 than they did during 1979. This meeting provides an opportunity to encourage price moderation.

The timing for such a request appears right. USDA sees a rebound in the farm economy later in the year, with a substantial rise in grain and cattle prices. If the rebound takes place, there may be less incentive for the input industries to exercise price restraint later in the year.
Obviously, we have to be careful about leaning too hard on a temporarily depressed industry like farm machinery -- the fertilizer industry does not seem quite so depressed. The Administration is, after all, committed to restoring health to the farm economy. Secretary Bergland will participate in the meeting to discuss what the Administration is doing on that score. The key point, however, is that we cannot restore economic health to the farm sector without controlling inflation.

B. Major Issues

There are a number of important issues that could come up at the meeting. They include:

- The state of the farm economy. In particular, questions concerning depressed farm prices and the relationship of those to the Soviet grain embargo are almost certain to come up.

- Tight credit. The unavailability of credit has been particularly hard on the machinery business. The Administration has taken steps to deal with the credit crunch -- an additional $2 billion in economic emergency loans, expanded use of CCC loans, and opening of the Federal Reserve discount window to small non-member banks for agricultural credit needs. In addition, the farm credit situation should improve as interest rates continue to fall throughout the economy.

- Environmental regulation. There are a number of environmental regulatory issues that are of concern to the pesticide and fertilizer industries, including registration of pesticides, the handling of phosphate wastes, and the new PCB regulations.
OSHA issues. OSHA regulations concerning grain elevators, the lead standard (affecting spray paint operations), and safety equipment on farm machines are of concern to the farm machinery industry.

Trade issues. Fertilizer producers are concerned with imports of ammonia from the Soviet Union. In 1979, 13 producers appealed to the International Trade Commission for relief from growing Soviet ammonia shipments. In December 1979, the ITC recommended a three-year import quota, but you ruled against it. After the Soviet invasion of Afghanistan, however, you imposed a one-year quota and referred the case back to the ITC, which reversed its position and recommended no quota. On February 5, you suspended, for an indefinite period, phosphate exports to the Soviet Union. In the farm machinery industry, imports grew significantly in 1979 and exports declined -- and that may be of concern to the American manufacturers.

As far as we know, none of the companies attending is out of compliance with the standards (though not all have fully cooperated), and compliance will not be discussed.

C. Agenda

10:30-10:45: Welcoming remarks and comments on the general economic situation by Fred Kahn

10:45-11:00: Discussion of the agricultural economy and the Administration's efforts to aid it by Secretary Bergland.

11:00-11:15: Remarks by the President

11:15-12:00: Supplementary remarks by Fred Kahn about agricultural inputs and general discussion.
D. **Participants**

Top executives of the farm machinery, fertilizer and pesticides industries.

E. **Press**

White House photo and press pool for your statement. If you decide to remain for questions, press will be removed.

F. **Talking Points**

Talking points are attached.
AGRICULTURAL INDUSTRIES PARTICIPANTS

John Anderson, President - Farmland Industries
Emmett Barker, President - Farm & Industrial Equipment Institute
John P. Biesel, President - Tenneco, Corporation-J.I. Case Division
Harold Culp, Corporate Vice President and Deputy Group Executive of Grace's Agriculture-Chemical Department - W. R. Grace and Company
Kenneth Davis, President - Stauffer Chemical Company
Paul Douglas, President - Freeport Minerals
Rebecca Edwards, Manager of Washington Office - White Motor Company-Farm Division
Lavon Fife, Manager of Economic Forecasting and Market Research - International Harvester and Company
Darwin Kettering, President - Massey-Ferguson Limited
Richard A. Lenon, Chairman of the Board - International Minerals and Chemicals
Mervyn H. Manning, Vice President and General Manager of Ford Tractor Operation - Ford Motor Company
Donald McGraw, Vice President - Mississippi Chemical
Paul O'Brien, Executive Vice President - Sperry Rand-Sperry New Holland Division
Mel G. Rice, Vice President - Occidental Chemical
R. Gerald Saylor, Corporation Economist - Deere & Company
George D. Schumacher, President - Farm Equipment Manufacturing Association
John J. Sobota, Corporate Controller - C. F. Industries, Inc.
Roy W. Uelner, Executive Vice President - Allis Chalmers, Corporation
Edwin Wheeler, President - Fertilizer Institute
F. Wayne White, Vice President Employee Relations and Administration - Texasgulf, Inc.
Joseph H. Williams, Chairman of the Board and Chief Executive Officer - The Williams Company
Talking Points for Farm Machinery and Fertilizer Companies

1. WELCOME TO THE WHITE HOUSE. I APPRECIATE YOUR JOINING IN OUR EFFORT TO MEET WITH KEY INDUSTRIES TO HELP REDUCE INFLATIONARY PRESSURES. LET ME NOTE SOME RESULTS ALREADY. TWO WEEKS AGO, I ASKED NON-FERROUS METALS COMPANIES TO RESTRAIN PRICE INCREASES. EARLIER THIS WEEK, REYNOLDS METALS AND KAISER ALUMINUM ANNOUNCED ROLLBACKS OF PREVIOUS INCREASES. I HAVE THANKED THEM PUBLICLY FOR AN OUTSTANDING ACT OF CORPORATE RESPONSIBILITY.

