

6/18/80

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Wednesday - June 18, 1980

-
- 7:30 Dr. Zbigniew Brzezinski - The Oval Office.
- 8:00 Breakfast with Economic Advisers. (Dr. Alfred Kahn).
(60 min.) The Cabinet Room.
- 9:30 Mr. Hamilton Jordan and Mr. Frank Moore.
The Oval Office.
- 10:30 Meeting with His Majesty Hussein I. (Dr. Zbigniew
(60 min.) Brzezinski) - The Cabinet Room.
- ✓ # 1:00 Meeting with the Leadership of the Liberal Party
(30 min.) of New York. (Mr. Stuart Eizenstat) - The Map Room.
- ✓ ~~2:00~~ Meeting with Mr. Robert Delano, President, American
(10 min.) Farm Bureau. (Mr. Al McDonald) - The Oval Office.
- ✓ # ~~2:30~~ Meeting with Congressional Group/Automobile Imports.
(30 min.) (Mr. Frank Moore) - The Cabinet Room.
- 3:15 Meeting with Secretary Edmund S. Muskie and Deputy
(30 min.) Secretary Warren Christopher. (Dr. Zbigniew
Brzezinski) - The Oval Office.
- 3:45 Vice President Walter F. Mondale - The Oval Office.
- ✓ 9:00 Depart South Grounds via Motorcade en route
Mazza Gallerie, 5300 Wisconsin Avenue, N.W.
- 9:20 Remarks at the ERA Fundraising Dinner (Business Suit).
- 9:55 Return to the White House.

June 18, 1980

To Ralph and Jane Gnann

There is nothing like the Fourth of July to bring old friends and neighbors together - if not in person, then at least in spirit. Rosalynn, Amy and I enjoyed hearing from you and sharing vicariously in your family's adventures overseas.

We are proud of the progress you are all making in learning the French language, in building international friendships and in sharing your religious experiences and Faith.

We thought you would be interested in having a copy of our Independence Day Message to our fellow Americans, and we enclose it along with our very best wishes and prayers for your health, happiness and the continued success of your worthwhile work.

We also hope you will express our warmest personal greetings to those who will be joining in your July 4th festivities.

Sincerely,

JIMMY CARTER

Mr. and Mrs. Ralph Gnann
L'Accueil Fraternel
43400 Le Chambon-Sur-Lignon
(Haute-Loire)
France

Enclosure: Independence Day, 1980, message

JC:Coolidge;ek

cc: S.Clough/E.Coolidge/R.Merhan/CF

80 July 4th festivities thru NSC
8006191500

THE WHITE HOUSE
WASHINGTON

Claudia,

The First Lady requested that the message for Jimmy to sign be prepared and signed before he leaves on trip today so it will arrive in France for the 4th.

Suzanne in the President's office said to send it to Eliska.

The Gnann's were next door neighbors to the Carters in Plains.

rita merthan
202 east wing

Rec'd June 18 EHC.

THE WHITE HOUSE
WASHINGTON

June 18, 1980

TO: SUZANNE BROOKE

FROM: ELISKA COOLIDGE *Eliska*

Suzanne, you suggested to Rita Merthan that I prepare a reply to the letter from Ralph Gnann. It is attached -- I thought Susan might want to have it signed.

6/18

*tc w/ Rita this a.m.
she said RSC wanted
a message today.*

SB

May 29, 1980

Dear Amy,

How have you been? I am fine. I hope things there are going well, they are here.

The week before last we went to the Mediterranean Sea where it was warm enough to go swimming. Here in Le Chambon-Sur-Lignon (in English: the village by the Lignon River) it is very cool. In fact it is cool enough that I have to wear a heavy coat. You see, we are at our home 3,000 ft. plus above sea level.

I seem to be learning French very slowly, but I can say a good many words and at times carry on a simple conversation. The reason I can do this is because Sidney and I go to a regular French school but we are in the class for students that don't speak French. We go to school Monday, Tuesday, Thursday, Friday, and half a day Saturday.

Tell everyone Hi for me. Please write me.

Love,

John

May 29, 1980

Dear Amy,

How are you? I am fine. I have a stamp collection now, because, now I can get stamps from Norway, Germany, South Africa, France, Fiji Islands, and Paraguay.

It's cold here! We had snow four days when we first got here!!! I sure do wish I could go swimming in an outdoor pool. We get to go swimming every Thursday but, it's an indoor pool and, it's not over my head.

Your friend,

Sidney

L'Accueil Fraternel
43400 Le Chambon-Sur-Lignon
(Haute-Loire) France
May 28, 1980

*Prepared for
9/11 5/15/80
J*

Dear Jimmy, Rosalyn, & Amy,

We have really done a lot since we visited you in Washington. With the moving, shots, packing for Africa, passports and now the French study we have been very busy. Our use of the French language seems to be coming very slowly even though each day we realize that we are recognizing more words in the French conversations around us.

The school is really an international community. It is run exclusively for missionaries and has students from the U.S., Germany, Norway, England, Finland, and as far away as the Fiji Islands. We are nearly all bound for Africa and we have met people that will live near us in Zaire. Several protestant denominations are represented here. There are several Baptist but us Lutherans are the largest group. Of course, the large German and Norwegian delegations make that true. All the denominational differences seem to fade away though as we talk about Christian witness in a developing continent.

The Norwegians are the largest group here and you should have seen the party they threw for all of us on their national day. There were games, special foods, and a party with a spectacular slide show and even a telegram from the King of Norway.

Us nine Americans will never be able to celebrate July 4th in such grand style. We have talked about having bar-b-que but I'm afraid that we don't have a cook among us that could do a good job of that. We may have to settle for a ham and eggs breakfast. We will of course have some kind of a party. A letter of good wishes on the 4th to the Americans and their friends from you would really be a nice addition to the festivities. The Americans are Rev. Charles Bunk, Miss Margaret Omland, Mrs. Hannah Toomey, Mr. & Mrs. Richard Witte, and our family.

Life here in France is interesting and we are hearing from friends and family often, so we aren't homesick. Because we don't understand our French very well yet we get the news late. We all eagerly await each weeks copy of Time, even John reads it. (Speaking of John, I think he and Sidney are learning the language faster than us grown-ups.) The news seems to be very grave much of the time. Jimmy, you certainly have our prayers as you deal with the many problems of our time.

Yours in Christ,

Ralph Gamm

JUN 3 1980

ID 8003881

NSC/S PROFILE

UNCLASSIFIED

RECEIVED 27 JUN 80 18

TO PRES

FROM POWELL, J

DOCDATE 18 JUN 80

FRIENDLY

18 JUN 80

KEYWORDS: PORTUGAL

MEDITERRANEAN

SUBJECT: WRITTEN ANSWERS TO QUESTIONS SUBMITTED TO PRES BY PORTUGUESE NEWS
AGENCY

ACTION: NOTED BY PRES

DUE:

STATUS C

FILES WH

FOR ACTION

FOR COMMENT

FOR INFO

NONE

COMMENTS

REF#

LOG

NSCIFID

(V / V)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

DISPATCH _____

W/ATTCH FILE _____

(C)

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

June 18, 1980

MEMORANDUM FOR: THE PRESIDENT
FROM: JODY POWELL
ALFRED FRIENDLY *A*
SUBJECT: Written Answers to Questions Submitted to
You by the Portuguese News Agency

Attached at Tab A are seven draft answers by you to the questions presented Monday, June 16, by the Portuguese News Agency ANOP. With your approval, these answers will be translated into Portuguese and given to the Agency in Lisbon for release to afternoon papers there the day before your June 26 arrival.

We recommend that you give careful attention to the wording of the answers to questions 1, 2 and 4 as well as to the last paragraph of answer 6. The rest of the material, already checked by the Department of State, the NSC, and your speechwriters, seems to hold nothing of potential controversy.

Recommendation:

That you approve the answers at Tab A for release.

Approve Disapprove

J

PRESIDENT CARTER'S ANSWERS TO QUESTIONS

SUBMITTED BY

PORTUGUESE NEWS AGENCY, ANOP

1. Q: Mr. President, you haven't traveled internationally for quite some time. Apart from your attendance at the Venice Summit, what conditions have prompted your visits to Yugoslavia, Spain and Portugal, and what do you hope to gain through these visits?

A: The visits I am making in Europe in addition to the Economic Summit meeting in Venice bring me together with friends and allies for frank talk at a time of serious challenge to our common interests. The challenges are as familiar as they are grave: the crises in Iran and Afghanistan, the search for peace in the Middle East, the issue of energy dependence for the industrialized world and the aspirations for economic justice of the developing nations. Thorough discussion of these and other matters is not only necessary, it is also helpful in making strong relationships stronger and in shaping consensus from diverse ideas and outlooks.

Within this overall context, I attach special importance to my visit to Portugal. On the personal side, I am very pleased to have the occasion to come to Lisbon, to ^{visit} see a capital which no American President has been fortunate enough to visit since 1960. Moreover, I am anxious to use my time in Portugal to express the profound admiration which I and Americans generally feel for your nation's remarkable transition to democracy. Your experience and that of Spain confound those pessimists who profess to see democracy in retreat around the world. You give heart, instead, to those who espouse freedom and individual dignity as the surest avenue to social and political progress.

Beyond paying tribute to your example, I am also looking forward to ~~getting to know~~ ^{Consulting with} the leaders of Portugal who have managed the transition with such skill and wisdom.

The Portuguese government's forthright support of the standards of international law and civilized conduct against those who are violating those standards in Iran and Afghanistan has established the foundation on which we can continue to cooperate in addressing those crises. Portugal's continuing ties with lusophone Africa, moreover, assure me of valuable insights into ways we can work together on the pressing economic development needs of that continent.

~~In sum~~ ^Through the time is short, there is much to discuss, much to do, much to gain from talking and working together.

**Electrostatic Copy Made
for Preservation Purposes**

2. Q: Mr. President, as you know, Portugal has continued to maintain a strong interest in African developments (particularly its former colonies) simultaneously with its commitment to the Atlantic Alliance. Recognizing that many areas of international crisis today lie outside the traditional NATO regional concerns, could you comment on the advantages of NATO's adopting a more global strategy?

A: NATO was formed in 1949 in response to what was then viewed as the most visible threat -- the Soviet Union's military buildup in Eastern Europe and designs on Western Europe. For over 30 years our Alliance has successfully resisted this expansionist threat to the NATO treaty area.

But throughout the years, our nations have also had to look beyond the NATO perimeter to Soviet actions elsewhere in the world and to their potential effect on European security. Such concerns have recurred throughout the history of the Alliance. For example, in June 1974 the North Atlantic Council Declaration in Ottawa -- endorsed by all the Heads of State later that month in Brussels -- stated clearly that the interests of the Alliance could be affected by events in other regions of the world.

The Soviet invasion of Afghanistan has dramatized this reality more clearly than any other recent event. The invasion, although outside the NATO treaty area, has affected the fabric of East-West relations by posing a threat to Southwest Asia and the Persian Gulf -- a region vital to the security of the entire Western Alliance.

