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Moore received a copy of the attached.
NAME: Rep. Sid Yates

TITLE: Member, U.S. House of Representatives

CITY/STATE: (D-Illinois-9)

Phone Number: Home ( )
Work ( ) 225-2111
Other ( )

BEFORE 11:00 A.M. ON TUESDAY, JULY 1, 1980
INFORMATION (Continued on back if necessary)

TALKING POINTS:

1. You have been instrumental in creating the congressional momentum for a major national program for synthetic fuel development.

2. Today, as you know, I will be signing S. 932 which establishes the Synthetic Fuels Corporation and also sets up an interim program under the Defense Production Act.

3. I support your efforts to maintain the momentum between now and when the

NOTES: (Date of Call 7-1- )

Says he & Bennett will work it out "to my satisfaction."
Corporation is operational -- namely $3 billion for the interim DPA program and continued activities under the Non-Nuclear Research and Development Act.

4. But the linchpin of our synthetic fuels program is the Corporation, and it is essential to the credibility of this program that the Corporation have the authority to make commitments without being subject to the usual annual appropriation process.

5. While I appreciate that appropriating the full authorized balance to the Corporation now will require placing a high level of confidence in that new entity, the Senate has already taken this step in the FY 1980 supplemental and I am asking for your help in assuring that the House conferees concur in this action.

6. It's taken a year of hard work and arduous negotiations to establish the Synthetic Fuels Corporation. The appropriation is a critical piece of this program and the only remaining action to be taken legislatively. Without the full appropriation for the SFC, its mission will be severely compromised.
KYODO: PRC'S HUA GUOFENG TO ATTEND OHIRA FUNERAL

OH020945 TOKYO KYODO IN ENGLISH 0933 GMT 2 JUL 80

(TEXT) TOKYO, JULY 2, KYODO--CHINESE PREMIER HUA GUOFENG WILL COME TO JAPAN TO ATTEND THE FUNERAL OF THE LATE PRIME MINISTER MASAYOSHI OHIRA TO BE HELD JULY 9, FOREIGN MINISTRY OFFICIALS SAID WEDNESDAY.

QUOTING A REPORT FROM THE JAPANESE EMBASSY IN BEIJING, THE OFFICIALS SAID THAT HUA WOULD ARRIVE IN TOKYO JULY 9, ATTEND THE FUNERAL SCHEDULED FOR 2 P.M., AND RETURN HOME IN THE AFTERNOON ON THE FOLLOWING DAY.

HE WILL BE ACCOMPANIED BY VICE FOREIGN MINISTER HAN NIANLONG.

THE CHINESE PREMIER WAS IN JAPAN ON A STATE VISIT BETWEEN MAY 27 AND JUNE 1, DURING WHICH HE HELD TWO ROUNDS OF TALKS WITH OHIRA.

2 JUL 1022Z AAS/KK
THE WHITE HOUSE
WASHINGTON

Richard --

bec Ste done

+550 pls

Thanks -

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ID 3612
THE WHITE HOUSE
WASHINGTON

7-2-80

To Gov. Dick Riley,

I would like to add my own voice to the chorus of praise for your great work as Chairman of the Platform Committee. I realize how difficult & important the assignment is, and what a personal sacrifice you have made to accommodate my request.

For all of this, I thank you. It is good to have you as a friend & ally.

Jimmy Carter
THE WHITE HOUSE
WASHINGTON

7-2-80

To Mayor Coleman Young

There has been nothing but praise for the superb job you did as Chairman of the Plat form Committee. I found this difficult & important. This is what a personal sacrifice you made to do it.

I'm deeply grateful to you for this, for your friendship, and for having you as such a valuable political ally.

Jimmy Carter
7/2/80

Rick --

I gave a copy of attached
to Stu at beginning of
t 0:00 meeting...don't know
if you want to provide another
for David or Stu & David...
or what.

Thanks--Susan

[Signature]

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MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT
       DAVID RUBENSTEIN

SUBJECT: 1980 Democratic Party Platform

This week, the Platform Committee completed its work and, after several all-night sessions, has given you a Platform which recognizes the Administration's accomplishments, contains no criticisms of Administration policy, is consistent with basic Administration programs and goals, and provides a sound and reasonable set of domestic and foreign policy objectives for the next term. In short, this is a Platform on which you should have no problems running.

Overview

The Platform is not, though a rubber stamp of the submission to the Platform Committee that you made; nor is it a document in which everything we wanted is stated precisely the way we would have preferred. Indeed, Senator Kennedy's supporters did a very effective job of arguing for many of his proposals and his language, and -- except for the issues like controls and gas rationing that he considers to be the core of his campaign -- much of what Kennedy sought is contained in the Platform. The additions and changes recommended by the Kennedy supporters enriched the Platform, and clearly make it a more liberal document than it would otherwise have been. Unfortunately, while a very substantial part of what Kennedy wanted in the Platform is in fact included, he (and some of his supporters and nearly all of his staff) are minimizing the Kennedy input to the Platform. Instead, their emphasis has been on the relatively few areas of disagreement -- though, admittedly, they are significant ones -- and this attitude is likely to continue until at least the Convention.

It is regrettable the Senator has not taken the route of claiming that the Platform contains most of his proposals, and using that claim -- and fact -- as a way of easing himself out of the race. As you have probably seen from the news accounts, Senator Kennedy has taken precisely the opposite stance; he has ignored what has been included and has emphasized several major items not included. Too, he has threatened floor fights on the excluded proposals, and has demanded that each candidate for the nomination affirm his commitment to the Platform.
The Kennedy stance, while regrettable, is not really surprising. Throughout the Platform process, his staff and supporters treated the process as merely an extension of the campaign, rather than -- as in 1976 -- a joint effort designed to produce a Platform that Democratic officials at all levels could support. Throughout the past week, the Kennedy operation refused to compromise on any major issue, would not vote in favor of any major provision not identical to the Kennedy proposal, sought repeatedly to embarrass the Administration, on particular Platform Planks, and emphasized areas of disagreement to the press. For those reasons, the process was disappointing.

Unfortunately, this type of approach by Senator Kennedy will be with us for the next seven weeks. He will be seeking to develop support for his minority planks, and he will be blasting away at the proposed Platform. At this point, hope that the Platform process can be a vehicle for reconciliation is dim. As I will explain later, there is some slim chance that further negotiations with the Kennedy people over the Platform content could lead, prior to the Convention, to a more reasonable Kennedy position on the merits of the Platform (if not a Kennedy acceptance of the Platform).

Drafting Subcommittee

The Drafting Subcommittee produced, in three days, a draft that largely followed your own submission to the Committee. It differed, however, principally in three areas: the Kennedy people objected to the long descriptions of Administration accomplishments, and the descriptions were pared back; the commitments about what will be done in the 1980's were made more specific (though in no case inconsistent with Administration policy); and areas omitted because of space limitations in your submission were added at the request of the Kennedy people -- such as antitrust enforcement, the role of women in the economy and child care.

Throughout the Subcommittee's work, it was clear that the Kennedy forces saw the process as one designed to further the Senator's campaign. For instance, the person in charge of the Kennedy operation was not the Issues Director, Peter Edelman, but a Kennedy political operative, Paul Tulley (who managed the Kennedy campaigns in Iowa and Pennsylvania). Further, there was no concession on the part of the Kennedy forces on any major issue, or any willingness to compromise. Indeed, the Kennedy members of the Drafting Subcommittee were not allowed to meet privately with us to negotiate compromise language. The Kennedy members never voted in favor of a Platform plank or section that was in any way different with the Senator's basic position.
While the personal relationships between our members and the Kennedy members were not acrimonious, they were not altogether friendly or pleasant either. The process went forward, to a large degree, because of the patience and deft skills of Governor Riley, who was an outstanding choice for Chairman. His unfailing patience in the face of the Kennedy tactics and demands was more than anyone could have expected of one person. At the end, every one of the Kennedy members joined in giving the Governor a standing ovation for his efforts.