2. THIS MEETING COMES AT A TIME OF ACCELERATING PROGRESS AGAINST INFLATION. IN THE EIGHT WEEKS SINCE I ANNOUNCED MY INTENSIFIED PROGRAM, THE BOND MARKETS HAVE RECOVERED, INTEREST RATES HAVE FALLEN, AND SIGNS INDICATE THAT INFLATION WILL DROP SIGNIFICANTLY LATER THIS SUMMER. THIS UNDERSCORES THE CRUCIAL IMPORTANCE OF VOLUNTARY RESTRAINT. I AM ESPECIALLY CONCERNED ABOUT A POSSIBLE RENEWED OUTBURST OF INFLATION IN THE FOOD SECTOR.

3. THIS IS A DIFFICULT PERIOD FOR THE FARM SECTOR, AND FOR MANY COMPANIES REPRESENTED HERE. FARMERS ARE SQUEEZED BY LOWER THAN EXPECTED FARM PRICES, HIGHER PRODUCTION COSTS, AND TIGHT CREDIT. THEY ARE BUYING LESS FARM MACHINERY AND LESS FERTILIZER. THE FARM MACHINERY INDUSTRY IS BEING ESPECIALLY AFFECTED. YET I BELIEVE THAT THE CURRENT LULL IS SHORT-LIVED. I EXPECT FARM PRICES TO REBOUND SIGNIFICANTLY DURING THE SECOND HALF OF 1980. WE HAVE ALSO TAKEN STEPS TO MAKE MORE CREDIT AVAILABLE TO
FARMERS, AND THE SITUATION WILL IMPROVE FURTHER AS INTEREST RATES CONTINUE TO FALL.

4. DURING THIS DIFFICULT INTERIM, HOWEVER, WE MUST WORK TOGETHER. I ASKED BOB BERGLAND TO BE HERE TO DISCUSS WITH YOU HOW BEST TO PROCEED. OUR GOAL MUST BE THE LONG-TERM HEALTH OF AMERICAN AGRICULTURE. FARM PRODUCT PRICES, ALTHOUGH NOT AS HIGH AS SOME LIKE, WILL REMAIN STRONG. THE PROBLEM IS THAT PRODUCTION COSTS ARE RISING FASTER THAN RECEIPTS, AND WILL CONTINUE TO RISE UNTIL WE CONTROL INFLATION. CLEARLY, INFLATION IS THE NUMBER-ONE PROBLEM OF AMERICAN AGRICULTURE.

5. I AM ESPECIALLY CONCERNED THAT DURING THE FIRST QUARTER OF 1980, PRODUCER PRICES FOR AGRICULTURAL CHEMICALS AND CHEMICAL PRODUCTS -- INCLUDING FERTILIZERS AND PESTICIDES -- HAVE GONE UP AT A 46.5% RATE. FARM EQUIPMENT PRICES, DESPITE A PAINFUL DECLINE IN SALES, ROSE AT A 12.4% RATE, ABOUT THE SAME AS 1979. CONTINUED INCREASES AT THESE RATES WOULD BE VERY HARMFUL TO OUR EFFORTS BOTH TO CONTROL INFLATION AND ENSURE A HEALTHY FARM SECTOR.

6. THE ONE SURE WAY TO REDUCE PRESSURES IS VOLUNTARY PRICE RESTRAINT. I REALIZE THAT YOUR PRODUCTION COSTS ARE RISING RAPIDLY, AND THAT IT WILL TAKE EXTRAORDINARY RESOLVE TO HOLD YOUR PRICES DOWN. BUT THESE ARE EXTRAORDINARY TIMES, AND TIMING IS IMPORTANT. YOUR RESOLVE TO HOLD DOWN PRICES NOW CAN HEAD OFF A POTENTIALLY DANGEROUS WORSENING OF FOOD PRICE INFLATION, AND I URGE YOU TO HELP IN THIS EFFORT.