This new challenge to peace is one which NATO, as an Atlantic Alliance, meets best by pursuing its original, primary mission:

the defense of Europe. At the same time, NATO's members and our other friends and allies must also be prepared, as partners in peace and security, to contribute according to their capabilities to cooperative security efforts in other parts of the world.

The best way to preserve peace is firmly to oppose aggression.

3.

Q: How does the U.S. assess democratic development in the Iberian Peninsula, and, particularly in the case of Portugal? To what degree have these developments strengthened the country's security-defense role within the NATO structure?

A: The development of democracy in Iberia has strengthened the chances for lasting stability and economic progress in both Spain and Portugal. We have seen new constitutions with significant safeguards for human rights adopted in both countries enabling public opinion to play its vital political role.

In Spain, the transition to democracy passed a milestone when in December 1978 the Spanish people approved a new constitution establishing a constitutional monarchy with a sovereign Parliament to which the President is responsible. Scarcely four years after Franco's death, the national parliament has been elected twice, and freely chosen municipal governments have taken office for the first time in many years.

Portugal's political development since the Revolution of April 25, 1974, has been equally admirable. I am impressed by the rapidity with which the Portuguese people are recovering from the economic and political difficulties of the past several years. To have fashioned a constitution with as much concern for human rights as they have augurs well for the future of democracy in Portugal. The steady and consistent progress toward political stability sets the stage for major economic and social gains in the years to come.

The establishment of democratic institutions has, of course, accelerated the development of Portugal as a respected member of NATO. The actions of the Portuguese people in recent years have strengthened their standing and voice in the community of Atlantic nations. In recognition of Portugal's important role in the Alliance, the U.S. has assisted significantly toward equipping the Portuguese Army and Air Force. Also, we are working with the other allies in NATO to ensure their continuing effective contribution toward Portuguese force modernization in the interests of NATO's common defense.

4. Q: In light of the current situation, what do you project as future U.S. steps to secure the release of the hostages in Tehran? To what extent do the situations in Southwest Asia (Iran and Afghanistan) threaten overall world peace?

A: Iran's holding of diplomats as hostages violates every standard of international law and civilized behavior. While we are continuing to pursue a variety of diplomatic avenues to secure our citizens' safe release, we are also, through economic measures taken with our allies and other nations, bringing home to Iran the tangible costs of such irresponsible behavior. If Iran's leadership truly has the interest of the Iranian nation and the well-being of its people as its primary goals, I am confident it will free the hostages.

Even apart from the hostage question, the instability in Iran creates another uncertain situation in a turbulent and vital region. The brutal Soviet invasion of Afghanistan threatens the strategic balance in this critical region. The actions taken by our allies, as well as by scores of other nations, serve to let the Soviet Union know that its aggression -- and that is the only word for it -- will not go unpunished. Certainly, our concerns for the security of Southwest Asia and the Persian Gulf will be high on the agenda in my talks with President Eanes and Prime Minister Sa Carneiro. Portugal's principled response to the crises in Iran and in Afghanistan has been as welcome as it was courageous. But the crises continue, and we have much to discuss.

5. Q: What aspects of U.S. diplomacy in Africa do you feel represent the best chance of countering long-term Soviet influence or the influence of their surrogates on the Continent?

A: Soviet activity in Africa is based on a mixture of geo-political, strategic and ideological motivations. The objective is to expand Soviet influence in any way possible, seizing opportunities as they arise, and relying heavily on military rather than economic assistance.

But the consequence in those areas where the Soviets have increased their influence the most -- as in Ethiopia and Angola -- is that conflict and suffering have only intensified. Refugees -- like those we see fleeing from Communism in Kampuchea, Afghanistan, and Cuba -- are the innocent victims of this Soviet interference.

We believe Africans should be free to build their own futures. Accordingly, we pursue a policy which recognizes fundamental African aspirations and priorities:

- Self-determination;
- An end to racism and white minority rule;
- The maintenance of territorial integrity; and
- Economic development.

We Americans can and do identify with these priorities, and we continue to give diplomatic and financial support to advance them. This long-range approach is the most effective answer to attempts by the Soviets and their Cuban surrogates to win influence in Africa at the expense of Africa's interests and real needs.

6.

Q: We Europeans are obviously concerned about the question of international nuclear weapons safeguards whether in the context of SALT and other disarmament negotiations, or the recent computer failure in the U.S. defense alert system. Could you comment upon the question of the safeguards and the possibilities of accidental war?

A: The pursuit of arms control is itself a measure to prevent accidental conflict. Negotiations, for example, make possible a dialogue between adversaries which can provide greater understanding of military thinking and systems generally. Arms control agreements, moreover, work to increase confidence between the sides in specific areas, as, for example, in the SALT II provision for advance notification of certain ICBM flight-tests. Although our own alert systems are fully adequate to discern an attack clearly, it is nevertheless useful to exchange information of this type as part of a process to build confidence. The notification procedures on large-scale troop movements and exercises under the Helsinki Accords of 1975 contribute in a somewhat similar fashion to security in Europe.

While we are concerned about the ^{Computer error} ~~two recent false alarms~~, ~~there was no possibility of aggressive response from~~ ~~we are confident that we have discovered their cause and we~~ ~~the United States based on this isolated component indicator.~~ ~~are reassured that the many safeguards in our warning system~~ ~~work.~~ During those two brief alarms our personnel followed standard procedures and immediately determined no attack was underway. We were not remotely close to launching any of our nuclear forces. All our warning sensors worked ^{properly} ~~well~~, as did our procedures for discriminating false from real alarms.

7. Q: The state of the economy has always played an important role in the outcome of U.S. Presidential elections. In the context of the current economic situation (e.g., recession, rising unemployment, etc.) will these domestic concerns outweigh U.S. foreign efforts both in terms of your own reelection and the possible direction of future U.S. priorities?

A: If you are suggesting that the United States will turn inward because of domestic economic concerns, the answer is a clear no. We have a vital and responsible international role to play, as a member of the Atlantic alliance, as a member of NATO, as a full partner in the Middle East peace process, as a responsible and constant force for conciliation and economic progress.

Our domestic economic situation, of course, would concern me whether or not this were an election year. In essence, our economic difficulties are no different from those affecting the other advanced nations of the world. Our agenda at the Venice Summit addressed these economic issues, in particular the long-term issue of energy conservation, production, and resources, as well as the continuing struggle against inflation. In our era domestic and international economic priorities cannot be separated. They must be addressed with as much responsibility and creativity at home as abroad.

They call for frank assessments and sometimes difficult decisions that look beyond an election day. JH

4. Alfred Kahn has expressed an interest in attending the Economic Summit in Venice. Should he be invited?

Yes _____ No

5. Under Secretary Newsom will be representing Secretary Muskie in Yugoslavia, Spain and Portugal while Secretary Muskie attends a Foreign Minister's Meeting in Anchora. The State Department is presently considering sending Under Secretary Cooper along with Newsom. Do you wish to have Under Secretary Cooper as a part of the Delegation to these three countries as well?

Yes No _____

PROPOSED OFFICIAL DELEGATION
(Not in Protocol Order)

Official Party - All Stops

The President & Mrs. Carter
Miss Amy Carter
Dr. Brzezinski
Ambassador Abelardo Valdez
Mr. Jody Powell

Possible Additions

State Visit to Rome - Add

Secretary & Mrs. Muskie
Ambassador & Mrs. Gardner
Assistant Secretary George Vest
NSC Staff Member James Rentschler

Secretary Miller ?
Secretary Duncan ?

Vatican Visit - Add

Secretary & Mrs. Muskie
Ambassador & Mrs. Wagner
Assistant Secretary George Vest
Mr. James Rentschler

Secretary Miller ?
Secretary Duncan ?

Economic Summit - Add

Secretary & Mrs. Muskie
Secretary Miller
Secretary Duncan
Ambassador Henry Owen
Under Secretary R. Cooper
Assistant Secretary George Vest
Assistant Secretary Fred Bergsten
Assistant Secretary Les Goldman
Associate Director Kitty Schirmer
Mr. James Rentschler
NSC Staff Member Ed Fried

Alfred Kahn ?

Yugoslavia - Add

Under Secretary David Newsom
Ambassador & Mrs. L. Eagleburger
NSC Staff Member Steve Larrabee

Under Secretary Cooper ?

Spain - Add

Under Secretary David Newsom
Ambassador & Mrs. Terry Todman
Mr. James Rentschler

Under Secretary Cooper ?

Portugal - add

Under Secretary Newsom
Ambassador & Mrs. Bloomfield
Mr. James Rentschler

Under Secretary Cooper ?

THE WHITE HOUSE

WASHINGTON

18 Jun 80

Jack Watson
Anne Wexler

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

June 17, 1980

①

MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*

ANNE WEXLER *Anne*

SUBJECT:

Outreach Activities on Adoption Assistance and
Child Welfare Act of 1980

We have begun a number of activities to heighten public awareness of the Administration's role in the passage of this bill, which you signed into law today. These activities are outlined in the attached memorandum.

One of the listed activities is a letter to interest group supporters who worked on the legislation. A thank-you letter from you to these persons is likely to be prominently displayed in organizational newsletters, and we will follow-up to encourage such printing of your letter.

A draft letter is attached for your approval. Once you approve, we will have the letters typed and autopenned. The letters will be dated tomorrow, June 18. A list of the interest groups to which the letter will be sent is also attached.

approve

disapprove

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THE WHITE HOUSE

WASHINGTON

To

Thank you for your support of the Adoptive Assistance and Child Welfare Act of 1980, H.R. 3434. Your efforts and commitment to improving the lives of children were significant in enacting this important legislation.

We have taken a major step toward better safeguarding the nation's children through the reform of foster care programs, the creation of a Federal adoption assistance program, and the improvement of the child welfare services program. By emphasizing the importance of keeping families together and providing services that will help build stability into family life, we are strengthening the very fabric of our society.

