

Question and Answer Book for President's Press Conference, 8/4/80

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THE WHITE HOUSE
WASHINGTON

Q and A BOOK FOR PRESIDENT'S
PRESS CONFERENCE AUGUST 4
RE BILLY CARTER.

THE WHITE HOUSE
WASHINGTON

staff secretary --

attached is the cover
page which contains the
president's handwriting....
i put a copy on the
Q&A's....but then figured
it was best to send all
them to/thru you....(obviously!

thanks--ssc

Mr. President,
Here are some Q's & A's
for this evening news conference.

God

Endored -
pledge-written - rep voters choice
"Uncom" rep on state ballots
Why have, if all del will become
uncommitted?

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THE WHITE HOUSE

WASHINGTON

August 4, 1980

MEMORANDUM FOR THE PRESIDENT

FROM:

AL MOSES *al*

The Department of State believes there are between
2,000-2,500 American citizens living in Libya.

August 4, 1980

TO: JODY POWELL
FROM: Alfred Friendly, Jr. *RF*
SUBJECT: UPDATE ON IRANIAN DEMONSTRATORS

Attached is a NEW Q & A for the President before tonight's press conference, based on the fact that a note from Ghotbzadeh has been delivered at the UN for Secretary General Waldheim, vilifying the U.S. and asking for a UN delegation to visit the arrested Iranians. The other new development is the threat by the Iranian Parliament's speaker that the hostages will be tried in retaliation for the treatment of the arrested demonstrators. The information and caveat in the earlier Q & A on this issue are still valid, though it appears more and more likely that all the demonstrators will identify themselves.

On the Middle East, the President knows that the Egyptians are saying publicly that they have not suspended the autonomy talks, just delayed the next round.

August 4, 1980

IRAN DEMONSTRATORS

Q: There are reports that Iran has formally requested UN intervention in the case of the Iranians being held by INS. Do you favor a UN delegation to investigate treatment of these prisoners? It is also reported that the Iranian Parliament may be preparing for trials of the U.S. hostages in Tehran as retaliation. What do you intend to do if trials are held?

A: First of all, we have nothing to hide concerning the treatment of Iranian student demonstrators. Unlike the case with our hostages in Iran, these students are being handled strictly in accordance with the law. They are being held for one reason only--they refused to identify themselves to the court as required by law and the terms of their entry into this country. If and when they identify themselves, they are free to leave on bail while their cases are being considered.

-- We have gone to some length to provide proper care for these demonstrators, including calling in Iranian doctors to examine them. I doubt that the United Nations would see itself as the proper organization to pursue this kind of issue. However, we would welcome any independent verification of treatment of these demonstrators by the Red Cross or any other appropriate organization.

-- With regard to the hostages in Tehran, I would make two points. First, these demonstrators are free to get out of jail at any time they wish to identify themselves, and they are free to leave this country at any moment they choose. Second, these are private individuals who came to this country on student visas and are subject to the laws of this country during their stay. The hostages, of course, are diplomats and subject to the special protection of international law, and they obviously are not free to leave despite their special status. The contrast is striking.

-- With regard to possible trials, our position is absolutely clear. The International Court of Justice has ruled unanimously with regard to the hostages that trial of any hostage--or even his appearance as a witness in court--is absolutely in violation of fundamental international law. We

would regard any trials of the hostages, under whatever circumstances, as a matter of the utmost gravity. Those in authority in Tehran should have absolutely no illusions on that subject.

August 4, 1980

Q: You are extremely vague on how the idea came up to involve Billy in the hostage effort. Who are you trying to protect, and what are you trying to cover up?

A: I have tried in this oral statement to summarize the most important points about which I have direct personal knowledge. The important point here is that however the idea originated, I approved it and take full responsibility for that decision.

The best information we have been able to develop on how the idea originated is contained in the report to the Committee. It is not absolutely conclusive, but the essential point here again is that I take full responsibility for the decision and am prepared to respond to any questions you may have about why it was made.

August 4, 1980

Q: I was struck by your reference to trouble with American Jews following your call to Billy. It sounds like you were more interested in your political problems than in the law or your brother, and did you really think that only American Jews would be upset by your brother being on the take from a country like Libya?

A: I think it is important for you to understand that when you read someone's personal notes, you are dealing with momentary impressions and thoughts -- not a comprehensive dissertation.