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

Rick Hutcheson
MEMORANDUM FOR THE PRESIDENT
FROM: JACK WATSON
ARNIE MILLER
SUBJECT: Ambassadorial Appointments

Secretary Vance has made the following recommendations for Ambassadorial assignments:

George W. Landau          Guatemala
Ernest N. Preeg            Haiti
Jack R. Binns              Honduras
David E. Simcox           Mozambique
Lyle F. Lane               Paraguay
John J. Crowley, Jr.       Suriname
Robert S. Gershenson       Uruguay

All of the candidates are Foreign Service Officers.

Mr. Landau is sixty years old and presently Ambassador to Chile.

Mr. Preeg is forty-five years old and presently Deputy Chief of Mission, Lima.

Mr. Binns is forty-six years old and presently Deputy Chief of Mission, San Jose.

Mr. Simcox is forty-seven years old and presently Deputy Director for Management Operations.

Mr. Lane is fifty-three years old and presently Chief of Mission, Lima.

Mr. Crowley is fifty-two years old and presently Deputy Chief of Mission, Caracas.

Mr. Gershenson is fifty-one years old and presently Deputy Assistant Secretary, Bureau of Personnel.
Secretary Vance also recommends that you nominate Charles F. Meissner for the rank of Ambassador during his service as U.S. Special Negotiator for Economic Matters. Meissner is presently Deputy Assistant Secretary for International Finance and Development.

RECOMMENDATION:

That you nominate George Landau for Guatemala; Ernest Preeg for Haiti; Jack Binns for Honduras; David Simcox for Mozambique; Lyle Lane for Paraguay; John Crowley, Jr. for Suriname; and Robert Gershenson for Uruguay.

APPROVE         DISAPPROVE

That you nominate Charles F. Meissner for the rank of Ambassador during his service as U.S. Negotiator for Economic Matters.

APPROVE         DISAPPROVE
MEMORANDUM FOR: The Honorable Jack Watson The White House

FROM: Ben H. Read

Secretary Vance has decided to recommend that the following career officers be nominated for the posts indicated:

Guatemala
George W. Landau

Haiti
Ernest N. Preeg

Honduras
Jack R. Binns

Mozambique
David E. Simcox

Paraguay
Lyle F. Lane

Suriname
John J. Crowley, Jr.

Uruguay
Robert S. Gershenson

The Secretary has also decided to recommend that Charles F. Meissner, Deputy Assistant Secretary of State for International Finance and Development, be nominated for the rank of Ambassador to serve as U.S. Special Negotiator for Economic Matters.

Biographic material is attached.

We will begin the clearance process upon receiving the President's approval.

cc: The Honorable Hamilton Jordan
Mr. Tom Beard
Mr. Oscar Garcia-Rivera
CANDIDATE FOR GUATEMALA

NAME: George W. Landau
AGE: 60

AREAS OF EXPERIENCE: Latin America, Western Europe

COUNTRIES OF EXPERIENCE: Chile, Paraguay, Uruguay, Spain, Portugal

RANK: Foreign Service Officer of Class I

FOREIGN LANGUAGES: German, Spanish, Portuguese

EDUCATION: AA, George Washington University, 1969
            ND, Canadian National Defense College, 1965

PROFESSIONAL EXPERIENCE:
1977-present Ambassador to Chile
1972 to 1976 Ambassador to Paraguay
1966 to 1972 Country Director, Spain, Portugal
1962 to 1965 Political Officer, Madrid
1957 to 1962 Chief, Economic/Commercial Section, Montevideo

Landau's seven years of ambassadorial experience in Paraguay and Chile have earned him a reputation as a tough, quick, highly proficient diplomat who is capable of operating effectively in a difficult environment. He has earned great praise for his skillful leadership of the Embassy in Chile during a tense and very complex period in our relationship with that country and for his energetic pursuit and staunch defense of U.S. policy interests there. The volatile situation in Guatemala requires that our ambassador there be incisive, firm, forceful, persuasive and capable of interacting effectively with the nation's military and political leaders. Landau's possession of these qualities make him an excellent choice for the ambassadorial assignment in Guatemala.
CANDIDATE FOR HAITI

NAME: Ernest N. PREEG
AGE: 45

AREAS OF EXPERIENCE: Europe, Latin America
COUNTRIES OF EXPERIENCE: United Kingdom, Peru
RANK: Foreign Service Officer of Class I
FOREIGN LANGUAGES: French, Spanish

EDUCATION: BS, State University of New York, 1956
           MA, New School of Social Research, 1961
           PHD, New School of Social Research, 1964

PROFESSIONAL EXPERIENCE:

1977-present Deputy Chief of Mission, Lima
1977(Mar-July) Executive Director, Economic Planning Group
                White House
1976 to 1977 Deputy Assistant Secretary for International
               Financial and Developmental Affairs
1974 to 1976 Director, Office of European Regional Affairs
1972 to 1974 Fellow, National Planning Association
1969 to 1972 Special Assistant to the Under Secretary of State
               for Economic Affairs
1968 to 1969 Economic Officer, London
1967 to 1968 Fellow, Council on Foreign Relations
1965 to 1967 Special Assistant for Tariff Negotiations to
               the Assistant Secretary of State for Economic and
               Business Affairs
1963 to 1965 International Economist, Bureau of Economic and
              Business Affairs
Preeg is a career international economic specialist whose fine performance in a series of highly-demanding positions propelled him to the senior ranks of the Foreign Service in eleven years. Preeg's economic skills have been in such great demand at policy levels in Washington that he has not been allowed to follow the normal career pattern of rough balance between overseas and domestic service. Assignments such as Executive Director of the Economic Policy Group which have placed him at the core of the governmental decision-making process have provided him with insights and experiences that would be difficult to parallel elsewhere. An officer of uncommon intellectual capacity, Preeg also has demonstrated skill in negotiation of complex international economic issues and in effective representation of the U.S. position on these issues.
CANDIDATE FOR HONDURAS

NAME: Jack R. Binns
AGE: 46
AREAS OF EXPERIENCE: Latin America, Western Europe
COUNTRIES OF EXPERIENCE: Costa Rica, El Salvador, Guatemala, Bolivia, United Kingdom
RANK: Foreign Service Officer of Class III
FOREIGN LANGUAGES: Spanish
EDUCATION: BS, U.S. Naval Academy, 1956
ND, Harvard University, 1966

PROFESSIONAL EXPERIENCE:
1979-present Deputy Chief of Mission, San Jose
1974 to 1979 Political Officer, London
1971 to 1974 International Relations Officer, Bureau of Inter-American Affairs
1967 to 1971 Political Officer, San Salvador
1966 to 1967 Advanced Labor Studies, Harvard University
1965 to 1966 Administrative Officer, La Paz
1963 to 1965 Political Officer, Guatemala

Binns' current assignment as Deputy Chief of Mission in San Jose is his third assignment in Central America. With previous experience in Salvador and Guatemala, he has developed an admirable grasp of the political dynamics of the troubled Central American isthmus. An industrious, energetic, perceptive officer with a proven talent for analysis and interpretation and exceptional skills of persuasion, Binns would provide strong leadership to our efforts to help Honduras return to constitutional government.
CANDIDATE FOR MOZAMBIQUE

NAME: David E. Simcox

AGE: 47

AREAS OF EXPERIENCE: Latin America, Africa, Western Europe

COUNTRIES OF EXPERIENCE: Mexico, Panama, Dominican Republic, Brazil, Ghana, Spain

RANK: Foreign Service Officer of Class I

FOREIGN LANGUAGES: Spanish, Portuguese, French

EDUCATION: BA, University of Kentucky, 1956
MA, American University, 1971

PROFESSIONAL EXPERIENCE:

1979-present Deputy Director for Management Operations, Department of State

1977 to 1979 Director of Mexican Affairs, Bureau of Inter-American Affairs

1975 to 1977 Political Counselor, Brasilia

1972 to 1975 Political Counselor, Madrid

1971 to 1972 Student, National War College

1969 to 1971 Personnel Officer, Bureau of Personnel

1967 to 1969 Labor-Political Officer, Accra

1966 to 1967 Political Officer, Santo Domingo

1965 to 1966 Principal Officer, David

1962 to 1964 Political Officer, Panama

1961 to 1962 Labor Training, Columbia University

1960 to 1961 Foreign Affairs Officer, Bureau of European Affairs

1957 to 1960 Consular-Labor Officer, Mexico City
Simcox is a broad-gauged Latin Americanist who has served also in Africa and Western Europe. An officer of uncommon poise, intellectual capacity and judgment, he has been praised for his leadership and his effective advocacy of U.S. national interests while serving recently as Director of Mexican Affairs. His wide experience in developing countries as well as his managerial accomplishments would be excellent background for the Maputo post.
CANDIDATE FOR PARAGUAY

NAME: Lyle F. Lane

AGE: 53

AREAS OF EXPERIENCE: Latin America, Europe, Southeast Asia

COUNTRIES OF EXPERIENCE: Ecuador, Costa Rica, Peru, Cuba
Spain, Phillipines, Uruguay

RANK: Foreign Service Officer of Class I

FOREIGN LANGUAGES: Spanish

EDUCATION: AB, University of Washington, 1950
MS, George Washington University, 1969