Thank you again.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

ORGANIZATION

Children's Defense Fund
1520 New Hampshire Avenue, N.W.
Washington, D.C. 20036
483-1470

Coalition for Children and Youth
815 15th Street, N.W.
Washington, D.C. 20005

Edna McConnell Clark Foundation
250 Park Avenue
New York, New York 10017

North American Council on
Adoptable Children
1346 Connecticut Ave., N.W.
Suite 229
Washington, D.C. 20036

Family Service Assoc. of America
1819 H Street, N.W.
Washington, D.C. 20006

National Black Child Development
Institute
1463 Rhode Island Avenue, N.W.
Washington, D.C. 20005

Child Welfare League of America
67 Irving Place
New York, New York 10003

AFL-CIO
815 16th Street, N.W.
Washington, D.C. 20006

United Auto Workers
1757 N Street, N.W.
Washington, D.C. 20036
828-8500

AFSCME
1625 L Street, N.W.
Washington, D.C. 20036
452-4857

American Public Welfare Assn.
1125 15th Street, N.W.
Suite 300
Washington, D.C. 20005
293-7550

REPRESENTATIVES

Marian Wright Edelman
Ellen Hoffman
Mary Lee Allen
Helen Blank

Helene L. Gerstein

Peter Forsythe

Laurie Flynn

Pat Langley

Evelyn Moore

Bill Pierce
Candace Mueller
Elizabeth Cole

Bob McGlotten

Dick Warden

Nanine Meiklejohn

Ed Weaver
Jack Dempsey

National Conference on Social Welfare
1730 M Street, N.W.
Suite 911
Washington, D.C. 20036
785-0817

Jack Hansen

National Assn. for Retarded Citizens
1522 K Street, N.W.
Suite 516
Washington, D.C. 20005
785-3388

Myrl Weinberg

Center for Social Welfare Policy
and Law
1029 Vermont Avenue, N.W.
Suite 850
Washington, D.C. 20005
347-5615

Adele Blong

National Governors' Assn.
444 N. Capitol Street
Washington, D.C. 20001
624-5342

Scott Bunton

National Association of Counties
1785 New York Avenue, N.W.
Washington, D.C.
785-9577

Pat Johnson

National League of Cities
1620 Eye Street, N.W.
Washington, D.C.
293-7380

Richard Gilbert

National Conf. of State Legislatures
444 N Capitol Street
Washington, D.C.
624-5400

Joy Johnson Wilson

United Way of America
801 North Fairfax Street
Alexandria, VA
488-2000

Pat Barrett
Jack Moskowitz

THE WHITE HOUSE

WASHINGTON

To

Thank you for your support of the Adoptive Assistance and Child Welfare Act of 1980, H.R. 3434. Your efforts and commitment to improving the lives of children were significant in enacting this important legislation.

We have taken a major step toward better safeguarding the nation's children through the reform of foster care programs, the creation of a Federal adoption assistance program, and the improvement of the child welfare services program. By emphasizing the importance of keeping families together and providing services that will help build stability into family life, we are strengthening the very fabric of our society.

Thank you again.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

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THE WHITE HOUSE
WASHINGTON

9:25

6/18/80

Mr. President:

Zbig asked me to schedule
the SA ambassador for 5 minutes
today. Shall I?

yes no

On the french nuclear
matter Zbig removed his talking
points to save time. They
were consistent with Giscard's
but fuller.

 Phil

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THE WHITE HOUSE
WASHINGTON
18 Jun 80

FOR THE RECORD

FRANK MOORE RECEIVED A COPY OF
THE ATTACHED.

MB

NAME Erma Byrd

1574

TITLE wife of Robert C. Byrd

Requested by Frank McGoff

CITY/STATE _____

Date of Request 6-17-80

Phone Number--Home () _____

Work () _____

Other () 671-1200 Rm. 279

INFORMATION (Continued on back if necessary)

The Majority Leader's wife is hospitalized in Northern Virginia Doctor's Hospital. You might want to call to wish her a speedy recovery. Senator Byrd's office suggests that the best time to call would be this evening or tomorrow morning.

NOTES: (Date of Call 6-18)

*done
going home today*

THE WHITE HOUSE

WASHINGTON

6-17-80

To Herby & Joan

I'll miss you here, but
will be counting on your
help & friendship for a
lifetime. You have been
a wonderful part of
our team, and I thank
you -- & wish you
well!

Jimmy Carter

THE WHITE HOUSE
WASHINGTON

6/17/80

rick --

i had asked herky
to write and give me
a letter, as he did....

(i sort of felt he
would never do so on
his own, and he's one
of those really good
long-term fellows who
go way back!)...hope
you don't mind.

-- susan

Suggest handwritten note
to Herky....in view of
longtime friendship & support
& work.

(HERKY & JOAN HARRIS will be
staying in the Washington, D.C. area.)

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for Preservation Purposes**



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

June 17, 1980

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

Dear Mr. President:

The three and one half years I have spent as a member of the Carter Administration have been the most interesting and exciting of my life. I will truly miss my job when I move to the private sector at the end of July.

The Carter Administration has made a great contribution to the future of our country, and I am proud to have been a part of it. I will continue to help and support you and will always be on call when I can be of assistance. I especially look forward to campaigning in the fall for your reelection.

Joan joins me in thanking you for this wonderful, grand opportunity to serve our nation. You are our friend and we shall always cherish our time working with you.

Very truly yours,

A handwritten signature in cursive script, appearing to read "H. Harris, Jr.", written over a horizontal line.

Hubert L. Harris, Jr.
Assistant Director

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

June 17, 1980

Ros
J

TO: SUSAN CLOUGH
FROM: BOB MADDOX *BM*
SUBJECT: Manuscript for Stronger than Steel

At the risk of being most presumptuous, I believe the President would enjoy and perhaps profit from this manuscript. Several weeks ago he and Mrs. Carter viewed two video tapes concerning Wayne Alderson's work. I have come to know Mr. Alderson and several of the people in the book and regard them as the kind of folks who hold the country together.

The story revolves around a strike-ridden foundry in Pittsburgh that Mr. Alderson revolutionized by applying basic principles of dignity and respect. Production shot up. Absentism dropped dramatically.

I believe Mr. Alderson's "Value of the Person" approach to human relations in general and labor/management relations in particular is fundamentally valid. Mr. Alderson, an exceedingly secure man, wants nothing from the President. He does not seek Presidential endorsement of the book nor of his "Value of the Person" movement. He does want to help the President restore dignity in the work place and to see our Nation become productive again.

The President has been invited to address the 1980 Labor/Management Prayer Breakfast (ms. p. 279), which I hope he can do.

Others in the White House know of Mr. Alderson's work and give him high marks.

As rapidly as the President reads, he can romp through the manuscript in short order. Perhaps he could take it on the trip with him.

There is a mistake in the manuscript on manuscript page 301. The writer has me meeting with President and Mrs. Carter at Camp David about the video tapes. I did not have such a meeting and have told the author of that error. He will attempt to correct the mistake if it is not too late.

THE WHITE HOUSE
WASHINGTON
18 Jun 80

Al McDonald

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

Rick Hutcheson

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

ADMIN CONFID
CONFIDENTIAL
SECRET
EYES ONLY

ACTION
FYI

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

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

THE WHITE HOUSE

WASHINGTON

June 17, 1980

*Al - ok,
but on foreign policy
speeches I need for state
to see final version which
comes to me. Same is
true on domestic speeches &
Cabinet member if subject is
narrowly focussed. It compounds
my problems, otherwise -*

MEMORANDUM FOR THE PRESIDENT

FROM : AL MCDONALD *AM*

*J
ps You've done a good job in
bring some
order into
previous
chaos -*

Attached is a completed set of proposed remarks for your European trip. These have been explicitly cleared at your direction this evening with NSC and State to reaffirm their initial clearances of last Friday.

I sincerely regret that cancellations of events in your schedule and a few last minute thoughts by your advisers led to some last minute alterations.

I am informed by NSC (Jim Rentschler, who handles their clearance process) and by Ray Seitz of State Department, (responsible for the clearance process within State) that they had both cleared the package submitted to you last Friday following their normal procedures for exchange of drafts and comments. With your directive for an explicit clearance this morning, State went back over the materials submitting several suggestions, as indicated in red on the first two items which you had reviewed.

The only major revision occurred in your Toast for Rome as discussed privately between you and Secretary Muskie.

To tighten further our system and to assure you of full inputs in advance by both NSC and State, we are now requiring explicit clearances (written) from the outset and will so indicate by listing State separately on future cover memoranda to you, including the name of the officer designated at State to oversee their internal clearance process.

To underline the importance of prior clearance in a timely and complete fashion, I am requiring memoranda of explanation covering the handling of the initial clearance efforts on this package from NSC, State and the Speechwriters unit. I will not bother you with those details but will use them for an overall review session to make sure we have covered as many contingencies as we can foresee.

Finally, a word on the revised process for handling foreign policy speeches. As a follow-up on your reactions to the initial memorandum from Zbig and me dated May 8, we are attempting to follow the revised steps in the process as attached to my note of May 15 to Zbig (attached).

Again, my apologies for causing you unnecessary concern and delay during such an intensely busy time.

cc: Jack Watson

THE WHITE HOUSE
WASHINGTON

May 15, 1980

FOR : DR. BRZEZINSKI
FROM : AL MCDONALD [^]*ly*
SUBJECT: Process for Foreign Policy/
National Security Speeches

The attached revisions are suggested to
reflect the President's comments.

PROCESS FOR FOREIGN POLICY/NATIONAL SECURITY SPEECHES

- Step 1 ZB develops substantive outline, in consultation with State, DOD, other appropriate agency heads and the speechwriters (perhaps in a speech planning meeting), and submits to the President together with the standard speech strategy form. Disagreements, if any, will be indicated.
- Step 2 Following Presidential approval or amendment, speechwriters assume responsibility for drafting speech, collecting ideas as usual from all interested parties.
- Step 3 Speechwriters review initial draft with ZB who clears with State, DOD and other appropriate agency heads and negotiates disagreements with them. Speechwriters and Al McDonald clear with appropriate White House staff for domestic, political or legal concerns and incorporate their inputs.
- Step 4 Speechwriters and ZB agree on final draft for the President, including, as necessary, alternative language or options submitted by State, DOD, other agency heads or senior White House staff (if disagreements are unresolved).
- Step 5 ZB delivers finished, cleared draft of speech to the President no later than 48 hours prior to scheduled delivery, including alternative language and remaining dissents, if any.

May 15, 1980

THE WHITE HOUSE
WASHINGTON

May 15, 1980

Dr. Brzezinski

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

Rick Hutcheson

CC: Al McDonald
Jody Powell

NY 12 10 21

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

May 8, 1980

*where does state
(D.D) come in?
Should be early
J*

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI
AL McDONALD
SUBJECT: Process on Foreign Policy/National Security Speeches

ZB

*Zbig
J*

Al and I think the following steps are consistent with our procedures. They should provide adequate leadtime and also give you diversity of opinions.

*Sec State
or
Sec Def.*

Step 1. ZB develops substantive outline, in consultation with appropriate agency heads, and submits to the President, together with the standard speech strategy form.

Be sure State has signed off on outline or indicated

Step 2. Following Presidential approval or amendment, ZB gives it to the speechwriters for writing. Speechwriters draft speech.

Step 3. Speechwriters deliver speech to ZB for review. ZB consults with appropriate agency heads and senior staff; negotiates disagreements with them. Speechwriters and Al McDonald check with appropriate White House staff for legal or domestic-political concerns (e.g., Jody, Ham, Cutler, Stu) and incorporate their inputs.

11

Step 4. Speechwriters and ZB meet to agree on final draft for the President, including, wherever necessary, alternative language submitted by other agency heads or senior White House staff (if negotiated language is not possible). Return finished draft speech to ZB.

I prefer alternate language vs sterile compromises

Step 5. ZB takes speech to the President no later than 48 hours prior to scheduled delivery, including alternative language and remaining dissents, if necessary.

14

THE WHITE HOUSE
WASHINGTON

To
Louis

June 18, 1980

Martin-

MR. PRESIDENT:

Illinois State Rep.