The Kennedy forces chose articulate, forceful and prominent individuals to have on the Drafting Subcommittee, who were very skillful in arguing for the Kennedy position. But our members, while unfailingly loyal, tended not to argue very much and I -- or David during my absence -- became almost the only spokesmen in the Drafting Subcommittee for your positions. Also, the Senator's full issues staff was present, while David, Marty Franks and I had to handle our side completely.

This is a valuable lesson from which we should profit in the Rules and Credentials Committees. In short, it pays to have forceful advocates in key positions whenever there is going to be a fight with the Kennedy forces on Convention matters.

Platform Committee

The Drafting Subcommittee was a precursor of what was to occur at the Full Platform Committee. Once again, the Kennedy operation was unwilling to compromise on any significant issues, was unwilling to concede that we had accepted their language changes or their suggestions on a number of major sections, treated the entire effort as an extension of a political campaign (with Tulley still in charge), and depended on the speaking skills of its prominent members.

From our perspective, we also had the same general problems as in the Subcommittee (our members tended to be very loyal, but they were not as articulate as theirs. But unlike the Subcommittee, on some issues our members had serious problems with the Administration's position. On a number of occasions we had to compromise much more than we would otherwise have done. The biggest problems we had with our own members were on nuclear power (where we had to develop a compromise that went beyond our own position); on MX (the fight against which was led by one of our own members and was defeated by only 5 votes); and on Economic Stimulus (where many of our members who are Union members wanted a more forthcoming anti-recession assistance package than we could accept).
Once again the Kennedy contribution to the Draft Platform was significant. Whole paragraphs of the Kennedy presentation were incorporated into the Platform. And the discussion of major areas was considerably expanded and improved because of changes sought by the Kennedy forces. As discussed, though, this did not lessen the opposition of the Kennedy forces to the final product.

Much like the Subcommittee process, the Full Committee process depended upon a patient Chairman. While Coleman Young wore the support for you on his sleeve, he still ran the sessions with fairness and he too earned the respect of the Kennedy members.

Unlike the Subcommittee, at the Full Committee the Kennedy delegates were much more conciliatory and much more concerned about Ronald Reagan than about the outcome of the nomination process. A few Kennedy delegates for instance, made speeches at the end talking about the importance of unity and the disasters that would occur if Reagan were elected. In that sense, the Full Committee process can be seen to have had some real value. The Kennedy members (again to be contrasted with the Kennedy staff) were pleased with the fairness and openness of the process, and were reconciled to your nomination. Clearly, the majority of them will support you in the Fall; but just as clearly, a vocal minority will not, or at least are not yet prepared to support you.

**Press Treatment**

The press treatment of the entire Platform process tended to take the Kennedy line that we were making no concessions, and that we were using our strength in numbers to completely control and dominate the process.

From one perspective such press treatment might be seen as valuable. It showed that we are firmly in control of the nomination process and that the hopes for a Kennedy upset are based on nothing of substance. From another perspective, however, this type of a press attitude will likely harden the opposition to you of many liberal members of the Party and many diehard Kennedy supporters.

To prevent that unfortunate occurrence, I spent a considerable amount of the time holding press conferences and giving interviews over the past week, including appearing on Face the Nation last Sunday. Generally, I tried to emphasize how much we were compromising and how much the Kennedy people were getting in to the Platform. Toward the end of the Platform process, that perspective began to be reflected in press accounts. However, the fact that
Senator Kennedy, and his own press spokesman have rejected strongly this view -- and have emphasized the absence of the Kennedy proposals from the Platform -- can only lead to the perception that very few compromises were in fact made.

Over the next several weeks, to counter this perception, we need to intensify our efforts to talk about what is actually in the Platform, compared to the long list of items Kennedy wanted included. Such a comparison will show that the vast majority of items that Kennedy wanted included -- admittedly not the half-dozen major proposals of his campaign which were totally contrary to your policies -- were included.

**Strategy through the Convention**

In addition to countering the incorrect information about the Platform that Senator Kennedy's campaign has been providing, and will continue to provide, we need to take several steps to prepare for the Convention:

First, we need to prepare for the Floor fights on the Platform. Because of compromises made this past week, we fortunately will not face troublesome issues like nuclear power, gay rights, the status of Jerusalem and gun control on the Floor of the Convention. However, we will be engaged in a number of fights with Kennedy on his major Platform planks. We do not yet know precisely which planks Kennedy will push strenuously; but we will know that in a few days. However, we can guess now, with reasonable certainty, that he will pursue planks calling for:

- An immediate National Health Insurance Program
- A $12 billion economic stimulus package (along with Wage and Price controls)
- Recontrol of energy prices
- A more specific Industrial Revitalization Program (including his proposed American Reindustrialization Corporation)
- Opposition to the MX missile
- Opposition to Registration
- An increased Windfall Profits Tax
- A Commission on Platform Accountability (designed to measure an Administration's performance in honoring the Platform)
On each of these issues, we need to make certain that the public, the press and most importantly our Delegates, understand your positions. With respect to our own Delegates, we need to determine if there are any issues on which we will have serious problems in holding to your position. My initial thoughts are that we will have the greatest difficulty on the MX missile, on registration, and on economic stimulus.

We are already developing materials to be distributed to our Delegates on these and other issues, but I think it is important that you realize now how difficult some of these fights could be at the Convention. The fact that we might lose some Platform fights is the reason Kennedy is seeking a commitment from you that you will support the entire Platform.

Second, we need to take the portions of the Platform relevant to particular interest groups and indicate exactly how much of what they sought is actually contained in that portion. It is probably no exaggeration to say that virtually every constituency of concern to the Democratic Party has parts of the Platform with which they will be very pleased. But we need to make certain they know exactly what is there, and that we are committed to the language contained in that section of the Platform.

Third, after taking the appropriate time to familiarize yourself with the Platform, I believe that it is important for you to indicate that you are satisfied with the Platform Committee's work and that you will use the Platform's goals as part of your campaign.

I believe this is important because the Platform will, in time, be recognized by the liberal wing of the Party as a sound, progressive Platform in the tradition of previous Party Platforms. Since that is the wing of the Party whose support we need badly but do not yet have, the Platform can be an important vehicle to garnering that support. If we waiver in supporting the Platform I believe that such a hesitancy will be taken by many that you have written off the liberal wing of the Party in an effort to compete with Reagan for the Centrist vote.

Fourth, you could use parts of the Platform in your speeches over the next seven weeks when discussing your goals for the 1980's. In each section of the Platform there are fairly specific goals described for the 1980's. To date, we have not been very specific in describing our objectives in a second term. We now have the vehicle, the Platform, that contains the type of material which can serve as a basis for you to repeatedly provide the public with your own specific vision for the 1980's.
Fifth, I believe that it is important that we maintain, at the staff level, an open line of discussion with Senator Kennedy. In the coming weeks, he may become more willing to seek compromises on the Platform, and it is not inconceivable that we could reach an overall accommodation. For instance, one of the Senator's main proposals was the creation of an American Reindustrialization Corporation, which is designed to help revive ailing industries. Within the Administration, we are now reviewing ideas along those lines, and before the Convention we might be prepared to recommend such a corporation to you. If you approve, we could agree to modify the Platform at the Convention in this area, enabling Senator Kennedy to claim a victory. We might also agree to a Commission on Platform Accountability, which is a major item for the NEA, UAW and Kennedy forces. We could also compromise on language they wanted added saying unemployment would be the Party's number one priority. In short, the lines of communication should remain open with the Kennedy Campaign, and I plan, on Dick Moe's strong recommendation, to do that with Peter Edelman.

The DNC has not yet produced a final draft of the Platform, and will probably not be able to do so for at least another week. However, I think it is important that you have now a sense of what is in the document, and I am therefore attaching a brief summary of the major provisions.
THE WHITE HOUSE
WASHINGTON

June 27, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Al McDonald
Gordon Stewart
Bob Rackleff

SUBJECT: Presidential Talking
Points: SBA Bill
Signing Ceremony

Scheduled Delivery:
Wed, July 2, 2 p.m.
Cabinet Room

Your talking points for this event
are attached.