PROFESSIONAL EXPERIENCE:

1979–present Chief of Mission, Montevideo
1977 to 1979 Principal Officer, US Interests Section, Havana
1976 to 1977 Deputy Chief of Mission, Lima
1973 to 1976 Deputy Chief of Mission, San Jose
1969 to 1973 Administrative Officer, Bureau of Latin American Affairs
1968 to 1969 Student, National War College
1966 to 1968 Detail to AID/Guatemala (Development Planning)
1962 to 1966 Principal Officer, Cebu
1961 to 1962 Advanced Economics Training, University of California
1959 to 1961 Desk Officer, East Asia Bureau
1954 to 1959 Political Officer/Staff Assistant, Madrid
1952 to 1954 Consular/Administrative Officer, Guayaquil

Lane is a broadly experienced Latin American specialist who has
performed successfully in all the traditional Service functions.
A superb executive, he served with distinction twice as Deputy
Chief of Mission and this led to his selection to our diplomatic post in Havana after a hiatus of 17 years. He conducted our operations in Havana and our relations with the Cubans in a careful, skilled, imaginative and productive manner, demonstrating the highest degree of professionalism and leadership. Despite a heavy workload, difficult working conditions and a hostile environment, morale at the post under his leadership was very high. Although he has been in Uruguay only a short time he has displayed there the same qualities that highlighted his service in Havana. Lane's distinguished presence and firm, forceful approach command the respect of host government officials and make him particularly well-qualified to head our mission in Paraguay during the political transition expected in that country.
NAME: John J. Crowley, Jr.
AGE: 52

AREAS OF EXPERIENCE: Latin America, Western Europe

COUNTRIES OF EXPERIENCE: Belgium, Peru, Ecuador, Dominican Republic, Venezuela

RANK: Foreign Service Officer of Class I

FOREIGN LANGUAGES: French, Spanish

EDUCATION: AB, West Virginia University, 1949
MA, Columbia University, 1950

PROFESSIONAL EXPERIENCE:

1977-present Deputy Chief of Mission, Caracas
1974 to 1977 Director, Office of Northern European Affairs Bureau of European Affairs
1970 to 1974 Deputy Chief of Mission, Santo Domingo
1969 to 1970 National War College
1966 to 1969 Deputy Chief of Mission, Quito
1964 to 1966 International Relations Officer, Bureau of Inter-American Affairs
1960 to 1964 Labor Officer and Political Officer, Brussels
1959 to 1960 University of Wisconsin, Advanced Labor-Economic Studies
1955 to 1959 Consular Officer and Political Officer, Lima

Crowley is a Latin American specialist who has established himself as an effective manager and skilled diplomat in a series of demanding positions and difficult situations. As Charge d'Affaires for roughly half of his three year tour of duty in Ecuador, Crowley successfully guided our Embassy and our relationship with that country during a period of great tension and uncertainty. As Deputy Chief of Mission in Santo Domingo and Caracas, Crowley has drawn great praise for his sound judgment, representational skill, policy orientation, and low-key but effective leadership style. Crowley's experience and skills lend themselves particularly well to the potentially unstable situation in Suriname arising from the February military coup d'etat.
CANDIDATE FOR URUGUAY

NAME: Robert S. Gershenson

AGE: 51

AREAS OF EXPERIENCE: Latin America, Europe

COUNTRIES OF EXPERIENCE: Belgium, Uruguay, Ecuador, Costa Rica, Brazil, Mexico

RANK: Foreign Service Officer of Class I

FOREIGN LANGUAGES: Spanish, Portugese, French

EDUCATION: AB, Temple University, 1956

PROFESSIONAL EXPERIENCE:

1978-present Deputy Assistant Secretary, Bureau of Personnel

1976 to 1978 Executive Director, Bureau of Inter-American Affairs

1974 to 1976 Counselor of Embassy for Administration, Brussels

1972 to 1974 Special Assistant to the Assistant Secretary of State for Administration

1971 to 1972 Career Management Officer, Bureau of Personnel

1970 to 1971 Student, Industrial College of the Armed Forces

1968 to 1970 Counselor of Embassy for Administration, Montevideo

1967 to 1968 Chief of the Administrative Section, Quito

1965 to 1967 Chief of the Administrative Section, San Jose

1961 to 1965 Administrative Officer, Brasilia

1959 to 1961 Post Management Officer, Bureau of Inter-American Affairs
1957 to 1959  Consular Officer, Mexico City