Douglas Huff called at

12:15 p.m. (He said William

Henry to whom you talked

this morning asked him to call.)

*Huff wants to talk to
you re head &*

PHIL

Civil R.B. Violations

J.C.

THE WHITE HOUSE
WASHINGTON
18 Jun 80

The Vice President
Jack Watson
Stu Eizenstat
Gene Eidenberg
Jim McIntyre
Alfred Kahn
Lloyd Cutler
Sarah Weddington
Hedley Donovan
Anne Wexler
Frank Moore
Al McDonald
Jody Powell

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

Rick Hutcheson

EYES ONLY

ADMINISTRATIVELY CONFIDENTIAL

3503



CABINET ECONOMIC POLICY GROUP

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

June 13, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: G. WILLIAM MILLER *gwm*
CHAIRMAN, ECONOMIC POLICY GROUP

SUBJECT: EPG Activities

I. Meeting of Friday, June 13, 1980

- A. Report by Commerce and CEA on staff work on industrial policy.
 - 1. Authorized Deputies to proceed with careful analysis of industrial policy.
 - 2. Directed Deputies to review on expedited basis Administration actions which have a major impact on sectors of the economy and articulate the major principles rationalizing those actions.
- B. Requested Secretary Klutznick to head interagency task force to report on steel industry.
- C. Reviewed program for consultations with labor and members of the business community.

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Community WASHINGTON, D.C. 20506
Services Administration



Q
/

13 JUN 1980

MEMORANDUM FOR THE PRESIDENT

TO: Rick Hutcheson
Staff Secretary

FROM: William W. Allison *W. Allison*
Acting Director

SUBJECT: Weekly Report of Significant Agency Activity

DATE: June 13, 1980

Publication of Papers on Low-Income Perspectives on the
Structure of American Agriculture

In March 1979, Bob Bergland, Secretary of Agriculture, called for a "national dialogue" on the structure of American agriculture. CSA recognized the importance of the national dialogue and that low-income farmers would not be heard without a special effort to guarantee their participation.

Therefore, CSA made a grant to the Rural Land Alliance of Rural America to encourage low-income persons to get involved in the ten regional hearings and to produce a series of background papers on various dimensions of agricultural policy and how they affected low-income farmers and rural poor.

The Alliance produced a two-volume set which deals with the special problems of minority and other low-income farmers and analyzed federal agricultural programs from the standpoint of the low-income farmer.

The booklet will be used as background for policy development at CSA and will aid the local CAAs to design needed programs.

A copy of the two-volumes is ~~attached~~.

CAAs

EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
722 JACKSON PLACE, N. W.
WASHINGTON, D. C. 20006

C

June 13, 1980

MEMORANDUM FOR THE PRESIDENT

FROM:

Gus Speth
Jane Yarn
Bob Harris

Gus Speth

SUBJECT: Weekly Report

Democratic Platform. Congratulations on your impressive, forward-looking statement to the Democratic Party Platform Committee. Stu and David Rubenstein did an excellent job in my judgment. Those who read the statement are bound to appreciate the scope of your accomplishments over the past three years, the difficulty of the issues ahead, and the strength of your commitment to address them.

Export of Hazardous Substances. Yesterday, Bob Harris testified before a packed and attentive House Subcommittee hearing on export of hazardous substances which are banned for use in the U.S. Bob co-chairs with Esther Peterson a 24-member Interagency Working Group which is developing Administration policy on this important and complex subject. The committee wanted a progress report on the proposals being developed by the Working Group, as well as the Administration's position on pending legislation. The Working Group believes that the guiding principle of the policy should be full and timely sharing of information with our trading partners, enabling them to make their own reasoned decisions about importing goods which are banned for use in this country. In a limited number of cases, where the hazards are exceptionally severe, the Working Group proposes the imposition of U.S. export controls, to help protect citizens of other countries and the world environment, and to prevent serious damage to U.S. foreign policy interests. Two years of intensive effort and substantial interagency and public consultation have gone into developing the Working Group's report and policy recommendations. After consulting with persons interested and involved in the development of the policy and providing the agencies a final review, we expect to submit a final report with recommendations to you at the end of the summer.

Lake Tahoe. Your decision to move forward with actions to protect the fragile and threatened environment of Lake Tahoe is commendable. Our actions were well received in California with widespread press coverage and prompted a supportive editorial in the Los Angeles Times.

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THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

Q

June 13, 1980

MEMORANDUM FOR THE PRESIDENT

THROUGH: Rick Hutcheson, Staff Secretary

FROM : Thomas G. Allison
Acting Secretary

Tom Allison

SUBJECT: Significant Issues for the Week of June 9

Automobile Industry - Option papers for an Administration response to the cyclical downturn of the auto industry have been presented to the Economic Policy Group. The EPG will meet on June 17 to develop recommendations for your consideration.

Trucking Regulatory Reform - The House Public Works Committee intends to take its trucking regulatory reform bill to the Rules Committee next Tuesday and to the House floor next Thursday. The Administration and a broad but somewhat tenuous coalition of interests support the Public Works Committee bill. If the bill clears the House without amendment, the Senate is expected to accept it without a Conference. Amendments probably will be offered on the floor to add a legislative veto provision and a labor protection provision desired by the Teamsters. We are reasonably optimistic that both provisions will be defeated.

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THE SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

June 13, 1980

FYI

REPORT TO THE PRESIDENT

Ridesharing: Significant interest in and commitment to ridesharing programs was evidenced during my visit to Cincinnati where notably 30% of Proctor and Gamble's employees currently rideshare. My meetings with business, civic, and labor leaders and with the press for the purpose of promoting the Administration's program indicated, however, that an educated understanding of the seriousness of the Nation's energy problem is lacking. Deputy Secretary Hodges similarly promoted the Administration's program in Houston.

Economic Policy: Evidenced in my meetings with business representatives and the press is considerable awareness of the conclusions espoused by Administration spokesmen regarding the state of the economy, but not of the background and detailed analyses conducted by the Administration which serves as the basis for such conclusions. In this fluctuating economy, I believe that it might be appropriate for the Chairman of the Council of Economic Advisers to issue regular, detailed reports on the state of the economy thereby providing important guidance and information to those concerned.

Export Disincentives: Underlying skepticism within the business community as to the seriousness of the Administration's commitment to promoting trade is resulting from a believed failure on the part of the Administration to address what business views as significant export disincentives. This was particularly apparent at the Export Conference held by Georgetown University this week at which I and other representatives of the Administration spoke, as did representatives of the Congress. At all such meetings with the business community -- even at the ridesharing meetings -- the discussion focuses primarily on the tax provisions which militate against the U.S. corporations hiring U.S. citizens to represent them abroad (Sections 911 and 913 of the tax code); and additionally on the burdens associated with the Foreign Corrupt Practices Act.

On the positive side, I note our success in gaining passage this week of legislation protecting the confidentiality of the sensitive shippers export declaration forms filed as a part of export transactions; and the Senate confirmation of Robert E. Herzstein as Under Secretary of Commerce for Trade.


Philip M. Klutznick

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THE SECRETARY OF ENERGY
WASHINGTON, D.C. 20585

C

June 13, 1980

MEMORANDUM FOR: THE PRESIDENT

FROM: CHARLES W. DUNCAN, JR.
JOHN C. SAWHILL

SUBJECT: Weekly Activity Report
Week of June 6 - 13, 1980

- OPEC Price Increases: The OPEC Ministerial meeting in Algiers adjourned this week without reaching agreement on a uniform pricing strategy. Based on our present estimates of price increases from this meeting, we project that the OPEC price average will increase between 70 and 85 cents per barrel and U.S. oil import costs will increase between 40 and 60 cents per barrel. It has been estimated that this increase will add between one and two cents per gallon to U.S. heating oil and gasoline prices.
- Gasoline Rationing: The Standby Gasoline Rationing Plan was distributed to Congress and to the public this week. I introduced the Plan at a press conference on Thursday. Press reaction was as planned, emphasizing that the program was standby and that there was no intention or need to implement it in the foreseeable future. The press also stressed that the Plan's complexity reflected the several mandates and guidelines the Congress provided in the Emergency Energy Conservation Act and that the number of vehicles in the nation (153 million) would require an implementation program that would be at least four times larger than any comparable system, such as Social Security. Selected members of Congress received advance notification of the Plan; we briefed over 80 Congressional staff members on its details before the public announcement. The general reaction seems to be favorable.
- Utility Oil Backout: This legislative initiative took a major step forward this week when the Senate Energy and Natural Resources Committee completed its markup of S. 2470, the Powerplant Fuels Conversion Act of 1980. The Committee voted 17 to 1 to report the Bill and the Majority Leader is preparing expedited treatment for the Bill on the floor. The markup by the Committee deleted many of the powerplants listed in the Bill. The Committee also eliminated any consideration of Phase II of our proposal, which led to decrease in authorized expenditures from \$10 billion to about \$4 billion. We now estimate that the Bill, when passed, will reduce oil use by between 110,000 and 300,000 barrels per day, rather than the 400,000 barrels per day we projected for our original proposal. John Sawhill has been talking and meeting with members regularly this week in an effort to help the Bill's chances. He will meet with Congressman Dingell next Tuesday.
- Alaska Natural Gas Transportation System: I believe that we have finally arrived at agreement between all the parties involved in the Alaska gas pipeline. We are drafting a statement of support for the project for your signature and are working with members of the Congressional leadership to formulate a supporting statement for their signature. We are planning a White House ceremony for signing the producer-sponsor agreements, which should occur later this month.

The Canadians appear to be ready to support the project. Our General Counsel and Assistant Secretary for International Affairs met with the Canadian Pipeline Commissioner this week to discuss whether the negotiations thus far have met the Canadian conditions for authorizing the pre-build sections of the pipeline. The Canadians are satisfied with the producer-sponsor statement on financing, but they did question the timing of tariff payments. We are optimistic that we can reach a satisfactory resolution of this issue; our discussions are continuing.

5. Solar Energy: I testified on Thursday before the House Science and Technology Subcommittee on Energy Development and Applications on our solar energy programs. The Subcommittee was concerned by reports that our programs were not aimed at meeting your goal of 20 percent reliance on solar energy by the year 2000 and by reports of adverse budget action on solar energy requests. I stressed the tremendous increase in support for solar energy that this Administration and this Department have generated and pointed out that their concerns about a small segment of the budget process are minor, when viewed in light of that support. I emphasized the benefits of the management systems we have installed in our solar programs and the impossibility of preparing a detailed, year-by-year plan for twenty years of development in a fast changing industry. The testimony was fairly well received.

Several events of interest occurred this week in our solar energy development programs. The Albany, Oregon direct liquefaction facility successfully converted wood to oil for the first time, using a process that can transform one ton of wood products into three barrels of oil. A new model wind turbine, with wooden blades, is now operating on the utility grid in Hawaii and running more smoothly than any of our previous machines. Finally, our Ocean Thermal Energy Conversion test facility (OTEC-1) has cast off to begin its sea-going trials, which will constitute the first real test for this technology.