Clearly, the vast majority of Americans, including me, find my brother's relationship with Libya inappropriate, and the vast majority of Americans agree with the opposition of the American Government to the policies of Libya.

However, the American Jewish community has a particular reason for concern because of their deep personal commitment to Israel and because of Libya's determined effort to destroy Israel.

I should also remind you that at the time of this note, I did not know and no one in the White House knew that my brother had asked for or received the large sums of money from Libya.

August 4, 1980

Q: Mr. President, don't you feel that you have been deceived by your brother? Shouldn't he have told you that he was trying to get large sums of money from Libya before he got involved in the hostage situation? Shouldn't he have told you about his potential business involvement with McGregor when he asked you to see him?

A: (On questions like these, Mr. President, I can only suggest that you continue to state quietly and without rancor, but firmly, that you do not feel compelled to discuss your private attitudes and feelings toward your brother at a news conference.)

8/4/80

Jody:

Tim Smith just called here; sed the President had called him and asked several questions about the convention rules, etc. Asked Smith one question that Smith couldn't readily answer; Smith told him he'd get the information and call someone back:

The President asked how many primaries he won out of the total number of primaries. The answer is: 25 out of 35.

Carolyn
8:50 pm

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

August 4, 1980

MEMORANDUM FOR JODY POWELL

FROM: RAY JENKINS

SUBJECT: Most likely questions

Attached are the 15 questions which Alfred Friendly and I believe are most likely to be asked at tonight's press conference.

3. Dr. Brzezinski used an intelligence report to warn Billy off the deal he was trying to make for Charter Oil Company to get more Libyan oil. Was that the proper way to use that information? When you heard that Dr. Brzezinski had called your brother about a potential embarrassment, why didn't you follow up on the matter yourself with Billy? Why didn't anyone tell the FBI about it?

A. Dr. Brzezinski acted properly in trying to keep Billy from putting himself under obligation to the Libyans, who might have thought they could use that situation to their political advantage with me or the Administration. His statement attached to my report goes into all the details, but it was clear that he saw the information rightly in terms of its potential international embarrassment, not as a violation of any U.S. law.

He told me about Billy's reaction to his call, too. It was not good, but I knew that Billy's reaction to my adding my opinion would be no better.

(NOTE: It is better to argue that the proposed deal showed no illegal aspects -- Billy would not have gotten money from the Libyans, but from a U.S. company -- then to get into the question of whether or not the CIA circulated the intelligence reports with the specific names of U.S. citizens and oil companies on it to Justice and the FBI. Obviously, the source of the intelligence report is itself a sensitive matter.)

5. The State Department cable which you mailed to Billy Carter in October of 1978 contained a notation by you complimenting him on the "good job" which he had done on his Libya trip. Isn't it fair to conclude that such praise might actually encourage and foster his relationship?

A. That certainly was not the intent of the note, and I don't think you could possibly believe that I had any reason to want to encourage the relationship.

On the contrary, Billy was well aware that there was a good deal of anxiety in Washington over his planned trip to Libya. I was concerned too and I'm sure he realized that. When the American Embassy repeated that the trip had gone well, I was relieved and wanted to let Billy know it.

NOTE: You can't say that Billy knew you were concerned since you didn't find out about the trip until he was on the way.

2. Whose idea was it to involve Billy in getting Libyan help on the hostages? Why did you need him? Why couldn't you have used the Department of State to bring Ali El-Houderi to the White House?

A. My report to the Senate subcommittee makes it clear that my wife first asked Billy if he thought the Libyans could be helpful and passed the idea to me. I asked Dr. Brzezinski to follow it up on November 20, the same day the Ayatollah Khomeini himself first threatened trials for the hostages and the same day fanatics attacked the Great Mosque in Mecca. Those days were just about the most tense ones in the whole hostage crisis and any idea that could contribute to reducing the danger was worth considering.

It is at least worth noting that two days after Dr. Brzezinski and Billy first spoke, the Libyans made a statement urging the hostages' release. Two days after Billy brought Mr. El-Houderi in to the White House, Col. Qadhafi sent us word that he had made a personal appeal, invoking the Koran, to Ayatollah Khomeini and was sending a special delegation to Teheran to try to help.