Gershenson's rapid rise in the career service has been a function of his area expertise in Latin America, his operational expertise in the administrative field, and his extraordinary effectiveness as a manager of issues and people. An officer of uncommon sensitivity, intellectual breadth, and sound judgement, Gershenson blends creativity with common-sense in his approach to problem resolution. Although he is a tough negotiator, Gershenson's warm, outgoing personality breeds success in interpersonal relations.
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<td>Re: Charles F. Meissner. (3 pp.)</td>
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<td>memo w/att</td>
<td>Lloyd Cutler to the President. Re: Call from Prime Minister Trudeau (9 pp.)</td>
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FILE LOCATION: Carter Presidential Papers- Staff Offices, Office of Staff Sec.-Pres. Handwriting File, "5/8/80." Box 184

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(A) Closed by Executive Order 12356 governing access to national security information.
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U.S. Special Negotiator for Economic Matters

The frequency and length of various international economic negotiations have been increasing at a tremendous rate in recent years. This has been particularly noticeable in regard to North-South issues, though by no means limited to that area. The number of negotiations requiring representation at senior levels has also been greatly expanding, resulting in the fact that most EB Deputies are away on negotiations as much as 50% of their time. However, the fact that many foreign negotiating teams are staffed by high-level personnel, often of Ministerial rank, makes it essential that the U.S. negotiator be at a sufficiently high level to deal on an equal footing. Moreover, most negotiations both inter-face and cut across a wide spectrum of economic issues. It is therefore, important to have a roving high-level U.S. envoy to ensure consistency of U.S. positions and a coherent strategy for conducting inter-related negotiations.

Some of the more important negotiations require the participation, leadership and coordination efforts of a Special Negotiator. In consideration of the policies related to these negotiations all relevant USG agencies, including USUN, would be integrated into their planning and discussions. The kind of important negotiations requiring the involvement of a Special Negotiator are:

1. Meetings of the OECD High Level Group on North-South issues which coordinates OECD Government positions for the negotiations;

2. UNCTAD meetings on various trade and development issues, including the UNCTAD Trade and Development Board;

3. The UN Global Negotiations which are just beginning and which will become a major undertaking;

4. Meetings on debt rescheduling issues which are handled through the informal mechanism of the Paris Club (of AID donors) but are closely linked to North-South exercises because of the central role debt issues play in North-South discussions.

The U.S. Special Negotiator for Economic Affairs will be a senior adviser to Richard N. Cooper, Under Secretary of State for Economic Affairs, who has overall responsibility for North-South issues. He will also serve under Deane R. Hinton, the Assistant Secretary of State for Economic and Business Affairs.
MUSKIE SWARING IN 5/8/80

When nation faces challenges

MAN & TIME

WC & I this afternoon

Soviet in Afghan

Hostages in Iran

Would be assessing in Libya

Floods

Refugees in free land from Cuba

Soviet USSR vote

San Liniers report for MID East

Canada Maritime Secretary/Fishing

Argentina - grain sale to Siri

Latin Am Olympics

Belgium - new post - NATO/TUNE

Muskie is the man - today is the time.

Nation - immigrants - strength

Not endure, prevail, benefit for A

Meet every test - courage, unity

Muskie personifies that character.
Gov. Senz.
Vision - Reason - Conscience.

Sensitivity, knowledge re U.S.
Link Comp. 1974 legisl./exec.
Nation fortunate - Sec of State.

Patriot who seeks peace.
Great step new step in a
notable career of service to
his nation.
May 8, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald
  Rick Hertzberg
  Chris Matthews

SUBJECT: Presidential Talking Points: Swearing-In Ceremony for Secretary of State Muskie

Scheduled delivery:
Thur, May 8, 7 PM
East Room

Your talking points for this occasion are attached.

Clearances

Ray Jenkins
NSC Staff (Denend)
Talking Points

Muskie Swearing-In Ceremony

1. SENATOR MUSKIE, MRS. MUSKIE, DISTINGUISHED MEMBERS OF THE CONGRESS.

2. OUR COUNTRY FACES SOME TOUGH CHALLENGES TODAY -- BOTH AT HOME AND ABROAD. BUT WE HAVE FACED TOUGH CHALLENGES BEFORE. FOR TWO CENTURIES, OUR NATION HAS NOT ONLY ENDURED, IT HAS PREVAILED. IN EACH HOUR OF CHALLENGE, WE HAVE RISEN TO THAT CHALLENGE -- AND WE WILL DO SO AGAIN.

3. ONE REASON FOR OUR NATION'S HISTORIC RESILIENCY OVER THE YEARS IS REFLECTED IN TODAY'S CEREMONY. IN EACH TIME OF CHALLENGE, WE PULL TOGETHER AS A PEOPLE. IN EACH TIME OF CHALLENGE, CITIZENS OF STRENGTH AND CHARACTER HAVE STEPPED FORWARD TO DO THEIR PART.