6. Trips: John Sawhill traveled to Boston this week to address the New England Conference of Public Utility Commissioners and to New York for the Annual Energy Achievement Awards dinner of the National Energy Foundation. Worth Bateman, Acting Under Secretary, addressed the Western Governors Association.

U.S. DEPARTMENT OF LABOR

SECRETARY OF LABOR
WASHINGTON, D.C.

C

June 13, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: THE SECRETARY OF LABOR 

SUBJECT: Major Departmental Activities
June 9-13, 1980

Administration's review of employment policy.
In light of the recent increase in the unemployment rate, the EPG will review on Monday, June 16, the employment picture, a forecast for the next several months and the status of our employment and training programs. For this meeting I have prepared a proposal to expand our summer youth employment program for this summer. It would target additional resources on approximately 30 cities that have high unemployment, poverty, and the potential for racial conflict. This proposal would also be funded by a reprogramming of existing departmental resources. In addition, I have proposed an expansion of other employment and training programs. I recognize that such a proposal must await a decision on our overall fiscal policy, but I believe that unemployment will continue to be a major problem and that we should begin a discussion of our options now.

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THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

June 13, 1980

Q

MEMORANDUM FOR: The President
Attention: Rick Hutcheson, Staff Secretary

Subject: Weekly Report of Major Departmental Activities

HUD Well-Represented at Mayors' Conference. During the early part of the week I and three HUD assistant secretaries participated in the annual meeting of the U.S. Conference of Mayors in Seattle. In my address to the group on Monday, I talked about the urban policy and the significance of this and other Administration accomplishments for our nation's cities. Assistant Secretaries Robert Embry, Lawrence Simons and Sterling Tucker all served on panels where they discussed details of the programs administered by their offices. HUD participants in the meeting were encouraged by this opportunity to share information with local government leaders.

Fair Housing Bill Moves Ahead. Yesterday the House passed the Fair Housing Amendments Act of 1980 on a 310-95 vote. Earlier, the House turned back an effort led by Congressman Sensenbrenner to recommit the bill by a narrow 196-209 margin. Sensenbrenner had lost by one vote an effort to strike the provision for administrative hearing powers from the legislation.

Women's Week Observed. This week we have conducted a variety of activities in conjunction with the seventh annual observance of Women's Week. Among these activities is sponsorship of a conference for women public officials from around the country. At the close of the conference on Saturday, HUD will sponsor a reception at the White House for the participants.

Rehabilitation Mortgage Insurance Program Announced. On June 20 the Rehabilitation Mortgage Insurance program -- Section 203(k) -- will be available to cover the cost of purchasing, refinancing and rehabilitating single-family homes. This program allows eligible moderate income families to buy attractively priced existing homes with single loans at long-term rates.

Moon
Moon Landrieu

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

C

June 13, 1980

MEMORANDUM TO THE PRESIDENT

THROUGH Rick Hutcheson
Staff Secretary

SUBJECT: Weekly Report

CROPS. The world total grain production range for 1980/81, at 1,525-1,600 million tons, is virtually unchanged from a month ago. Current crop conditions still suggest a larger world grain crop than 1979/80's, though the potential increase is somewhat less than expected last month.

The Soviet grain crop is now forecast at 190 to 220 million tons, compared with the 190-230 million tons estimated in May.

World oilseed production for 1979/80 is now estimated at 177 million tons; reflecting reductions in soybean production in Brazil of 0.4 million tons to 15.2 million and 0.35 million tons to 3.4 million in Argentina. Prospects for the 1980/81 world oilseed crop estimates are unchanged from May's report.

World cotton production in 1980/81 still is projected to total 63-68 million bales. U.S. planting and growing conditions have improved over the past month with timely rains in Texas and Oklahoma. The Soviet crop also appears to be progressing well, while the Chinese crop has been hindered by excessive rain.

Region	1977/78	1978/79	1979/80 est.	1980/81 1/	
				May proj.	June proj.
	<u>Total grains (Million metric tons)</u>				
World	1,457.5	1,580.6	1,521.4	1,525-1,605	1,525-1,600
United States	263.7	273.0	299.0	260-305	260-305
Rest of world	1,193.8	1,307.6	1,222.4	1,250-1,310	1,250-1,305
	<u>Oilseeds (Million metric tons)</u>				
World	148.0	155.9	177.5	162-178	162-178
United States	56.0	58.4	72.2	60-72	60-72
Rest of World	92.0	97.4	105.2	100-108	100-108
	<u>Cotton (Million bales)</u>				
World	64.1	60.0	65.4	63.0-68.0	63.0-68.0
United States	14.4	10.9	14.6	12.2-15.2	12.2-15.2
Rest of world	49.7	49.1	50.7	50.0-53.6	50.0-53.6

(1/ See page 2 for footnote.)

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1/ Projections, including U.S. projections, are based on trends and judgment of USDA analysts. Ranges of subtotals are not additive and should encompass final outcome about 2 out of 3 times.

Conditions as of June 1 suggest a 1980 U.S. winter wheat crop of 1.757 billion bushels, up 3 percent from last month's estimate and 9 percent from last year. This primarily reflects improved prospects in Kansas, Washington, Oklahoma and soft red winter wheat areas.

RETENDERS. CCC retenders bringing the total quantity of wheat and soybean meal retendered to 2.3 million tons (85.6 million bushels) and 210,000 tons, respectively. Corn retenders total 4.9 million tons (194 million bushels).

LOAN. The CCC confirmed that the interest rate on all 1980 crop commodity loans will be cut to 11.5 percent, effective June 16, and that economic emergency loans by the Farmers Home Administration will be cut from 14 percent to 11 percent for real estate and 11.5 percent for production loans. The interest rates on farm storage facility and drainage equipment loans will remain at 13 percent.



JIM WILLIAMS
Acting Secretary



Office of the Attorney General
Washington, D. C. 20530

June 13, 1980

Principal Activities of the Department of Justice
For The Week of June 9, 1980 through June 13, 1980

1. ABSCAM Indictment

A federal grand jury in Washington, D.C. returned a three-count indictment today against Congressman John W. Jenrette, Jr. of South Carolina and a co-defendant from Virginia. The indictment claims that the Congressman sought and received money to introduce a private immigration bill and to cause Senator Thurmond to introduce a similar bill. It also says that neither defendant ever discussed the matter with Senator Thurmond. This indictment resulted from the FBI's ABSCAM investigation. Two of the counts carry maximum prison terms of 15 years each.

2. BRILAB Indictments

A federal grand jury in Houston, Texas returned indictments against four persons in connection with the BRILAB investigation, which uncovered corruption in the awarding of insurance contracts for state employees. Among the four indicted was the Speaker of the Texas House of Representatives, Billy Clayton. He and the others were charged with fraud, conspiracy, racketeering, and conspiracy to commit extortion.

3. Judicial Appointments

34 judicial nominees are pending before the Senate Judiciary Committee. The Attorney General has spoken with both the Chief Counsel of the Committee and with Senator Strom Thurmond, expressing strongly the need for the Committee to continue to move towards the confirmation of the bulk of the nominees as soon as possible.

4. Drug Arrests and Seizure

Acting on information provided by the DEA, French and Italian police arrested several major international drug figures, including Jean Jehan, who has been a major strategist for the French Connection. The arrests took place at laboratory locations near Milan, Italy, and in Nice, France. The police also seized 61 kilos of Southwest Asian heroin worth more than \$100 million. These actions are expected to have a palpable effect in slowing down the flow of Southwest Asian heroin to the United States.

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5. Cuba

There have been 914 constructive and 83 actual seizures of vessels returning from Cuba with passengers since May 14. Approximately 100 persons have been arrested for violations related to the boatlift. Since the flow of boats began, 1780 vessels have received notices of intent to levy fines. In 285 of those cases, administrative orders for collection of fines have been entered, and an additional 141 cases in dispute have entered the adjudication process.

950 persons are in detention in various facilities because of their past records, and 100 persons are being confined at Fort Chaffee, accused of responsibility for disturbances there. We estimate that as many as 500 of these persons may have serious criminal records.

6. Parma, Ohio

Cleveland's largest suburb, Parma, has been found guilty by a federal judge of housing discrimination against blacks. Of the 100,000 residents counted in the 1970 census, only 50 were black. The government successfully argued that Parma had violated the Fair Housing Act of 1968 by refusing to enact a fair housing resolution, by opposing all forms of low income housing developments, and by adopting land use ordinances with discriminatory effects.

7. Meetings and Events

On Monday June 9, the Attorney General's Hispanic Advisory Committee convened for its second formal meeting. The Attorney General and Ambassador Torres had lunch with the Committee and met with the members for 5 hours. Among the wide range of civil rights issues which were discussed at the meeting were: recent Supreme Court decisions affecting voting rights, immigration policies, police use of deadly force, and fair enforcement of civil rights statutes. The Committee also heard a report from Mr. Vincent Barabba, Director of the Bureau of the Census, on the counting of Hispanic persons in the 1980 Census.

During the week, the Attorney General gave the commencement address at the Friends School in Baltimore. In addition, he spoke to the Capital Press Club on the subject of civil rights and to the American Law Institute on the subject of the administration of justice.



THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

JUN 13 1980

1

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report of HHS Activities

Health Programs for Residents of the Love Canal. All residents of the area will be offered a free, voluntary physical examination to determine their current health status. A more detailed study to compare the health of Love Canal residents with a carefully matched control group will be completed next year. Department staff are being assigned to Niagara Falls to facilitate the examinations and studies, relate to community groups, and to keep me informed of the problems.

Medicare Coverage of Heart Transplants. On Thursday, I announced that a final decision on Medicare funding of heart transplants will be made following the outcome of a Departmental study of the medical, social, economic, and ethical consequences of heart transplantations.

Hearing on New York State's Motion for a Summary Judgment Scheduled for June 17 in the Federal Letter of Credit Dispute. On May 20, New York State filed suit against the Department in the Federal District Court for the District of Columbia seeking injunctive relief and alleging that the Secretary was without legal authority to reduce the State's Letter of Credit to recover the overdrawn funds. After the State filed its motion for summary judgment on May 28, the Secretary filed a response on June 9 including a counterclaim against the State for the \$392 million it has overdrawn.

Funding Authorized for Medical Services to Newly Arriving Cubans. The Federal Emergency Management Agency (FEMA) has authorized the Department to provide emergency medical and mental health services needed for Cubans located at Ft. Indiantown Gap, Pennsylvania; Ft. Chafee, Arkansas; and Ft. McCoy, Wisconsin. Under the authorization, the Department will be reimbursed for all emergency services rendered.

Speech to the Conference of Mayors. On Monday, I spoke at the Conference of Mayors Annual Convention in Seattle, Washington. My speech emphasized the Administration's efforts to improve the quality of health and social services in the Nation's urban centers.

Patricia Roberts Harris

THE SECRETARY OF EDUCATION
WASHINGTON, D.C. 20202

June 13, 1980

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/

MEMORANDUM FOR: The President

SUBJECT: Weekly Report of ED Major Activities

Appointments

The nomination of James B. Thomas, Inspector General-Designate has been sent to the Senate.