Clearances

OMB
SBA
David Rubenstein
THE WHITE HOUSE
WASHINGTON

July 1, 1980

BILL SIGNING - SMALL BUSINESS DEVELOPMENT

Wednesday, July 2, 1980
3:00 p.m.
The Cabinet Room

From: Frank Moore

I. PURPOSE


II. BACKGROUND

This legislation authorizes $5.3 Billion to extend small business programs through FY '84 and modifies the farm disaster lending program. The bill is the product of two years of difficult negotiations among SBA, OMB, and Members of the House and Senate Small Business and Agriculture Committees. Throughout the process, controversy centered on two points:

1. Initially, the concept of shifting disaster lending from SBA to FmHA; (You have long supported this. As you recall, you vetoed a small business bill in October 1978, partly because it did not contain this provision.) and

2. The specific language in the bill providing Treasury borrowing authority and repayment of interest costs associated with SBA's outstanding loan portfolio to Treasury. (We objected to a provision which would, in effect, excuse SBA from the full scrutiny of the budget process.)

In late May, when it appeared that discussions between the House and Senate and the Administration were stalemated on the above issues, the White House launched an effort to get a compromise bill that you could sign this year. You agreed to call Chairmen Neal Smith and Tom Foley to invite their participation in a meeting with Chairman Nelson, Senator Nunn and others on the WH staff to work out a compromise. That compromise is embodied in S. 2698.
Although the bill is not perfect, it does accomplish one of your major goals, that of getting SBA out of farm disaster lending, establishing a "cap" on loans to the wealthy, and reducing delays experienced by disaster victims.

Small Business Chairmen Gaylord Nelson and Neal Smith will be prepared to say a few words at your request. (Nelson wanted very much to pass a small business bill this year for his re-election.) Although Agriculture Chairmen Herman Talmadge and Tom Foley will not be present, it would be advisable to mention the spirit of cooperation and compromise between these committees (and between both Houses) which led to passage of the bill.

III. PARTICIPANTS

We have invited:

- Key members of both Houses who played a role in passage of the legislation
- House and Senate staff members who helped hammer out a compromise when Members were in serious disagreement
- Vernon Weaver and officials from SBA
- Gordon Cavanaugh, Administrator of FmHA
- Officials of several small business organizations, including minority and women's groups

A complete list of attendees will be submitted.

IV. AGENDA

After you make your remarks and sign S. 2698, you should call upon Chairmen Nelson and Smith to comment briefly. You should then make concluding remarks.

Note: Chairman Neal Smith will be accompanied by his grandsons (Brennan Smith, age 9, and Ryan Smith, age 6).
From the Senate:

Senator Gaylord Nelson, Chairman, Small Business Committee
Senator Walter (Dee) Huddleston, Chairman, Small Business Subcommittee on Advocacy and the Future of Small Business; Chairman, Agriculture Subcommittee on Agricultural Production, Marketing and Stabilization of Prices
Senator Donald Stewart, Chairman, Agriculture Subcommittee on Agricultural Research and General Legislation
Senator Sam Nunn, Chairman, Small Business Subcommittee on Economic Development, Marketing and the Family Farmer
Senator Ernest (Fritz) Hollings, Chairman, Senate Budget Committee
Senator Robert Byrd

From the House:

Congressman Neal Smith, Chairman, Small Business Committee
Congressman Joseph McDade, Ranking Minority Member, Small Business Committee
Congressman Silvio Conte, Ranking Minority Member, Small Business Subcommittee on Impact of Energy Programs, Environment and Safety
Congressman John LaFalce, Chairman, Small Business Subcommittee on General Oversight and Minority Enterprise
Congressman Jim Wright
Congressman Dan Rostenkowski

Federal Officials

A. Vernon Weaver, Administrator, Small Business Administration
Paul D. Sullivan, Associate Deputy Administrator, Small Business Administration
Hal Theiste, Associate Deputy Administrator for Programs, Small Business Administration
Jean Lewis, Assistant Administrator for Congressional and Legislative Affairs, Small Business Administration
Andy Westwood, Deputy Assistant Administrator for Congressional and Legislative Affairs, Small Business Administration
Gordon Cavanaugh, Administrator, Farmers Home Administration
Congressional Staff

William Cherkasky, Executive Director, Senate Small Business Committee
Alan Chvotkin, Legal Counsel, Small Business Committee
Bob Dotchin, Minority Staff Director, Small Business Committee
Bob Santy, Professional Member (Minority), Senate Small Business Committee
Roger LeMaster, Legislative Assistant, Senator Huddleston
Leigh Snell, Director of Legislation, Senator Nunn
Corey Rosen, Professional Staff Member, Senate Small Business Committee
Herb Spira, Chief Counsel, Senate Small Business Committee
Rebecca Davies, Senior Analyst, Senate Budget Committee
Allen Mandel, Senior Analyst, Senate Budget Committee
Ann Hadley, Budget Analyst, Senate Budget Committee
Alan Neece, Legislative Counsel, Senate Small Business Committee
Tom Powers, General Counsel, House Small Business Committee

Outside Groups

Sylvester Bass, Executive Vice President, National Association of Black Manufacturers
Steve Denlinger, President, Latin American Manufacturing Association
Ralph Martinez, Executive Vice President, National Economic Development Association
Ted Hagans, President, National Business League
Herbert Liebenson, Vice President, Government Affairs, National Small Business Association
Walter Stults, Executive Vice President, National Association of Small Business Investment Companies
Lewis Shattuck, President, Small Business Association

Others

Patricia LaFalce, wife of Congressman LaFalce
Brennan Smith, grandson of Congressman Neal Smith
Ryan Smith, grandson of Congressman Neal Smith
Talking Points for SBA Bill Signing

1. I AM HAPPY TO SIGN INTO LAW THE SMALL BUSINESS DEVELOPMENT ACT OF 1980. FIRST I WANT TO PAY TRIBUTE FOR THEIR CRUCIAL ROLES TO CHAIRMAN GAYLORD NELSON AND CHAIRMAN NEAL SMITH AND OTHER MEMBERS OF CONGRESS HERE.

2. THIS ACT RESTRUCTURES FEDERAL AID FOR AGRICULTURE AS WELL AS OTHER SMALL BUSINESSES HARMED BY DISASTERS. IT CONCENTRATES FARM DISASTER LENDING IN THE FARMERS HOME ADMINISTRATION, WHICH HAS THE EXPERTISE AND FIELD STAFF TO OPERATE THIS PROGRAM EFFECTIVELY. I HAVE LONG SOUGHT THIS REFORM BOTH FOR GREATER EFFICIENCY AND EQUITY, AND I APPLAUD THE SPIRIT OF COMPROMISE THAT MADE THIS POSSIBLE.

3. I AM ALSO PLEASED THAT THIS ACT WILL HELP REDUCE UNNECESSARY DELAYS IN DISASTER AID TO SMALL BUSINESSES OF ALL TYPES. WHEN DISASTER STRIKES, A FEW DAYS CAN MAKE THE DIFFERENCE BETWEEN RECOVERY AND FAILURE, AND THE ACT RECOGNIZES THIS CRITICAL NEED. OTHER PROVISIONS OF THE ACT SIMPLIFY SMALL BUSINESS LOAN PROCESSING, SET UP A NEW BOND GUARANTEE PROGRAM FOR STATE AND LOCAL DEVELOPMENT COMPANIES TO HELP SMALL BUSINESSES BUILD NEW PLANTS AND BUY EQUIPMENT, AND AUTHORIZE SBA ASSISTANCE FOR CREATING EMPLOYEE STOCK OWNERSHIP PLANS.

4. FINALLY, THIS LAW IS CONSISTENT WITH THE RECOMMENDATIONS OF THE WHITE HOUSE CONFERENCE ON SMALL BUSINESS. I LOOK FORWARD TO OUR CONTINUED COOPERATION IN HELPING SMALL BUSINESSES GROW AND PROSPER.