I don't know that the Libyans would have acted any differently if Dr. Brzezinski had simply called them directly or if we had simply continued our efforts through diplomatic channels. I do know that we wanted the maximum personal and direct push for Libyan support that we could make.

Note: Do not make too much out of the idea that Billy's effort was a success. State the facts and let people judge for themselves.

Do not imply criticism of normal diplomatic channels. We don't want to provoke the legions of the Department of State.

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5. You stated on July 22 that you felt it "inappropriate" for a member of the President's close family to engage in representation of a foreign government. Billy Carter has now acknowledged that he was an agent for Libya as early as October of 1978. Did you ever make known your objections to this relationship, and if not, why not?

A. I did not become aware that Billy was a registered agent of the Libyan government until he filed the registration statement on July 14 of this year. I was, of course, aware that he had entertained a Libyan delegation to this country in 1978 and that he subsequently traveled to Libya in 1978 and 1979.

I shared the general public concern about Billy's deepening relationship with Libya. My wife and I talked about it many times. Billy is a proud and independent person who believes that his own views and the way he lives his life should not be tempered merely because his brother is President. And when his actions are criticized too strongly, he can be even more resistant.

I know my brother well, as only brothers can know one another. But even so, I cannot be sure in retrospect that I always made the right decisions in my relationship with him. I can only say that I did what I thought was best based on the circumstances and what I knew at the time.

(5)
DOJ INVESTIGATION UNDER F.A.R.A.

1. After both the Attorney General and your own press office denied repeatedly that there was any contact between the White House and the Justice Department concerning the Billy Carter investigation, the Attorney General confirmed, at your urging, that the case was discussed on June 17. Can you be certain that the case was discussed on June 17? Can you be certain that there were no other discussions between anyone in the White House and anyone in the Department of Justice regarding this case?

A. On July 22 the White House issued a public statement to the effect that there had been no contact in either direction between the White House and the Department of Justice concerning the conduct of the investigation, except for FBI interviews and a conversation with a Justice Department lawyer with Philip Wise, my appointments secretary.

That July 22 statement had been previously checked and approved by me and the Attorney General. On July 23, my secretary, Susan Clough, completed typing some of the evening notes that I had dictated during June and July -- a task she had been asked to complete as promptly as possible by my counsel, Lloyd Cutler. She delivered the typed notes to me and I reviewed them on the afternoon and early evening of July 24. In them I discovered an evening note of a June 17 conversation with Attorney General Civiletti which I had forgotten. The text of my evening note is included in the report to the Senate subcommittee. I immediately telephoned Mr. Cutler, who had not previously known about this conversation with the Attorney General. I asked him to read the note the next morning and discuss it with the Attorney General.

As is indicated in his statement in the report, Mr. Cutler happened to encounter the Attorney General at a social event the same evening and told him of my call. The Attorney General promptly disclosed the conversation the following morning. His account of the conversation corresponds closely with my evening notes.

As my own personal notes and the Attorney General statement clearly show that brief conversation was entirely proper. That is the essential point.

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3. Since Mr. Civiletti's disclosure that he discussed the case with you, an internal investigation has begun in the Department of Justice to determine whether Mr. Civiletti might be guilty of obstruction of justice. But the chief investigator is, after all, a subordinate of Mr. Civiletti. Do you think that the results of any such investigation can be credible? Do you not believe that this is a case which calls for a special prosecutor?

A. I believe that the conversation initiated by the Attorney General was entirely proper. He did not inform me of any detail as to the conduct of the investigation. What he told me about was the Department's insistence that Billy file a registration statement and that the Department enforcement policy was essentially the same as what the Department's lawyers were saying to Billy's lawyers.

I am confident that the Justice Department's internal investigators, who have a large measure of independence and whose findings will be closely scrutinized by the press, will be capable of determining whether there was any impropriety in this general, brief conversation between the Attorney General and myself.

②

VI. THE FUTURE

1. Do you plan to testify in person before Congressional committees investigating the Billy Carter matter?

A. I am prepared to cooperate fully with the special subcommittee of the Senate Judiciary Committee as to requests for information about the relationship between Billy Carter and the government of Libya, as well as about any contacts between any member of the White House staff with Billy Carter or with the Department of Justice relating to Billy Carter. The report which we have released today is in line with that commitment, and I am prepared to respond fully to further inquiries relating to these matters, in accordance with mutually acceptable procedures. We have not made any decisions about those procedures at this point.