Robert Humphreys, Commissioner of the Rehabilitation Service Administration, has announced his resignation effective July 15.

Confirmation Hearings

On June 12, the Senate Labor and Human Resources Committee held confirmation hearings for Edwin W. Martin, Assistant Secretary for Special Education and Rehabilitative Services-Designate and Cynthia G. Brown, Assistant Secretary for Civil Rights-Designate.

Chicago's Ineligibility for Funds

The Department has completed its review of a request by the Chicago Public Schools for approximately \$34 million under the Emergency School Aid Act (ESAA) for Fiscal Year 1980. Over the past several months, the Department has worked with Chicago to bring its school system into compliance with the ESAA and the Civil Rights Act. However, these efforts have not led to the necessary changes in Chicago's desegregation plan and the Department has therefore determined that Chicago is ineligible for ESAA assistance. The Department will continue to work closely with Chicago in conjunction with the Department of Justice in an effort to develop a remedial plan to bring the school district into compliance with ESAA and the Civil Rights Act. Because Chicago has never received funds under the ESAA program, our action will not result in an actual cut in funds available to the district.

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Congressional Veto of Regulations

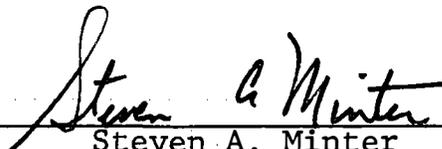
The Attorney General has advised the Department that the Congressional disapproval by concurrent resolutions of regulations for four education programs is unconstitutional. Accordingly, the Secretary has instructed senior Department officials to treat the regulations as final and effective rules. This action has generated controversy within the House particularly, some of whose members view this as an act of defiance of Congressional intent. We will keep your Congressional Liaison Staff informed as this situation develops.

Youth Act

The House Rules Committee granted a rule for the Youth Act of 1980 on June 10. House floor action is tentatively scheduled for June 17. The Senate Subcommittee on Education Arts and the Humanities will hold an additional two days of hearings on the bill on June 17 and 18.

European Trip

On June 15 the Secretary leaves for a UNESCO Conference in Sophia, Bulgaria. After the conference, the Secretary will meet with education officials in London and Paris before returning on June 26. I will be Acting Secretary in the Secretary's absence.



Steven A. Minter
Acting Secretary



THE SECRETARY OF THE TREASURY
WASHINGTON 20220
June 13, 1980

C
/

MEMORANDUM FOR THE PRESIDENT

Subject: Highlights of Treasury Activities

1. THE DOLLAR AND THE MARKET

- . The dollar depreciated under substantial pressure at times, as the market responded to further sharp reductions in U.S. interest rates and to perceptions that the U.S. will relax anti-inflationary policies. Treasury and the Federal Reserve increased intervention to support the dollar.
- . The yen was only briefly affected by the death of Ohira and resumed appreciating strongly, the movement curbed by large Japanese intervention.
- . Stocks moved higher on the week in heavy trading. The DJIA rose 15.78 points from last Friday to close at 876.54, 117 points above the April 21 low of 759.13.
- . Interest rates dropped sharply over the week in thin, mostly professional trading. The bond market firmed following a reduction in the discount rate to 11 percent, predictions by economist Henry Kaufman that further declines in interest rates are likely, and a larger-than-expected drop in industrial production.
- . Most major banks are posting prime rates in the 12 percent to 12-1/2 percent range, compared with 13 percent last week.
- . Gold in London rose \$7.50 from June 6 to close at \$607.50 today. The June silver contract declined 56 cents from June 6 to close at \$16.24 today.

2. NEW YORK CITY STANDBY GUARANTEES

- . Assistant Secretary Altman and Stu Eizenstat met this week in New York with Mayor Koch who is pressing very hard for the issuance of standby guarantees under the New York City Loan Guarantee Act.

- . We are reviewing the City's "private" request for the standby guarantees. We expect a formal request at the end of this month.

3. ALCOHOLIC BEVERAGE INGREDIENT LABELING

- . On June 10 final regulations concerning ingredient labeling for alcoholic beverages were issued. These regulations will become effective in 1983 thereby allowing sufficient time to resolve with the industry as well as foreign countries any potential compliance difficulties.

4. CHRYSLER CORPORATION

- . For the last three weeks we have been urgently pushing through the extremely complex documentation to permit the issuance of guarantees to Chrysler Corporation. It is possible, but by no means certain, that the transaction will be completed next week. While we remain optimistic, Chrysler's deteriorating condition and the recalcitrance of a relatively small number of U.S. and foreign lenders still leave open a risk of bankruptcy.

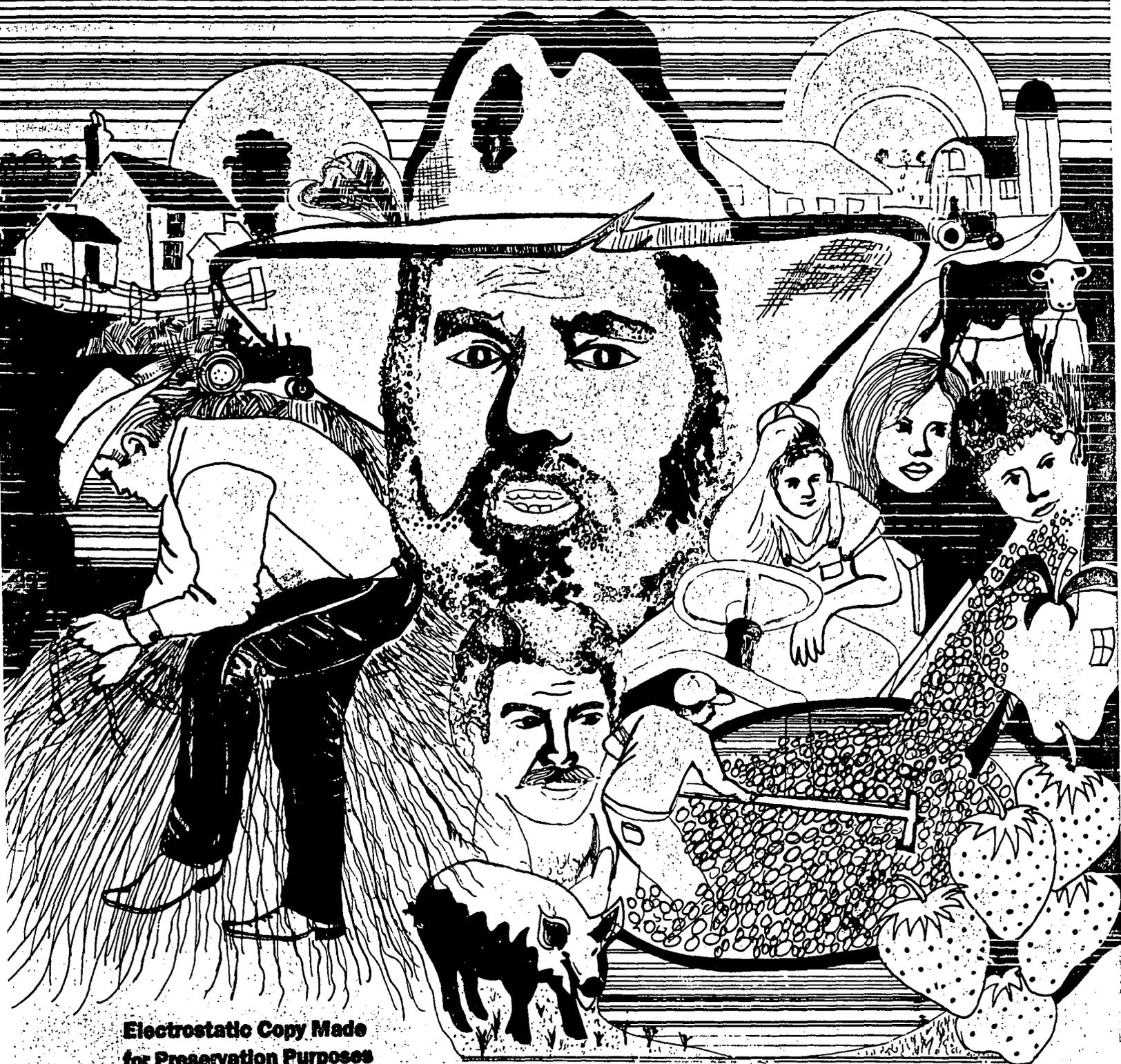


G. William Miller

Perspectives on the Structure of American Agriculture

VOLUME I:

**THE VIEW FROM
THE FARM**



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for Preservation Purposes**

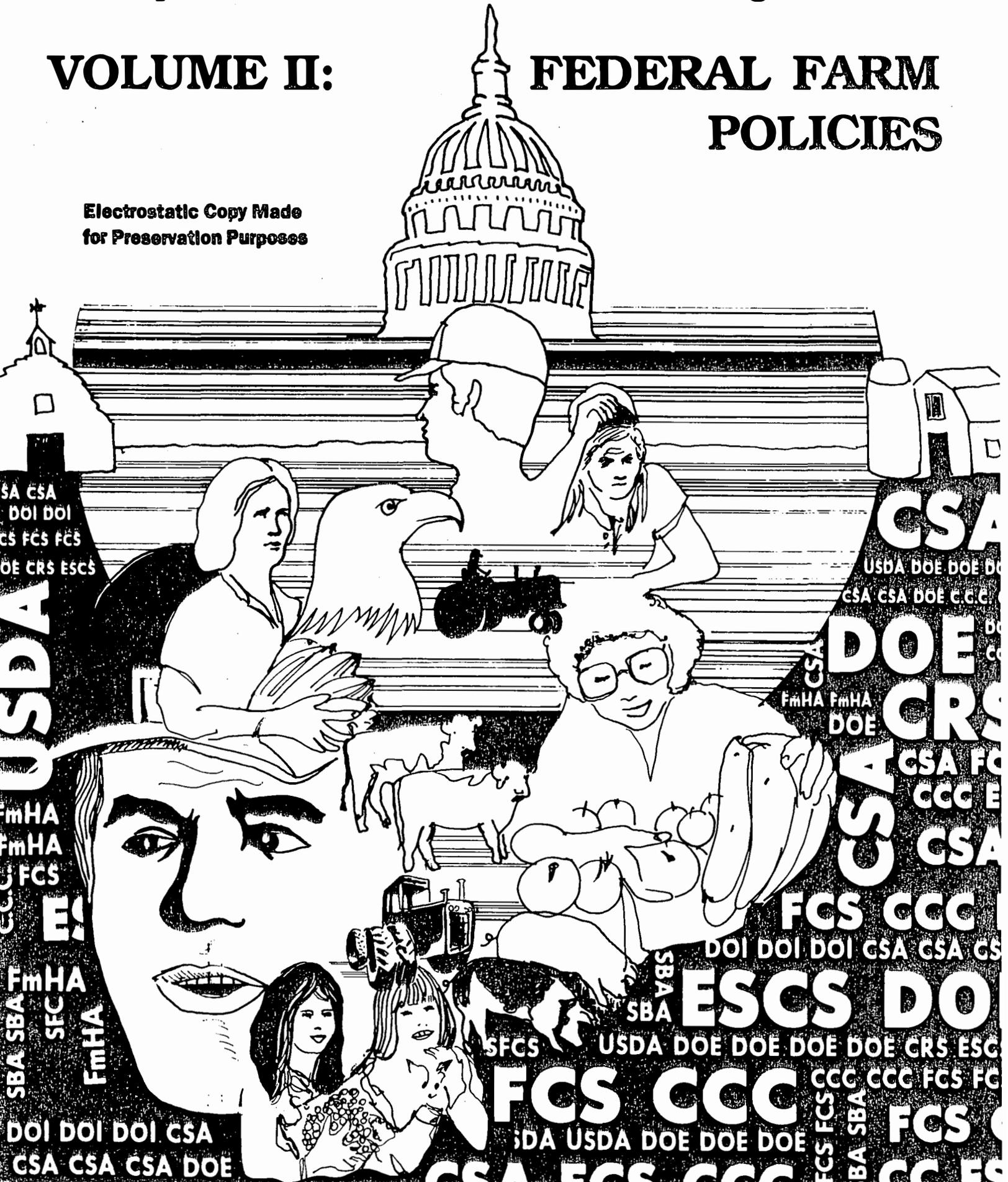
Rural America/Community Services Administration