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THE WHITE HOUSE
WASHINGTON
July 2, 1980

MEMORANDUM TO THE PRESIDENT

FROM: RAY JENKINS

SUBJECT: Interview for New York Times Magazine Article

Your session with Adam Clymer, at 1 p.m. today in the Oval Office, will be on-the-record, 30 minutes in length, in preparation for a cover story in The New York Times Magazine, tentatively scheduled for publication in late July.

Perhaps you saw a similar Times Magazine cover story on Reagan this past Sunday. Clymer is a political reporter, having come to The Times about four years ago after many years with The Baltimore Sun. In his request for the interview, he states that his story will focus

"on what kind of a President would President Carter be in a second term... In talking to people about the subject, I find the phenomenon of blind men describing an elephant. Aside from a general agreement that the President would operate more on his own instincts and feel less bound politically, everyone I talk to sees a second Carter term as a reflection of his or her own hopes or fears, drawn from conflicting signals they take from Mr. Carter's three and a half years in office.

"I could write the piece from material of that kind, and it would be interesting. I would prefer to write it with that stuff as no more than an undertone to the President's own feelings about a second term. Then it would be more than interesting; it would be good."

You will recall that The Los Angeles Times did a looking-to-the-second-term interview in mid-May -- although they got pretty far afield from the specified topic. At that time, briefing papers were prepared and sent to you. Slightly revised versions of these memoranda are attached.

The Times has a Sunday circulation of approximately 1.5 million and its Magazine articles heavily influence editorial writers on major papers throughout the country.

Attachments
MEMORANDUM FOR JODY POWELL

FROM: STU EIZENSTAT
      DAVID RUBENSTEIN

SUBJECT: Interview with New York Times

At your request, we have revised an earlier memo (prepared for an L.A. Times interview in May) about what the President might say on the subject of the second term domestic agenda.

As you know, the Administration has not yet fully developed our program for the second term. We have committed ourselves generally to a number of new initiatives over the next four years (i.e., investment and savings tax incentives). And we clearly will be pursuing specific legislative initiatives not enacted during the first term (i.e., National Health Insurance). But we do not yet have a fullscale legislative or policy agenda for a second term.

However, the President did lay out a fairly specific agenda for the second term in his Statement to the Platform Committee. That Statement specified in every area what we hope can be accomplished over the next four years. While there were language changes during the Platform process, the Platform agreed to by the Committee essentially represents the goals set out in the President's Statement. The basic domestic goals in the President's Statement are summarized in the Talking Points at the end of this memo.

If there are two themes to be emphasized from those goals they are that (1) we are committed to building on the progress, the tough decisions of the first term, in order to complete the frameworks and the solutions undertaken since 1977; and (2) there is a realistic hope that the problems we have tackled can be solved, and will be solved through the policies we have initiated -- in short, things will be getting better if we stick with the policies we have initiated.

By way of preface, the President, in discussing the second term, should try to weave into his remarks a number of general second term points:
1. No Full Second Term in 20 Years

The President should point out that no President has served a full second term in 20 years (no Democratic President since Roosevelt). In making that point, he can indicate that one of the disadvantages of not having a President serve a full second term for such a long time is that long-term problems have been ignored (as we learned when we took office); that Federal policies have often changed dramatically within short periods of time; that the country has lost the benefit of the experience developed by a President in a first term; and that our allies are often uncertain about the long-term direction of U.S. policies. The President can state that, while all problems will not be solved by Presidents having full second terms (especially if the fundamental direction of their policies is in error, as we believe Ford's was), many of the problems just mentioned can be eliminated or alleviated.

2. Second Carter Administration

Following on the previous point, the President can point out that in a second term:

- He will be more experienced in the ways of Washington and in dealing with foreign leaders; his Cabinet officers and staff advisors will be similarly more experienced. (In making this point, it can be admitted that mistakes or errors have been made; but the impression should be left that lessons have been learned as a result and the likelihood of similar mistakes is remote. A new President would inevitably spend time making those same mistakes.)

- The problems facing the country can be addressed immediately, without the 1-2 year startup time that a new Administration often requires. (So many of the Administration's policies have been long-term in nature, bearing fruit in the '80's; but that fruit can be borne best if those implementing the programs and policies are the same people who developed and initiated the programs and policies.)

- The groundwork that was laid during the first four years in solving energy, economic, and foreign policy problems will not be wasted, but can be pursued naturally, knowledgeably, and without interruption.

3. Fallacies About A Second Term

It is important, as well, for the President to refute fears prevalent in some quarters about a second Carter Administration. Briefly, those fears include the usual
arguments made against any second term Administration -- that it will be lame-duck from the first day and therefore not very powerful or effective; and that the best people in the Administration are tired after four years and will be leaving shortly after the reelection; (and thus the promised "experience" will really not exist).

In particular, it is also feared that a second Carter Administration will not be politically sensitive, for reelection concerns will be gone and the Administration will be attempting to do what the bureaucrats believe is "right" and not what will be in the best interests of those who helped reelect the President. From this perspective, the Administration is seen as being ready to do the unpopular, "right" thing after the election, and those who helped to reelect the President will have very little influence on decisions.

In response to these fears, the President can make points along the following lines:

(1) that there is no evidence that second term Presidents have been weaker because they are "lame ducks"; if there is any "lame duck" effect at all it would not surface until the very end of the second term; that has been the experience of other second term Presidents (or one term Governors); many second term Presidents have been more influential and effective in their second term (Wilson, Roosevelt, Truman, Eisenhower);

(2) that the Administration has been replacing people gradually during its first term and that many of its best people are new and can be expected to stay for a number of years in its second term (in the Cabinet, Miller, Goldschmidt, Landrieu, and Muskie can be cited);

(3) that the Administration has not ducked unpopular decisions in the first term (and there is thus no enormous backlog of unpopular, wrenching decisions waiting to be made); and

(4) that reelection concerns have not been a primary motivating factor in our taking "political" factors into account when making decisions -- rather, it has been the recognition that getting things done in Washington requires that "politics" must to some extent be a factor, and that reality -- and the
recognition of it -- will remain in the second term. ("Political" factors -- such as the view of an interest group -- can be taken into account without regard to an election campaign; that is done now and can be done in a second term.)

Suggested Talking Points for the President

1. When I came into office, I recognized that our country was facing a difficult transition period:
   - We needed to convert from an era of cheap oil to an era of alternative energy sources and more realistically priced conventional energy;
   - We needed to move toward a period of fiscal restraint, low unemployment and wage and price stability;
   - We needed to address urgent, unmet social needs, in a time of more limited Federal resources;
   - We needed a government structure that operated more effectively and efficiently;
   - We needed to restore openness and integrity to the Federal government; and
   - We needed to ensure that rights promised in earlier years to all citizens were being met.

2. In each of these major areas, I pursued policies that would enable us to move through a transition period and to reach those goals. I recognized the difficulties involved in achieving each of those goals, and did not pursue them lightly. I also recognized that quick, easy solutions would not provide lasting, enduring answers. That is why, in many cases, I put forward programs and policies that were comprehensive in nature, that were long-term in orientation, and that were complex and time-consuming in development and implementation.

3. In a sense, I realized that in a few years I could not achieve all of the goals I wanted, or to make all of the progress I thought necessary. But I thought it was important to lay the groundwork, to begin the structures, to undertake the long public education process, to initiate the difficult Congressional battles, and to begin to confront many of the
special interests in Washington. In some instances, there have already been short-term benefits to these efforts; as part of our effort to make the government more efficient we have already deregulated the airline and banking industries and have put civil reform onto the books. In other areas, like energy security, we have put in place a framework that will be paying rich dividends throughout the 1980's, but its full effect has not yet been felt (though there clearly have been short-term benefits -- oil imports were 8.8 million barrels per day in 1977; they are now about 6.5 million barrels per day).