We expect that the subcommittee is interested, as the Members have indicated, in a fair and expeditious and thorough investigation here, and we expect that there would be no difficulties involved in making appropriate arrangements.

2. Do you have any business relationships today with Billy Carter? Does he owe you any money?

A. Billy does owe money to the warehouse. I can assure you that no transfers or payments of the money he received from Libya have been made to me and none will be. My trustees have stated that none has been made to the warehouse and none will be.

4. There is some confusion about what you think about your brother: What is your assessment of his abilities?

A. Mr. President,

This is an almost certain question in some form. I don't think I can answer it for you. Personally, I would be inclined to say something like:

"He is my brother. I don't always agree with everything he does and says, nor he with me. But he is still my brother.

"Beyond that I do not feel compelled to discuss my personal feelings toward members of my family at a press conference."

(11)

10. Do you believe it was proper for your White House counsel to suggest a specific lawyer to Billy Carter to handle his dealings with the Department of Justice?

A. Of course! On June 11, 1980, my brother made an appointment with my National Security Advisor, Dr. Brzezinski. After a few minutes of conversation, Dr. Brzezinski learned for the first time that Billy was involved in negotiations with the Justice Department. Billy wanted to learn whether he should mention, in his discussions with the Justice Department, a meeting which he had arranged between Dr. Brzezinski and a Libyan diplomat to explore ways in which the Libyans might be helpful in securing the release of our hostages in Iran.

As soon as Dr. Brzezinski learned that legal matters were involved, he called Lloyd Cutler, my counsel, to join the meeting. When Mr. Cutler learned that Billy was not represented by an attorney in his dealings with the Justice Department, he strongly urged that Billy secure a Washington counsel. Billy replied that he did not know any Washington lawyers and asked Mr. Cutler if he might recommend someone. Mr. Cutler suggested the names of several lawyers, and Billy chose two. Mr. Cutler then made a telephone call to these attorneys and introduced them to Billy over the phone. Thereafter, Mr. Cutler remained in general contact with Billy's lawyers, although he did not discuss the specifics of the negotiations with the Justice Department at any time. Mr. Cutler's role was entirely proper and appropriate from a professional standpoint as well as from the standpoint of his role as a government official.

RULE 11-H - OUTCOME

Q: Do you have any doubt about the outcome of the vote at the Convention in Rule 11-H? Has there been defection from your own delegates on this issue, as Senator Kennedy has now claimed?

A: I am convinced that the Convention will vote to uphold Rule 11-H, for a majority of delegates will recognize the importance of avoiding a brokered Convention, of throwing out a decade of reforms, and of disenfranchising the 19 million voters who cast ballots in the primaries.

Our own counts show that the Rule will be upheld. I believe that has been the uniform result found by independent polls done by the news media. I am not familiar with the methods used by the Kennedy campaign in finding several hundred of our delegates opposed to Rule 11-H. But I am confident of the findings of our polls of our delegates.

Q: Have you not found any slippage in your own delegates on Rule 11-H? To what extent is that due to the Billy Carter matter?

A: Initially, there was some confusion and uncertainty among some of our delegates on the meaning of the Rule. Those favoring a brokered Convention misrepresented the history and application of the Rule. As a result, some of the

delegates may have been concerned about the Rule. However, we began to point out, last week, to our delegates and to the public that the Rule is the product of ten years of Party reform, that the Rule was adopted by the DNC several years ago unanimously (with the active support of many of those now opposed to it for political reasons), that more ^{about 2/3} than half the States have laws or Party rules requiring binding, and that the Rule applies only to the vote for President.

This effort to show that the only true open Convention is one in which the views of the 19 million voters are accurately reflected. Eliminating Rule 11-H will take us back to the days when a few powerbrokers decided on the Presidential nominee.

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(12)

ECONOMIC RECOVERY PACKAGE

Q: Are you considering proposing an economic recovery package? Will it be announced before the Convention?

A: When our mid-year budget update was sent to Congress on July 21, we indicated that the projected economic forecast was unacceptable and that we would be consulting with Congress about what actions could appropriately be taken to counter the forecast. That process is now underway.

It would be premature to indicate now the results of the consultations or the directions we are likely to take. But it can be safely said that our approach -- in contrast to the Republicans -- is going to be one which targets our limited resources on the areas of greatest need, which is not inflationary, and which is realistic and affordable.