Perspectives on the Structure of American Agriculture

VOLUME II:

FEDERAL FARM
POLICIES

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THE WHITE HOUSE

WASHINGTON

June 18, 1980

Stu Eizenstat
Lloyd Cutler

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

Rick Hutcheson

cc: The Vice President
Frank Moore
Jim McIntyre

THE WHITE HOUSE

WASHINGTON

June 18, 1980

MEMORANDUM FOR THE PRESIDENT

FROM

STU EIZENSTAT
LLOYD CUTLER

SUBJECT

DISCLOSURE OF IRS HELD INFORMATION
FOR LAW ENFORCEMENT PURPOSES

The Vice President has asked us to prepare this decision memorandum, and to reflect his views.

In response to White House abuses during the Nixon era, the Tax Reform Act of 1976 amended the Internal Revenue Code to make it much more difficult for Federal law enforcement agencies to gain access to information held by the IRS. Subsequent interpretation and administration of this statute resulted in a substantial curtailment of IRS involvement in investigation and prosecution of non-tax crimes such as corrupt payments, commercial bribery, fraud, and the laundering of money obtained through narcotics trafficking, white collar crime or other organized crime activities.

There are generally three types of information available to the Internal Revenue Service: tax returns, books and records used to prepare and support tax returns, and information obtained from third parties rather than from the taxpayer (third party information). There is agreement that since individuals and corporations are required to file tax returns, information found in these returns should be accorded special protection. There is also agreement that third party information indicating non-tax crimes should be made available to Federal enforcement agencies.

The crucial remaining issue is whether evidence of a non-tax crime contained in the taxpayer's books and records must be volunteered to the Justice Department by the Internal Revenue agent who is examining the taxpayer's books or whether it is to be available to Justice only upon Justice's obtaining a court order in connection with a specific criminal investigation.

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As Senators Nunn and Chiles discussed with you on May 8, they have introduced a bill which would require the Internal Revenue Service to disclose to the Department of Justice any information it discovers which may constitute evidence of the violation of any Federal criminal law except for information contained in the tax return itself; a court order would be required in that case.

Over the past few months, we have worked with Justice and IRS to come to a mutually agreed upon position which would permit disclosure of useful information to law enforcement agencies while protecting individuals' privacy rights and maintaining taxpayers' incentive to cooperate in reporting income. In addition, we have reached agreement on several administrative procedures which, under current law, would improve cooperation between the IRS and other Federal agencies.

The IRS and Justice have drafted legislation and a memorandum of understanding which resolve most of the problems noted by Senator Nunn. In particular, the agencies agree that (1) approval to disclose should be granted at the field level rather than in Washington; (2) there should be prompt disclosure after approval; and (3) the IRS should be required to inform the Justice Department of evidence of non-tax crimes uncovered from third party information. Substantial disagreement exists, however, regarding whether information obtained from a corporate taxpayer's books and records must be disclosed by the Internal Revenue Service on its own initiative or whether such information can be disclosed only upon the issuance of a court order initiated by the Department of Justice.

Issue I

Should the IRS be required to disclose evidence of serious non-tax Federal crimes obtained from an individual's books and records on its own initiative or should such disclosure be made only upon court order initiated by Justice?

1. Current Law and IRS/Justice Position. Under the 1976 amendments, Federal law enforcement officials have limited access to evidence of non-tax crimes uncovered from an individual's or a corporation's tax return. The officials can obtain access only through a court order and only if they

already have reason to believe that the tax information is probative evidence related to the commission of a Federal crime. Absent a request and a court order, the IRS is not permitted to provide prosecutors with information on criminal activities it uncovers from taxpayers' returns or books and records.

The 1976 amendments are based on the belief that taxpayers should not face the dilemma of complying with the tax laws at the risk of facing other criminal prosecution. The IRS contends that mandatory disclosure of evidence of non-tax crimes found in an individual's books and records would negatively affect the voluntary tax collection system. According to IRS, taxpayers would not freely submit needed information or keep the accurate and detailed records necessary for the system to operate. Furthermore, the IRS states that basic concepts of fairness dictate that individuals have a legitimate expectation of privacy with respect to the records the government insists they maintain. The Justice Department agrees with these conclusions.

Justice and IRS would permit evidence of non-tax crimes discovered in an individual's return or books and records to be made available to the Department without a prior court order only if the IRS determines that the individual should be prosecuted for tax fraud. Under these circumstances, the evidence would be given to Justice's Tax Division; there is then no reason to deny other branches of the Department access to the information or limit its use to tax-related crimes. However, if there is no basis for a criminal tax prosecution, the non-tax criminal information would not be referred to Justice.

2. Nunn Bill. The Nunn Bill protects information provided on tax return forms but would require IRS on its initiative, without a request, to disclose non-tax criminal violations found in an individual's books and records. However, the Chief Counsel of the Nunn Committee has advised that if the Administration will support the Justice position on access to corporate books and records, which we discuss below, they will accede to the IRS/Justice position on access to individual books and records.

OPTIONS

1. IRS/Justice Position: Prohibits IRS disclosure of evidence on non-tax crimes found in individuals' books and records, and evidence found in tax returns, except with a court order or in cases where IRS recommends criminal prosecutions for tax fraud.

(Recommended by the Vice President, DPS, Counsel's Office, OMB, IRS, and Justice)

2. Nunn Bill. Requires IRS disclosure of evidence of non-tax crimes found in individuals' books and records, but continues to protect information on tax returns.

(Not supported by any Executive Branch agency) _____

Issue II

Should the IRS be required to disclose evidence of serious non-tax federal crimes obtained from a corporation's books and records on its own initiative or should such disclosure be made only upon court order initiated by Justice?

1. Current Law. Current law does not differentiate between an individual's and a corporation's books and records. Justice is required to obtain a court order to have access to information from such books and records.

2. Nunn Bill. The Nunn Bill would require IRS to disclose non-tax criminal violations found in a corporation's books and records.

3. Justice Position. To avoid self-incrimination, the Code limits the disclosure of evidence of non-tax crimes discovered in an individual's return or related books and records. Corporations, however, do not have a fifth amendment privilege. In addition, a corporation's books and records are available for inspection under non-tax state and Federal laws. A corporation's privacy is less protected than an individual's and evidence uncovered in its books or records should be disclosed. Single shareholder corporations should be exempted on the grounds that they are the alter-ego of the individual taxpayer.

4. IRS Position. The IRS believes that if its agents were mandated to disclose all evidence of non-tax crimes found in corporate books and records, this would seriously impede administration of the corporate tax. The IRS routinely audits almost 150,000 corporate taxpayers each year. Some large corporations are under almost constant audit. If the IRS agents are required to enforce not only the tax laws, but all other federal laws, IRS believes they would be perceived as engaged in a "fishing expedition" of unprecedented proportions. The result would be substantial taxpayer resentment and a consequent decline in cooperation with examining agents.

IRS argues that there can be no return to the pre-1976 situation. Watergate awakened the citizens of the U.S. to the fact that the information they were required to maintain for and submit to the IRS was being turned over by the IRS to the Justice Department. The 1976 amendments assured citizens of the privacy most assumed they had prior to the Watergate revelations. Moreover, as a result of the widespread investigations of corporate bribery and illegal political contributions since Watergate, there is more of an adversary relationship between major corporations and the IRS which will result in strong resistance to changes in the law.

Justice argues that prior to 1976, IRS agents were permitted to provide to the appropriate law enforcement agency any evidence of non-tax crimes found in books and records. There were few, if any, instances of improper use of such information by Federal law enforcement agencies. Further, there is no evidence that tax compliance or IRS access to corporate books and records has been enhanced since 1976. On the other hand, there is substantial evidence, as recently reported by GAO, of non-tax crimes revealed in corporate records in the hands of IRS which, because of the statute, have not been reported to the proper authorities. Justice favors a return to the pre-1976 system with respect to corporate records.

Discussions on the Hill indicate that most members would support the Justice position. Further, as noted above, if the Administration will support the Justice position on access to corporate books and records, the Nunn Committee may accede to the IRS/Justice position on access to individual records. There is thus the substantial chance that we and Nunn (as well as the other eight Senatorial sponsors, including Senator Long) could achieve a unified position, with a modified Nunn bill supported by the Administration.

OPTIONS

1. IRS Position: Prohibits IRS disclosure of evidence of serious non-tax crimes found in corporations' books and records, except with a court order or in cases where IRS recommends criminal prosecution for tax fraud.

(recommended by IRS)

2. Justice/Nunn Position. Requires IRS disclosure of serious non-tax crimes found in corporations' books and records.

(Recommended by the Vice President, DPS, Counsel's Office, OMB, and Justice) _____ ✓

J

Once you make a decision on these issues, we will call Senators Nunn and Chiles to explain our position and gain their agreement on drafting a mutually acceptable bill. We will use the Nunn bill as much as possible but request permission to provide alternative language which more clearly sets forth our policy.

Approve _____ ✓

Disapprove _____

J

35 STATES

EQUAL OF RTS UNDER THE LAW
SH NOT BE DENIED OR ABRIDGED
BY U.S. OR BY ANY STATE
ON ACCT OF SEX
3 MORE

RECONSIDER TOMORROW

UNITED - ALL WORKING

NOT IN THIS FIGHT TO LOSE!

ERA GALA

6-19-80

LIZ CARPENTER. IRIS MITGANG

1966 - NOT ^{INTEND} ~~IN FIGHT~~ TO LOSE!