4. In a second term, I would like to follow through on the work that has been done in the first term; many of the policies and programs are in place and can be successfully completed by me in a second term. Other programs and policies need to be initiated, but that can be more readily done in light of some of the groundwork laid in the first four years.

5. Let me be specific about how I think we can follow through in the next term on work already undertaken:

- **Energy.** We will have a comprehensive energy policy in place by the end of the first term. In the second term, we will concentrate on implementing that policy -- reducing our dependence on foreign oil, increasing conservation, developing alternative energy sources, eliminating unnecessary energy regulations, increasing our use of coal, and pursuing safe, nuclear energy. In addition, we will concentrate on efficient administration of our energy policy and on providing sound management and organization within the Department of Energy.

- **Economy.** We will continue our policy of fiscal restraint, tough anti-inflation policy (wage and price policies will continue to be voluntary), strong emphasis on reducing unemployment and particularly youth unemployment. We will work, as we did in 1977, to develop policies which will fight the recession, consistent with our basic anti-inflation goals. We will also concentrate on developing and implementing economic policies which will provide long-term strength to our economy's fabric; we will pursue incentives for increased savings, innovation, labor productivity, capital formation and investment, and basic research. That will enable us to rebuild our industrial base -- to make it competitive with Japan and Germany and to enable us to retain the role of technological leader of the world.
Social Needs. We will continue to make social progress for our disadvantaged and for the poor despite the fact we will be in a time of fiscal restraint. We will do that through carefully phasing in new programs, by leveraging private sector resources and by targeting Federal resources to areas and to people in greatest need. Specifically, we will be intensively pursuing national health insurance, welfare reform, improved education programs, a strong Social Security system, and programs for the disadvantaged, elderly and handicapped. Again, one of our main areas of focus will be on implementation: the new Departments of Education and of Health and Human Services.

Government Reform. We will continue our efforts to deregulate over-regulated areas; included in this effort will be communications deregulation and regulatory reform. We will not only pursue reorganization, but will make certain that the reorganizations put into place in the first four years are operating as intended. We will continue to reduce paperwork, and eliminate unnecessary regulatory burdens on the private sectors and State and local governments.

Openness. I will continue the policy of openness toward the press and the public. We will want to make the government understandable and accessible to all citizens.

Rights and Liberties. I will continue to appoint women and minorities to major government positions. We will continue our efforts to ratify ERA and the D.C. Voting Rights Amendment. We will continue to work toward making certain that the Civil Rights laws enacted in the 1960's and 1970's are successfully implemented.

In making each of the above points, it is tempting to contrast what we will do with Reagan's likely performance. Hamilton, Rafshoon and Caddell feel very strongly that the President should hold his fire for awhile on Reagan. However, as in the Platform submission, we can contrast what we will do with the thrust of general Republican policies (and let the reader make the connection to Reagan). Among some of the policies a Republican Administration can be expected to pursue are:

- Opposition to ERA ratification;
- Repeal of Windfall Profits Tax;
Opposition to National Health Insurance;
Repeal of minimum wage;
Repeal of Humphrey-Hawkins;
Weakening of environmental legislation;
Opposition to basic framework of agricultural laws and farmer-assistance programs.
MEMORANDUM

THE WHITE HOUSE

WASHINGTON

July 1, 1980

MEMORANDUM FOR: THE PRESIDENT
FROM: ALFRED FRIENDLY
THROUGH: RAY JENKINS
SUBJECT: Foreign Policy Talking Points for Your Meeting with Adam Clymer of The New York Times, Wednesday, July 2, 1980

Following are talking points on the continuity of Administration foreign policy for your second term, updated from a similar memorandum prepared for you by Dr. Brzezinski for your meeting with The Los Angeles Times, May 15.

-- Clearly, my most important objectives in the second term will be to complete and extend work begun in the first. I have devoted myself to three main concerns, and our progress towards each of these goals must be sustained: recovery of the American economy; reduction of oil dependence; and strengthening of the U.S. national security. In all three areas we have laid the groundwork in this Administration; in the next term, it will be necessary to continue the work, and then to reap the fruits of our labors in a stronger, healthier economy, and in a better basis for acting to protect our interests abroad.

-- In Philadelphia on May 9, I set forth five compass points that will continue to guide our nation's course. They are:

First, to enhance not only economic but also political solidarity among the industrialized democracies.

Second, to establish a genuinely cooperative relationship with the nations of the Third World.

Third, to persevere in our efforts for peace in the Middle East and other troubled areas of the world.

Fourth, to defend our strategic interests, especially those which are now threatened in Southwest Asia.

And fifth, to advance arms control, especially through agreed strategic arms limitations with the Soviet Union, and to maintain along with this a firm and balanced relationship with the Soviets.
-- In relations with our Allies, two areas of special concern will need attention: organizing the economies of the West for new conditions in the mid-1980s; and -- with regard to our European Allies -- gaining even greater support by them in sharing with us the responsibilities of peace and security in areas outside of Europe -- areas just as vital to our Allies as they are to us.

We advanced our work in both these areas in our discussions at the Venice Summit, June 22-23, as well as in the conversations I had with friends and Allies in Italy, Yugoslavia, Spain and Portugal on that European trip. What is clear from the decisions that were jointly made is the long-term nature of both the economic and political challenge to the industrialized democracies. There are no quick fixes for either energy security or the security of Southwest Asia and the Persian Gulf. In fact assuring security for ourselves and our Allies for the future requires some very painful choices throughout this decade: investments in energy conservation and development of alternatives to oil as well as investments in defense, both of which will mean restricted choices for social programs at home. In working with our Allies to develop not only a joint outlook on these challenges, but common policies to address them, we have brought together and kept together a consistent and resolute Western understanding of the problems we face and of the long, hard job before we can claim that those problems are solved.

-- We have already scored an enormous achievement in improving our relations with newer nations throughout the world -- Africa, Panama, China, Middle East. We should be in an even better position, as our economy recovers, to do more in our relations with nations of the developing world. There 85 percent of mankind will live by the end of the century; and what we do now -- whether in peacemaking, economic assistance, political responsiveness, or in helping them achieve their rightful place in the world political and economic scene -- will create the basis for productive relations in the years and decades ahead.

-- In Middle East peacemaking, the Camp David process can provide the basis for moving onward to a comprehensive peace, involving Israel's other neighbors -- so that Israel can finally have the peace it needs and deserves.

-- At the same time, it will be important for the American nation to sustain the efforts we are now making in the Persian Gulf/Southwest Asia region. The Rapid Deployment Forces, prepositioning of material, contingent access to military facilities, security and political relations with our friends in the area -- all these efforts must be built upon in the years ahead, to help secure the interests of the states in the area, as well as our and our Allies' interests.
Hardly less important is the continuing effort to respond to the challenge of the Soviet Union, in terms that will lead it to understand the requirements of a genuine, balanced, and reciprocal detente. With increases in our defense spending, our specific steps following the invasion of Afghanistan, and with our growing capacities to respond to Soviet challenge in areas of the world like Southwest Asia, I believe that Moscow will regain the respect for the U.S. that is essential for there to be real detente that can be sustained. At that point -- if and when there is a real earnest of Soviet willingness to work in cooperative ways with us -- we will of course want and need to get on with arms control, including SALT II and SALT III.

In human rights, we will continue to press on with the good work that we have done in this Administration: making human rights a full part of our foreign policy, and raising the world's consciousness both about our intentions in this regard, and also about the rising importance of human rights on the world's agenda.

It is important for the American people to understand that this is just the beginning of a complicated and difficult time in the world. The terms of international politics and economics have shifted dramatically from the post-World War II days, when the United States was pre-eminent in a shattered world. Europe and Japan recovered -- partly with our help. Soviet military power increased. New nations emerged on the world scene, many of them, like the OPEC nations, with new wealth and global economic power -- others with terrible poverty. All in all, Americans must be more willing to see and understand the world around us as it really is -- a complex and turbulent reality, not easily rendered into a single slogan or formula.
Mr. President:

OMB and DPS are unlikely to finish work on five enrolled bills which were recently received by the White House before your departure tomorrow. Several of the bills are controversial, and OMB needs to review them thoroughly. We will get them to you via courier in advance of the last day for action, July 9.