In the coming weeks, as our consultations are completed, we will be making our decisions public.

∟Note: Leave open possibility of some announcement at the Convention.∟

August 4, 1980

14

Autonomy Talks

Q: Now that Sadat has stopped the talks, again, doesn't that finish them off? Doesn't this second halt to the talks show that we have been ineffective in pursuing the peace process? What will you do now to salvage what is possible? How about another summit?

A: President Sadat sent a message to Prime Minister Begin over the weekend, and the Prime Minister has not yet responded. Until that is done, I don't believe we should attempt to characterize the positions of the parties or the implications of the situation.

But let me say this. For thirty years, talented and dedicated people have sought a solution to the Arab-Israeli crisis. None of these efforts bore real fruit until President Sadat's trip to Jerusalem, Camp David, and the signing of the Egypt-Israel peace treaty last year -- a truly historic achievement. At that time, the two leaders also pledged themselves to complete the Camp David process -- to establish full autonomy for the inhabitants in the West Bank and Gaza. That goal remains critically important; our own commitment to it is unwavering -- and I believe that of the Egyptians and Israelis, as well.

There is no question that the issues being discussed in the autonomy talks are extremely difficult. For Israel, for example, the choices it faces in moving forward with full autonomy are the most difficult in its history as an independent state. Progress is inevitably slow, as the three negotiating

parties move forward issue by issue -- as we have been doing these last several months, out of the spotlight of public attention and drama. It is vital that this process continue.

It is also vital that all the parties focus directly on the prospects for peace and on the negotiations themselves. It is all too easy for issues that are outside the scope of the immediate negotiations to distract attention from the important work to be done. That must not continue, if we are to reach the goal that is so dearly hoped for and that is so important for everyone.

We will continue to persevere in our efforts, doing what we can and must to help the peace process succeed. Holding a summit at this time, however, would not likely lead to a resolution of the outstanding issues. Much more work is needed by the regular negotiating teams before a final resolution can be attained.

15

IRANIAN STUDENTS

Q: Iran is claiming that the student demonstrators arrested on Sunday, July 24, are being mistreated and tortured. Would it not be desirable simply to send all of them home rather than keeping them in jail here?

A: The student demonstrators were arrested on minor charges and they are being treated in accordance with the law. Those who identified themselves were free to accept nominal bail and be released almost immediately. A number of them did so. However, many of them refused to give their identities and refused to cooperate in any fashion with law enforcement officials. They have continued to be held by the Immigration and Naturalization Service pending identification.

-- The students not only refused to give their identities, but they initially refused to see doctors or talk to anyone except their lawyer. This complicated the problems of officials in providing normal care.

-- Deportation proceedings will be initiated against those who have violated the terms of their visas, and those proceedings will be conducted as rapidly as the law permits.

-- However, while they are in the United States, they are under the protection of our laws and will be accorded due process.

-- Any of these students is, of course, free to leave the United States at any time. That includes those arrested. We would be pleased to honor such a request.

-- The United States does not hold hostages. All of us would prefer to make that clear by simply returning those who abuse our hospitality to their homes. But we are a nation of laws, and we cannot summarily force visitors to leave without regard to their legal rights.

Background: INS is negotiating a resolution of the immediate problem. There is some indication that the students may soon agree to identify themselves. If they do, they will be released while deportation proceedings are conducted. This could happen in the next several days. However, the possibility should not be mentioned publicly at this time since it is still tentative and private.

/

QUESTIONS FOR THE PRESIDENT

I. U.S. Policy Toward Libya

1. Judging by the interview Qadhafi gave the New York Times on December 10, he expected you to change your Mideast policy once you won reelection. Why didn't you have Dr. Brzezinski tell El Houderi on December 12 that that expectation was wrong? Was it right?

A. The day the interview was printed a White House spokesman was quoted in The New York Times story stressing the continuity of our policy. The public record was already straight.

I had told El-Houderi very clearly what I felt Libya had to do to improve our future relations. Improved relations between the U. S. and Libya depend upon the behavior of the Libyan Government, not on the timing of elections in the U. S. I do not know what he told Col. Qadhafi or whether the Libyan leader might have chosen for some reason to misunderstand or pretend to misunderstand.