1952/67

"

1974 -

"

BOND - UNDER
SPOCK

C DAVID

"

102-71 ILLINOIS

"

FAMILY / ADMIN - COMMITTED

MO MTG 2 PRESIDENTS - 15 - F. RAISER

MTGS - PHONE - BUS LDRS

MAJORITY OF AMERICANS - 6 PRESIDENTS
BOTH '76 PLATFORM

WOMEN RESP. 1/4 HOUSEHOLDS

43% WORKFORCE - < WAGES

POVERTY - EQUAL PAY +

ED, LAW, PROPERTY, TALENTS, DIGNITY

AMY - SARAH - RIGHT - FAIR - NEEDED
JUSTICE

THE WHITE HOUSE
WASHINGTON

APPEARANCE AT NATIONAL ERA EVENING

Wednesday, June 18, 1980

8:30 p.m.

Mazza Gallerie

From: Sarah Weddington

I. PURPOSE

To increase support for the Equal Rights Amendment. This is the first national fundraiser for ERA to raise large amounts of money. It is a combined effort of the National Women's Political Caucus and ERAmerica which was put together after your suggestion of a fundraiser at the first meeting with the presidents of national women's organizations.

There is a great probability that the vote in Illinois on ERA will be held on June 18, and either a win or a loss will raise the visibility of this event.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: Mrs. Carter is hosting a reception at the White House for the participants of this event from 6-7:30. The 500 guests will move to the Mazza Gallerie for the dinner.

The program will include Liz Carpenter as the MC. Father Drinan will give the invocation and Dorothy Height will do the benediction. There will be a few remarks by the leaders of the two organizations but no speeches except for your address. You will be presented with a memento of the evening, a cartoon drawing, by the artist, Cathy Guisewite who has been an active ERA supporter. Entertainment will be presented after you leave by the Hexagon Club.

- B. Participants: The members of the head table are honorary co-chairs of the ERA Dinner:

Dr. and Mrs. Marcelino Miyares
Kenneth Young, representing Lane Kirkland
Mary Crisp and Kathy Hogan, Republican National Committee
Clarence O. Smith, Publisher, Essence Magazine
Mr. and Mrs. Sey Chassler, Editor, Redbook
Dorothy Orr, Vice-President, Equitable Life
Iris Mitgang, President, National Women's Political Caucus
Helen Miliken, Co-Chair, ERAmerica (wife of Gov. Miliken)

C. Press Plan: There will be travel pool coverage of the motorcade to Mazza Gallerie and open coverage of the dinner.

III. OTHER

If there is movement on the Illinois situation, I will get in touch with Phil Wise.

CARTER ADMINISTRATION EFFORTS ON BEHALF OF ERA IN ILLINOIS

The President, the Vice President, and Mrs. Carter have made more than 20 calls to Illinois representatives urging their support for the ERA. Chairman Strauss, and senior members of the Administration have also made calls.

The President met with the Illinois legislature leadership on May 5 to offer assistance in their strategy for ratification.

Kathleen Carpenter, Deputy Assistant Secretary of Defense for Equal Employment Opportunity, went to Illinois to testify on women in the military at the Illinois House ERA hearings.

Sarah Weddington and her staff have worked closely with Illinois legislative leaders and with national business, labor, religious, civil rights and women's groups to build a coalition of support and share information and strategy on Illinois. Members of her staff made trips to Illinois and worked closely with minority groups and labor to increase support.

Eleanor Holmes Norton participated in the march in support of ERA in Chicago on May 10 and read a statement from the President.

The President met with community leaders from Illinois and three other unratified states on February 12 in an effort to build support.

The President meets monthly with presidents of major women's organizations. A great deal of their work is devoted to ERA ratification strategy.

An ERA briefing for business leaders was held here May 15, with many corporate executives from Illinois in attendance.

ADDITIONAL INFORMATION:

The vote is projected for June 18, 1980 with some agreements made that the vote will not be called unless there are 107 favorables. Those agreements may not hold — it is the end of the session and there is a strong feeling of wanting this difficult issue out of the way.

The vote count is very soft and it will indeed be a miracle if all of the various combinations work for satisfactory result. Governor Thompson and Mayor Byrne have worked well on the issue as have a number of organizations including labor, religious and women's groups.

You have gotten considerable credit for your work and that of the Administration.

2:00 PM

THE WHITE HOUSE

WASHINGTON

June 17, 1980

MEETING WITH ROBERT DELANO

Wednesday, June 18, 1980

2:00 p.m.

The Oval Office

From: Al McDonald *Al*

I. PURPOSE

To discuss current agricultural issues with Robert Delano, President of the American Farm Bureau, and to encourage farmer support for your policies.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: You last saw Robert Delano, a Virginia farmer, on February 15 for a stand-up photo opportunity shortly after his election as President of the Farm Bureau. Delano replaced Allan Grant of California, who endorsed Ronald Reagan for President within hours of leaving office.

As you know, the American Farm Bureau is the largest farm organization in the United States with membership of some 3 million farm families. Although the Farm Bureau has never favored a Democratic Administration during an election year since FDR's time, they do have a fine record of close and cooperative working relationships with your Administration. For example, last year, they were strong supporters of the MTN negotiations and its implementing legislation, and were understanding initially of your suspension of grain sales to the Soviet Union. With low and uncertain grain prices, they have since withdrawn their support of the embargo.

There are signs that Delano and some of his State Chairmen would be willing to work more closely in the formulation of broad policies in the period ahead (see Secretary Bergland's memorandum attached).

- B. Participants: Mr. Robert Delano, President, American Farm Bureau Federation; John Datt, Secretary and Administrator, American Farm Bureau Federation; Bob Bergland, Secretary of Agriculture; and Al McDonald.
- C. Press Plan: White House photographer only (no press).

III. SUGGESTED TALKING POINTS

1. As we discussed when we last met, I remain committed to policies which will lead to a prosperous, competitive farm industry.
2. This Administration has the best farm export record in history, and one of the best Agricultural Secretaries ever. Rarely has an Administration worked as cooperatively or as conscientiously with farmers as we have.
3. The Farm Bureau has been a welcome, consistent supporter of free and expanded trade and often a good working partner with my Administration. I encourage you to continue working closely with us, and I am asking Bob Bergland to find specific areas of greater cooperation, particularly in the difficult months ahead. We need and ask your support for the sound farm program of this Administration.



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

June 17, 1980

To: Al McDonald
White House Staff Director

For as long as I can remember, the American Farm Bureau, at the National level, has professed to be politically neutral, but, in fact, has served as an extension of the Republican National Committee during Presidential election campaigns. They have never endorsed a candidate, but they traditionally carry promotional articles on the Republican candidates and criticize Democratic candidates. As a consequence, they have been taken for granted in the political process. Republicans assume they can count on Farm Bureau support. Democrats tend to write them off, thus weakening the Farm Bureau political position after the Democratic wins.

Bob Delano, a Virginia farmer and long-time President of the Virginia Farm Bureau, was elected to the position of the President of the American Farm Bureau Federation at its convention last winter. He is reportedly a conservative Democrat, and I do know that a number of the State Presidents are Democratic in their political views. Mr. Delano and the American Farm Bureau Executive Committee have decided to break with tradition and cooperate with both parties and provide equal treatment to both candidates for the highest office. They have told me they intend to urge their members and officers to become active in whichever party suits them and hope to be asked to nominate persons identified with the Farm Bureau to serve on Carter/Mondale campaign committees.

This represents a major change in their strategy. Whether Mr. Delano can bring this off or not is questionable, but he intends to try, and we intend to cooperate with him.

A handwritten signature in dark ink, appearing to read "Bob Bergland", written over a circular stamp or mark.

BOB BERGLAND
Secretary

2:30 PM

THE WHITE HOUSE

WASHINGTON

June 17, 1980

MEETING WITH SENATORS BAYH, GLENN, BIDEN,
EAGLETON AND NELSON

Wednesday, June 18, 1980
2:30 p.m. Cabinet Room
30 minutes

From: Frank Moore

I. PURPOSE

At the request of the above Senators, this meeting is to discuss the effect of Japanese imports on the U.S. auto industry.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

Background

In a letter to you, these Senators stated that they were "alarmed by the phenomenal growth of Japanese imports and the consequent decline in U.S. auto sales and employment".

In March, CEA and STR testified that the Administration opposed any restraints on Japanese auto imports. Our testimony was based on our commitment to free trade and a concern about the inflationary consequences of import restraints.

Since March, imports have continued to rise as a percentage of the domestic auto market. In May, imports represented 28.4 percent of the domestic market, compared to 21.9 percent in 1979 and 17.7 percent in 1978. Current Japanese auto production is 25 percent above 1979 levels, while U.S. production is more than 30 percent below last year's level. Moreover, the Japanese are adding the capacity to manufacture 2 million additional cars by 1983.

While it is well-known that the Japanese have increased their market share in recent years, the details of the penetration are important to an understanding of the threat posed by imports. The increase in Japanese imports has been achieved NOT by an expanding share in any major submarket (i.e., subcompacts and compacts), but by holding their share in the rapidly expanding subcompact market, which they dominate.

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for Preservation Purposes**

What also has happened is that GM has been winning market shares from Ford and Chrysler in all submarkets.

The high percentage of Japanese imports, combined with the recession and the transition period in the auto industry, have caused substantial unemployment problems. Layoffs in the auto industry now exceed the peak level of layoffs in the 1974 recession. These layoffs are concentrated in a few industrial states, although the ripple effect on supplier industries affects many more communities. The U.S. industry also has substantial idle capacity, even in plants that manufacture smaller, fuel-efficient cars.

On May 14, you met with the executives of the major auto companies and with the leadership of the UAW. Subsequent to that meeting, your Administration has had underway a comprehensive review of government policy toward the auto industry. A report is being prepared by Neil Goldschmidt, which the EPG will consider. The report examines the effect of trade, tax, regulatory, credit and anti-trust policies on the auto industry. This work should be completed within the next month.

We recommend that you use this meeting primarily to listen to the concerns expressed by the Senators.

Participants

The President
Secretary Neil Goldschmidt
Senator Birch Bayh (D-Ind.)
Senator John Glenn (D-Ohio)
Senator Joseph Biden (D-Delaware)
Senator Thomas Eagleton (D-Missouri)
Senator Gaylord Nelson (D-Wisconsin)

Press Plan

White House photo only

III. Talking Points

See attached.

TALKING POINTS

- I share your concerns about the layoffs in the auto industry and the effect of increased Japanese imports.
- As you are aware, I met a month ago with the chief executives of the major auto companies and with the leadership of the UAW.
- Since that meeting, we have had underway a comprehensive review of the government's policies that affect the auto industry. That review has covered all aspects of auto policy -- tax policy, regulatory policy, credit policy, anti-trust issues and trade policy. It has been headed by Secretary Goldschmidt.
- Your visit today is extremely timely. Neil's report has recently been submitted to the EPG and I expect to receive the recommendation of my advisors shortly.
- Your advice will be extremely helpful to me as I make my decisions.
- I understand that your principal concern is the effect of Japanese imports on the domestic industry. This is a difficult issue, with strong arguments on both sides.
- When I return from the Summit, I intend to work in detail on the problems of the auto industry. Your advice to me today will be extremely helpful to me as I make my decisions.