In addition, Congress is about to pass a supplemental, which OMB and DPS believe you should sign immediately. It is doubtful whether Congress will finish printing the bill before your leave. Thus, we will send the bill to you via courier as soon as it is received.

If any of these bills are ready for signature before your departure, I will get them to you immediately.

Rick

Electrostatic Copy Made for Preservation Purposes
FOR THE RECORD

HUGH CARTER RECEIVED A COPY OF THE ATTACHED FOR APPROPRIATE HANDLING.
MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER

SUBJECT: Change in Helicopter Landing Site in Plains

For the past several weeks, the White House Military Office has been working to find another site to land your helicopter in Plains. The site chosen is on land that you recently purchased from Billy adjacent to the softball field, across Paschal Street from the swimming pool.

The change is being made to provide for increased convenience to you, for considerable dollar savings to the Government, for an improved security situation, and to relieve the White House from the considerable problems that it has had in trying to utilize Peterson Field. (If you prefer, I can elaborate on the problems with Peterson Field, but for the sake of brevity, I will say that they are business and logistics related, have been present for three years, and have steadily grown worse over time. Most elements involved in the travel situation, and especially the Secret Service and our Military Office, have had problems, and the Government is being asked to pay unacceptable prices to use the facilities.)

We have contacted everyone who should be consulted in moving this operation to the new site, including Boze Godwin, Mayor of Plains, Mr. Kirbo, Billy, Phil Wise, Press Advance, Secret Service, all elements of the military, and all approve and support the move.

No improvements will be made on your land, except: the area will be mowed and raked; portable landing lights will be temporarily put out for night landings; portable crowd control ropes and stanchions will be used where necessary.

Your emergency helicopters will no longer be located at Peterson Field, but will be relocated to Souther Field in Americus. The response time of these helicopters is not appreciably affected by this change, and is still far below our maximum allowable response time for emergency evacuation.

We strongly recommend that this change be made, and request your concurrence.

Approve ☑ Disapprove _____
Stu Eizenstat
Frank Moore

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

Rick Hutcheson
THE WHITE HOUSE
WASHINGTON

July 1, 1980

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT
SUBJECT: Enrolled Resolution S.J. Res. 115
National Porcelain Art Month
(Sponsored by Senator Riegle)

THE BILL

The enrolled resolution designates the month of July, 1980
as "National Porcelain Art Month" and requests you to issue
a proclamation.

VOTES IN CONGRESS

Voice vote in both chambers.

AGENCY AND STAFF RECOMMENDATIONS

OMB and the National Endowment for the Arts recommend
approval. I concur. A proclamation which has been
cleared by the speechwriters is attached for your
signature.

DECISION

✓ Sign S.J. Res. 155 and issue attached proclamation (recommended).

☐ Sign S.J. Res. 155 without proclamation.

☐ Veto S.J. Res. 155

We owe it to

Riegle
7/2/80

rick --

original & copy have been sent to stripping desk for our files and for cc to denver.

attached is for your info and handling re wexler.

(there was a yellow correspondence "tracking sheet" and therefore i figured course of action mentioned above was best)

thanks--susan clough
THE WHITE HOUSE
WASHINGTON

July 2, 1980

John Denver --

President Carter asked me to send you the enclosed copy of your letter which includes his note -- with his best regards!

-- Susan Clough
June 20, 1980

Dear Mr. President:

Like most Americans, I am frequently preoccupied with possible solutions to the many problems of our country and our world. It seems increasingly clear that approaches which utilize more resources, or which shift to different resources, are ultimately doomed to failure. In this vein, it occurs to me that what has always been the truly distinctive attribute of this country and its people is creativity. Over the years we have gradually and unwittingly veered toward solving problems with might and money rather than with resourcefulness and ingenuity. In these inflationary times, obviously this trend must be reversed.

Thinking along these lines caused me to associate to Buckminster Fuller, whose scientific creations have all been guided by the dictum of "more with less". Since I consider "Bucky" one of the greatest thinkers of our age, easily the equal of a Leonardo da Vinci, I have been working for some time to get his work more widely known and acknowledged. Recently I have been attempting to persuade ABC TV to do a special highlighting Bucky. Although I am certain that there will be many celebrations of his brilliance after his death, it is difficult to get media people to see the value of doing that during his lifetime.

These two avenues of thought intersected for me, and I want to offer a suggestion to you. My proposal is that you establish an award, of the status of a Nobel prize, to acknowledge social contribution which is oriented toward enhancing our civilization's future, and that the first recipient be Bucky. An award such as this could set a tone and symbolize a return to that which has always represented America's highest value. Under any circumstances it would be appropriate to honor Bucky Fuller in this context - the fact that he is this summer, on July 12, celebrating his 85th birthday, makes it uniquely timely.
My staff and I have done a good deal of thinking about communicating Bucky's work to a broader audience. If it would be useful for you to have additional input from us, or discussion about the proposal, we would naturally be genuinely pleased to respond.

Be assured that you are frequently in my thoughts and in my heart. You have my support as always, in meeting the challenges of your position.

Cordially,

John Denver

Electrostatic Copy Made
for Preservation Purposes
THE WHITE HOUSE
WASHINGTON

July 2, 1980

To Mildred Litton

Rosalynn and I were deeply saddened to learn of your husband's death. We extend our sympathy to you and your family.

Charley's strength and courage inspired all who knew him. We cherish the special affection with which we will always remember him. Our thoughts and prayers are with you at this difficult time.

With our warm regards,

Sincerely,

[Signature]

Mrs. Charley Litton
Post Office Box 220
Chillicothe, Missouri 64601
1) Betty Majors, former President of WIFE
her address should be on file...see att'd note from their newsletter
(she met with RSC along with some other WIFE reps last year)
she had a heart attack

2) Charlie Litton died this wkd. He was the father of Congressman Jerry Litton
(Missouri) who ran for the Senate and died in a plane crash the
night he won. I believe P went to a special dinner/service in his honor.
Scott B called in about this one - said he believes there is a big
file on Litton.

Is any of the above enough to get a support/recup note for the first and
a condolence note for the second, if there are survivors for Litton, and
I suspect there are.

Betty Majors

Mrs. Betty Majors
National President
Women in Farm Families
Box 7147
Cecelia, Nebraska 68427/6

Kat King, National Nominating Committee and Polly Woodhan, National
Steering Committee, left June 19th for Denver. The meetings will last
through Sunday night. On Monday, they will go to Washington, D.C. to
attend a "White House Consultation With Rural Women", to be held Tuesday
P.M. They will return to S.C. Wednesday night after meetings with the
S.C. delegation.

Can you and your farmer afford a 300% increase in property tax?
This may be coming unless some changes are made. Act 208 of 1975 pro-
vides for reassessment of real property in S.C. and for the S.C. Tax
Commission to determine "use value" of farm and timberland. The tax
will be assessed using average production levels over a 3 year period
according to soil type and capability. The problem is that the yield
figures being used are not reflective of the real world in which the
farmer must grow and market his crops. In fact they are so unrealistic
that in some instances (Marlboro County) taxes on agricultural real
property may increase as much as 400%. The S.C. Tax Commission must be
convinced that the figures which are being used to compute the tax are
entirely unrealistic. There will be a public hearing at 10 A.M.
Monday, June 30 in the John C. Calhoun Bldg., Columbia (just behind the
Capitol). That room should be filled to overflowing. Please encourage
all farmers in your area to attend and plan to be there yourself. This
is YOUR land they are talking about! Farmers want to pay their fair
share - but let's be realistic.

Betty Majors of Cecelia, Ne., past National President of WIFE,
is at home recuperating from a heart attack. She will enter the hos-
pital in Omaha for further tests next week - doctors indicate she may
need a pace-maker. We all pray for her speedy recovery. She means
much to WIFE.
Jim McIntyre

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

Rick Hutcheson
7/1/80

Mr. President:

DPS concurs.