4. SENATOR EDMUND MUSKIE PERSONIFIES THIS GREAT HERITAGE OF NATIONAL SERVICE. IT IS A TRIBUTE TO OUR COUNTRY, AND TO OUR TIMES, THAT WE HAVE SUCH A MAN PREPARED AND DETERMINED TO DO WHAT IS NECESSARY: TO PROTECT OUR NATION'S VITAL INTERESTS, TO DEFEND OUR PRINCIPLES, TO MAINTAIN THE PEACE.

5. SENATOR MUSKIE IS A MAN OF KEEN INTEGRITY AND BROAD VISION. HE HAS THE TENACITY AND STRENGTH OF CHARACTER TO TRANSLATE HIS VALUES AND PRINCIPLES INTO ACTION.
6. SENATOR MUSKIE IS A MAN OF DEEP PHILOSOPHICAL CONVICTION. THROUGHOUT HIS CAREER IN THE UNITED STATES SENATE, HE HAS BEEN A LIBERAL IN THE MOST PROFOUND SENSE OF THAT WORD. LIKE SENATOR PAUL DOUGLAS OF ILLINOIS, HUBERT HUMPHREY OF MINNESOTA, AND PHILIP HART OF MICHIGAN, HE HAS BELIEVED DEEPLY IN WHAT EFFECTIVE DEMOCRATIC GOVERNMENT CAN ACHIEVE FOR PEOPLE -- AND WHAT A DEMOCRATIC SOCIETY CAN OFFER TO THE WORLD.

7. FOR MORE THAN TWO DECADES, SENATOR MUSKIE HAS WORKED DILIGENTLY TO MAKE HIS PHILOSOPHY OF GOVERNMENT A LIVING, BREATHING REALITY. HE HAS PUT HIS FULL PERSONAL RESOURCES -- OF REASON, CONSCIENCE, AND WILL -- INTO STRENGTHENING OUR NATION'S DEMOCRATIC INSTITUTIONS. THE SUCCESS OF THE NEW CONGRESSIONAL BUDGET PROCESS WILL BE A LASTING MONUMENT TO HIS VISION AND HIS DILIGENCE.

8. I HAVE COME TO RELY ON SENATOR MUSKIE THESE PAST THREE YEARS. HE IS A PATRIOT, WHO CARES DEEPLY ABOUT OUR COUNTRY AND WISHES FERVENTLY TO SERVE IT. HE IS A LEADER WHO APPRECIATES THE DEEP AND PERPLEXING CHALLENGES WE FACE AND IS DETERMINED TO HELP CONFRONT THEM.

9. IT IS GOOD TO HAVE JANE MUSKIE HERE FOR THIS CEREMONY. FOR MORE THAN THREE DECADES YOU HAVE SHARED A BELIEF THAT PUBLIC SERVICE CAN MAKE A DIFFERENCE TO OUR SOCIETY. AS SECRETARY OF STATE, ED MUSKIE WILL HAVE AN HISTORIC OPPORTUNITY TO VINDICATE THAT SHARED BELIEF.

#  #  #
MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald
      Rick Hertzberg
      Achsah Nesmith

SUBJECT: Presidential Speech:
         Eulogy for Eight
         Servicemen

         Scheduled Delivery:
         Fri, May 9, 9:30 AM
         Arlington Cemetery

Your speech for this occasion is attached.

Clearances

Ray Jenkins
NSC (Friendly)
Memorial Service -- Iran Rescue Mission

We come here today to honor eight brave men, and to share in some small way the burden of their loved ones' grief.

We grieve with the wives and children, the mothers and fathers for the proud promise of their lives, for all the hope and careful preparation, for all the years that might have been.

Even for those of us who believe that God has a purpose for each human life, it is hard to accept the loss of brave young men in the peak of their lives. Yet we know it is not the length of life that determines its impact or its quality, but the depth of its commitment and the height of its purpose.

They came from California and Connecticut, from Tennessee and Arkansas, from Florida and Virginia. Two were Georgians,

*If you think after reading the whole eulogy that it is still too long, you might consider omitting this bracketed material.
from Dublin and Valdosta. They did not ask for recognition, only for the opportunity to serve -- at sacrifice dangerous difficult conditions, far from the people they loved and the civilization they protected.