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

JUL 1 1980  

MEMORANDUM FOR THE PRESIDENT  

FROM: James T. McIntyre, Jr.  

SUBJECT: Controlling Abuses in Federal Procurement Management  

Despite your strong initiatives and OMB directives, abuses continue to exist in the Federal procurement system. A recent series of Washington Post articles and Congressional hearings have emphasized problems associated with contracting for consultant services, but we believe that those abuses are evidence of inadequate management controls that exist in all phases of Federal contracting.  

Strong Congressional interest, upcoming media pieces and the political volatility of the "waste and fraud" issue all mandate immediate and vigorous actions.  

I propose to take these steps at once:  

- First, impose an immediate "freeze" on the authority of the agencies to obligate funds for the procurement of consulting services until a management plan is submitted. Although such a freeze could cause a disruption in agency programs in ways that cannot be ascertained in advance, it would have substantial dramatic value.  

- To deal with abuses in the broad range of Federal procurement, I will put renewed emphasis on the need for strict management controls and adherence to existing management policies, including rigorous enforcement of the Ethics in Government Act and requirements for the competitive award of contracts. We will aim especially at ending the "buddy system" of contracting typified by "revolving door" officials and sole source procurements. This responsibility will rest with the department and agency heads, but I will also ask the Executive Group to Combat Waste and Fraud in Government (which was established by you last year, is chaired by the Deputy Attorney General, vice-chaired by OMB and is composed of all the Inspectors General) to make this effort a top priority in all departments.
To remedy the special problems identified in the use of consultants, I will require the major departments and agencies to submit to OMB an agency directive which:

- Names an accountable senior official who is responsible for establishing a management control system to end consultant abuses;

- Requires certification by the accountable personnel and contracting officials that the control system is sufficient to eliminate unnecessary consulting and procure needed consulting services in a manner that is competitive and free from abuse; and

- Reflects the comments of the agency Inspector General on the effectiveness of the agency's strategy.

I will request the Secretaries and agency heads or their deputies to attend a meeting at the White House on July 3, 1980, at which I will emphasize the importance of this issue and the need for immediate improvements. I will brief the Inspectors General at a meeting in the afternoon.

DECISION

I agree with planned actions.

See me.
DATE: 01 JUL 80
FOR ACTION: STU EIZENSTAT AL MCDONALD
           JACK WATSON no comment

INFO ONLY: THE VICE PRESIDENT LLOYD CUTLER
           FRANK MOORE JODY POWELL

SUBJECT: MCINTYRE MEMO RE CONTROLLING ABUSES IN FEDERAL
          PROCUREMENT MANAGEMENT

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

+++++++++++++++++++++++++++++++++++++++++++++++++++++++

ACTION REQUESTED: IMMEDIATE TURNAROUND

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

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- ADMIN CONFIDENT
- CONFIDENTIAL
- SECRET
- EYES ONLY
MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: Attached clipping

Congressman Henry B. Gonzalez sent me the attached clippings which I am forwarding to you for your information. I thought you might like to send him the attached thank you note.
THE WHITE HOUSE
WASHINGTON

July 2, 1980

Dear Henry:

Frank Moore brought the clippings you sent him to my attention. I appreciate your kind words and continued support.

Sincerely,

[Signature]

The Honorable Henry B. Gonzalez
U. S. House of Representatives
Washington, D.C. 20515
HBG: No Doubt Carter Will Be Nominated

By ENEDELIA OBREGON

There is no question President Carter is best-qualified for the presidency and will have no problems receiving the Democratic Party presidential nomination, according to U.S. Rep. Henry B. Gonzalez.

"I just can't see the convention delegates going against the people's will, since the president has received most of the primary delegates," he said Saturday.

Gonzalez was at El Tropicano Hotel to address the Texas Postal Workers Union and Auxiliary convention.

Gonzalez added that Sen. Edward Kennedy's decision to take his campaign to the national convention in New York will not hurt the Democratic Party.

"But it's Kennedy who has to decide where his role of perfecting the progress of the party ends and where the division of the party begins," Gonzalez said.

Kennedy is now claiming he is more interested in perfecting the party platform than in receiving the nomination, Gonzalez said, so predicting Kennedy's next move will be difficult.

Gonzalez does not seem to think much of Ronald Reagan's proposed tax cut, calling it an "appeal to the basest part of human nature."

"Of course no one wants taxes to go up," Gonzalez said. "But look what happened in California. The people have common sense. They went for the first one but the second one was voted down."

Reagan's proposal would benefit the richest corporations and individuals rather than the average American, Gonzalez added:

"I doubt if the reform tax bill will pass unless Congress loses its collective wits," he said.

Gonzalez added he does not believe Reagan "has what it takes" to be a good economic leader, since he has not established a program for his campaign and does not have a good record as a public official.

"The tax thing is the first thing he's done and it isn't even new," Gonzalez said. "And as California governor — what did he do? American voters have a responsibility to study the candidates' records."

...Carter, on the other hand, has a better record of achievement, although he is highly criticized and unduly blamed for many of the country's problems, the congressman said.

Gonzalez also told the postal union members that Congress "won't allow" the cutoff of Saturday mail service.
WASHINGTON — President Carter is underrated as a president and should be awarded the Nobel Peace Prize for the Camp David agreements, U.S. Rep. Henry B. Gonzalez said Wednesday in a speech on the floor of the House of Representatives.

The Camp David Accord was an agreement between Anwar Sadat and Menachem Begin to negotiate a peace treaty between Egypt and Israel.

Gonzalez also praised the president for a successful overseas mission. "President Carter is today visiting Spain after what I consider to be one of the most successful presidential trips abroad. I think everyone has overlooked the achievements of President Carter and unjustly so.

"If we do not have a more war-like atmosphere in the world, it is because President Carter's achievements in this respect have been great and irrefutable. He has conducted foreign affairs without the need of a prime minister, which was the case of our two preceding presidents. He has conducted open diplomacy in a world that is cynical and believes that it cannot be done.

"But above all, I'm asking those who determine the Nobel Peace Prize Award that President Carter be given this recognition for his achievement at Camp David, which I think has been underestimated."

JUN 20 1979
I. 

sacrifice their freedoms. When people were more tempted to sacrifice their freedoms, we have had the draft and we have had a pending war, unless somebody has been foolish enough to conduct an upheaval, permits the military to come in and declare martial law. For us to sacrifice the most fundamental of our personal liberties, the right for us to deal with our own lives, and the basic right to our life and to our property, under these conditions, is rather discouraging.

If we can draft young people, or even register them to then be used potentially in wars, foreign wars with no purpose in mind, this attests the basic fundamental of our entire system. The words "All men are endowed by their Creator with certain inalienable rights, and among these are life, and liberty," will have no meaning if we carelessly legislate conscription, registration, and make plans for war. This undermines and destroys the whole concept of natural rights. When we concede to the state that the state can take a young man's life for whatever purpose on him the greatest burden for the defense of the country, this undercuts and degrades the whole concept of what we are fighting for.

When we concede to the state that the state can take a young man's life in a national emergency requiring the reinstatement of a draft, I do not support a peacetime draft, but I do support a realistic peacetime registration and this legislation is only a pale imitation of what was needed.

Like many of President Carter's policies, this is a hollow gesture, designed for the purpose of impressing those who do not look carefully behind the words uttered to discover the real meaning.

Mr. Speaker, I yield 7 minutes to the gentleman from Texas (Mr. Paul).

Mr. PAUL asked and was given permission to revise and extend his remarks.

Mr. PAUL. Mr. Speaker, I rise in opposition to the rule in bringing up a resolution we will not be able to amend, but more so, I rise in strong opposition to what we are doing in front of us today.

I consider the passage of this legislation, the reinstatement of the draft, as history in our country, and in the past, we have seen such episodes and we have had registration, but it has been in moments when people were more tempted to sacrifice their freedom, or threat of war, people are more careful about their freedoms.