They chose a life of military service at a time when it offered little glory in our land, when their reward had to come from knowing that they had done a necessary, difficult and dangerous job, and done it well. They volunteered for this mission, knowing its importance and its risks. They did so not because they cared too little for life to want to live it out to full old age, but because they cared so much for the lives of our hostages and more for the right of our people to enjoy the freedom for which this Nation was founded.

It is fitting that we should remember them here in this place where Americans have long paid tribute to those who died for our country -- the known and the unknown, those who lie in unmarked graves across the sea and those buried here.
This land once belonged to General Robert E. Lee. Like these eight men, he was a soldier, whose affection for his home and family called him to a life of service that often meant hardship, loneliness and long separation from all that he most loved.

Lee lived by the words he is said to have written to his son,

"Duty is the sublimest word in our language. Do your duty in all things. You cannot do more. You should not wish to do less."

The airmen and Marines we are honoring today demonstrated by their lives, and finally by their deaths, that they understood and subscribed to that austere and honorable creed.

The strength of our nation has always lain in the ability of individual Americans to do what we must, each of us each day, wherever our particular duty lies. For the men we honor here today, duty required both daring and quiet courage. They were willing to face the relentless desert and the angry mobs.
to free fellow Americans who can be accused of nothing more than doing their duty in a hostile place.

We stand here today, surrounded by the graves of succeeding generations of Americans who performed their duty in the unending struggle to preserve our peace and freedom. Like those who have gone before, these young men died to keep the ancient dream of human liberty alive.

If we are to honor our dead, we must do it with our lives. We must defend that dream with all the strength, all the wisdom, all the courage we can muster.

I believe I speak for all Americans when I say to those who anonymously risk their lives each day to keep the peace and to maintain our military strength, and to the loved ones of those who died on the Iranian desert: Your risk, your suffering, your loss are not in vain.
I fervently pray that those who are held hostage will be freed without more bloodshed, that all who would use terror to imperil innocent people will see the cruel futility of their tactics. Criminal act.

To the families of the eight who died, as to those who were injured, I extend the heartfelt sympathy of a grateful nation. Every American feels your loss. Every American shares your rightful pride in the valor and the dedication to duty of those who died in the dark desert night. Of such men was America made.

# # #

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I. PURPOSE

To drop-by a reception for Hispanic labor leaders and make brief remarks.

II. BACKGROUND

The Labor Council for Latin American Advancement (LCLAA) is holding its national convention in Washington, D.C., May 8-11. It is a national organization with chapters in 22 states, established in 1973 within the labor movement to encourage voter education, voter registration and greater participation by U.S. workers of Latin descent and their families in the American political process. Consequently, various seminars will deal with political action items and in this respect your anti-inflation programs.

This group can serve as an effective mechanism for generating support for administration anti-inflation policies as it is composed of excellent grass roots organizers and a correlative information network.

III. PARTICIPANTS, AGENDA AND PRESS PLAN

A. Participants - Approximately 200 LCLAA members and spouses, Esteban E. Torres and attached is a list of the officers of LCLAA who will be in attendance.

B. Agenda - You will make a statement to the group with respect to your education, youth employment, and anti-inflation initiatives as well as comments on the Iranian situation. A copy of your speaking points, also submitted by the speechwriters under separate cover, is attached.

C. Press Plan- White House photographer and full press.
THE WHITE HOUSE
WASHINGTON
LIST OF OFFICERS OF THE
LABOR COUNCIL FOR LATIN AMERICAN ADVANCEMENT

Chairman
Ray Mendoza
Laborer's International Union
of North America
Los Angeles, California

Executive Vice-Chairman
J. F. Otero
Brotherhood of Railway and
Airline Clerks
Washington, DC

Secretary-Treasurer
Maclovio Barraza
United Steelworkers of America
Tucson, Arizona

Vice-Chairperson
Maria Portalatin
American Federation of Teachers
Brooklyn, New York

Vice-Chairperson
Henry L. Lacayo
United Auto Workers
Detroit, Michigan

Vice-Chairperson
Alfonso Rodriguez
Carpenters and Joiners of America
Santa Fe, New Mexico

Vice-Chairperson
Manuel Gonzalez
International Ladies' Garment
Workers Union
New York, New York

Vice-Chairperson
Rudy Mendoza
Communication Workers of America
Washington, DC

Vice-Chairperson
Michael Garcia
International Brotherhood of
Electrical Workers
Chicago, Illinois
MEMORANDUM FOR ESTEBAN TORRES

FROM: Al McDonald
       Rick Hertzberg
       Achsah Nesmith


Scheduled delivery:
Thur, May 8, 2:30 PM
East Room

Attached is a draft of the President's talking points for this reception. Please give your comments to Achsah Nesmith x6487 by 2 PM on Monday, May 5.