But today, the fact that we do not have a pending war, unless somebody has that in mind, the fact that we are willing to sacrifice so much of our freedom, to me is rather sad. We can easily understand how a community, where there is an upheaval, permits the military to do this.

We are going to draft up high school kids and make up for the blunders of our foreign policy.

It is said by those who promote the draft and conscription that those of us who oppose conscription and the impending draft are unpatriotic. I would state that those who are trying to make a war or to support a war are unpatriotic.

As I have said before, there is nothing unpatriotic about defending principles of liberty, those ideals of freedom stated in our Constitution. I do believe we have a strong defense and we are quite able to reject this notion that the state has the ultimate right to deal with our young people's lives and still be patriotic, we must say that our friends in Europe are Machiavellian. They say, "well, for the defense of freedom we must have a strong national defense, and for a strong national defense that means we need a draft of young soldiers carrying rifles. Therefore, we must sacrifice a little bit of freedom."

This is the same argument used in the totalitarian states, and it is justified under totalitarianism. But it is not justified in a free nation to sacrifice any portion of freedom. To me it is maosochistic and a great tragedy to shift the tax burden to the young and draft them and send them off for some unknown purpose, to some unknown part of the world, to fight some unknown war without any deliberate purpose or intention. We cannot compensate for any insane foreign policy bydrafting up of young people to fight some unknown wars. There is no conscription or draft known to man on the face of the Earth in the history of the world that has been fair. How can it be? Can anybody be represented with their conscientious objections? It is totally incompitable with the notions of a free nation.

Some claim we need this to show a sign of strength to our enemies. To me strength and a sense of security is showing a sign of weakness today due to the fact that we have to compromissel, by force, free individuals to defend themselves, unless possibly they have a justified complaint; possibly we are not really defending ourselves but meddling unnecessarily around the world. This is the real message that needs to be told.

Some of the other issues we have overlooked them and unjustly imposed upon us is our Constitution.

Thus the joint resolution before us is essentially the same in effect as that adopted by this House a few weeks ago. The rule provided by House Resolution 518 will permit the House to proceed immediately to consider a motion to take House Resolution 518 from the Speaker's table, and concur in the Senate amendment. At the conclusion of debate, the previous question will be considered as ordered and the question on the motion to concur will be put without intervening motion.

Mr. Speaker, I urge the adoption of this rule which will permit House Resolution 518 to proceed expediently to ratify its earlier state position on House Joint Resolution 521.

Mr. BAUMAN. Mr. Speaker, I yield my time.

Mr. Speaker, I support the rule before us, and I would only say that I support the bill for what it is. It is no more than a hollow gesture of restoration of draft registration. I personally would have preferred the institution of full draft registration and classification so that the precision that manpower is available if, in fact, we face a national emergency requiring the reintegration of a draft. I do not support a peacetime draft, but I do support a realistic peacetime registration and this legislation is only a pale imitation of what was needed.

Mr. Speaker, I yield 7 minutes to the gentleman from Texas (Mr. Paul).

Mr. PAUL asked and was given permission to revise and extend his remarks.

Mr. PAUL. Mr. Speaker, I rise in opposition to the rule in bringing up a resolution we will not be able to amend, but more so, I rise in strong opposition to what we are doing in front of us today.

I consider the passage of this legislation, the reinstatement of the draft, as history in our country, and in the past, we have seen such episodes and we have had registration, but it has been in moments when people were more tempted to sacrifice their freedom, or threat of war, people are more careful about their freedoms.

But today, the fact that we do not have a pending war, unless somebody has that in mind, the fact that we are willing to sacrifice so much of our freedom, to me is rather sad. We can easily understand how a community, where there is an upheaval, permits the military to do this.
On June 12, the Senate passed House Joint Resolution 521 providing for the temporary transfer authority but at a level of $10,000 below the House-passed version of the resolution. Today we are asking you to concur in the Senate amendment.

Mr. Speaker, at this time I yield to the gentleman from Massachusetts (Mr. Conte).

(Mr. Conte asked and was given permission to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, I rise in opposition to this resolution containing in the amendment of the Senate to provide for the transfer of $12,285,000 for pre-mobilization registration.

Mr. Speaker, nothing has changed in this country and around the world since we first debated this matter in subcommittee and then in full committee and now in this Chamber on April 22. Neither has my position. The resolution as passed by the Senate contains a warrant a change in my position. I continue to believe that pre-mobilization registration as planned by the administration is unnecessary and unwise.

Yes, there are problems with our military. Problems in keeping our equipment in working order; in providing continuing training opportunities for our servicemen; and problems in retaining in the military ranks experienced men once we have them in the tin and expensive to train them. But none of these problems are going to be addressed by pre-mobilization registration. If anything, pre-mobilization registration acts to provide a diversion away from these pressing military considerations.

"The failure of our rescue effort in Iran grew to a rising concern among the people of this country about the capability of our military. And well they should. We are concerned about our military's capability of our military to remain a free nation and to assist our allies to remain free nations. But all that pre-mobilization registration does is to give the American people a placebo. It gives our people a false sense of security that we are doing something significant about our military posture when you and I know that it is not. Pre-mobilization registration acts to mislead the public about our readiness posture.

Unfortunately, it does not mislead the Soviet Union or other world powers about what mobilization and military readiness are all about and who will see clearly through this sham. I urge rejection of this resolution.

Mr. WHITTEN. Mr. Speaker, at this time I yield such time as he may require to the gentleman from Massachusetts (Mr. Boland), the ranking member of the Committee on Appropriations.

(Mr. Boland asked and was given permission to revise and extend his remarks.)

Mr. BOLAND. Mr. Speaker, nothing has changed since April 22. The issues are the same, the problems are the same. Mr. Speaker, House Joint Resolution 521 passed the House on April 22 by a vote of 219 to 180. The resolution contained an additional $13,295,000 for the Selective Service System to register males only. These funds were to be derived by transfer from unobligated balances in the "Military Personnel, Air Force" appropriation.

The Senate passed House Joint Resolution 521 on Thursday, June 12, by a majority vote of 28 to 24. The Senate-passed resolution contains $13,285,000, a decrease of $10,000 below the House-passed resolution. As I understand it, the Senate amendment reducing the amount by $10,000 was agreed to in order to stop a number of subsequent dilatory amendments.

Mr. Speaker, I support the resolution and ask for concurrence in the Senate amendment.

Mr. WHITTEN. Mr. Speaker, I yield such time as he may require to the gentleman from Pennsylvania (Mr. Coulter), also a member of the subcommittee who has jurisdiction over this matter.

(Mr. Coulter asked and was given permission to revise and extend his remarks.)

Mr. COULTER. Mr. Speaker, the situation is the same as it was when this House first considered this question. It was a question of symbolism and not of deed.

Unfortunately I share American foreign policy—to the detriment of our Nation and our allies—for the past few years has been strong on symbolism and weak on content.

Now, we are being asked to send an additional $13,000,000 to the Selective Service System for registration of male personnel only. I believe we are making a commitment to national security and to playing honest with our youth. Then we are badly mistaken. If we believe that the Soviet leaders will think twice about pulling another Afghanistan, then we are sadly mistaken.

If we believe that we will have advanced our preparedness to any kind of marked degree, then we are sadly mistaken. This does nothing to improve the more pressing personnel problem of our Armed Forces—the retention of skilled people.

In this ploy to try to mollify those among us who are uneasy about the state of our Armed Forces, we even are going so far as to transfer the moneys from an Air Force account.

Why? Because we also are playing the budget subterfuge for a noble and immediate cause, perhaps, many of us could swallow the cynicism with a little dose of sugar to make it go easier.

But, unfortunately, it is only another ploy in pursuit of the same which we should not be playing now.

Our national security is of vital concern.

Yet, by the testimony of the administration's own witnesses, this post office registration scheme really does not take the Selective Service mechanism out of deep standby. We save, again by administration witnesses' testimony, maybe 7 days in inducting individuals. These witnesses also state that it still would take about 6 months to get trained individual into the field.