Libya's views on the Mideast peace process and ours are diametrically opposed. Ours are well known. The course that was set at Camp David is the course we are going to stay on.

2. What is our policy toward Libya? Are we seeking closer ties with this country? What effect does our policy with respect to Libya have on the Middle East in general?

A. The present regime in Libya has failed to provide bases for improved relations with the U. S. Specifically it has not given us the assurances of the security of our diplomats for which we asked, and we do not have an ambassador in the country. And Libya has only a very small mission in Washington. That formal diplomatic situation cannot change until Libya accepts our requirements.

More generally, Libya's international conduct as a sponsor of terrorism, a fomentor of assassinations, and an enemy of Egypt and of the Middle East peace process puts Libya in outspoken, violent opposition to all our policies around the world. Until Libya's position and conduct changes, there is no realistic prospect of better relations between us.

Obviously, the chances for peace in the Middle East would be strengthened by Libyan support for the Camp David process, but we intend to continue with that process whether or not Libya approves of it.

II. Billy Carter's Relations with Libya

1. You have confirmed that you discussed State Department cables with Billy Carter sometime after his trip to Libya in September of 1978. Can you be more specific as to when this discussion took place and what subjects other than the cables were discussed?

- A. My report to the Senate Subcommittee contains a number of notes which describe conversations with my brother and others about Billy's relations with Libya. These were notes which were made at the time and they describe, more accurately than anything I can remember many months later, the discussions I had, how I felt about Billy's relationship with the Libyans, and what I tried to do about it.

I cannot be precise now -- some two years later -- about the time of my discussion with Billy in which I mentioned State Department cables.

I do recall that there had been some concern that Billy might be exploited by the Libyans when he made his trip to Libya in September of 1978. At the request of my staff, the State Department instructed our Embassy in Libya to treat the trip as a private one and to extend only the same courtesies that would be afforded to any similar group of American visitors.

It was against this background that I mentioned the favorable reports of his trip to Billy. About a week or 10 days after his trip a report from our Embassy in Tripoli came to my attention. It was complimentary of Billy's behavior and conduct during his visit to Libya and our ambassador went so far as to say that the trip rated as "a very positive event" which "opened some doors" for the Embassy and "raised the morale of the American community."

Billy knew and I knew of the anxiety which his planned trip to Libya had caused in Washington and elsewhere. I jotted a note on the cable and mailed it to him at his home in Georgia because I was relieved and proud to learn that his trip had gone well, and I knew he would be too.

CAVEAT Be careful not to respond in a way that is too defensive of Billy or too critical of those who were concerned that the trip would be a disaster. The proper thrust is -- you were worried about the trip as were a lot of other people, Billy certainly knew this. When it came out alright you wanted to let Billy know about it. Big deal!

2. Since the State Department, at your orders, had already given El-Houdari a vigorous protest over the December 2 burning of the Embassy, why did you ask to have him brought to the White House December 6? Weren't you really sending a different message -- a promise of good relations to come and, indirectly, confirming their view of Billy's importance?

A. I had Dr. Brzezinski call El-Houdari in to see me precisely to underscore our anger at the burning of our Embassy by having that sentiment come directly from the President. I also wanted, though, to let Col. Qadhafi know that I was aware of the various efforts he said he had made on behalf of our hostages, and I wanted that to be a personal message from me as well.

Billy was not involved in setting up that second contact. He was not informed of it by me, and he was not mentioned in my talk with El-Houdari. I set very explicit conditions in that talk for actions Libya had to take to put the relationship on a better footing. They included accepting responsibility for destroying the embassy and taking measures to replace it. They did not include any role for Billy in the relations between our two governments or the policies on which those relations would be based.

(NOTE: It is better here not to mention gratitude to Libya, so as not to sound as though we are in their debt or that you have any illusions about the Libyan regime.

3. Dr. Brzezinski used an intelligence report to warn Billy off the deal he was trying to make for Charter Oil Company to get more Libyan oil. Was that the proper way to use that information? When you heard that Dr. Brzezinski had called your brother about a potential embarrassment, why didn't you follow up on the matter yourself with Billy? Why didn't anyone tell the FBI about it?

- A. Dr. Brzezinski acted properly in trying to keep Billy from putting himself under obligation to the Libyans, who might have thought they could use that situation to their political advantage with me or the Administration. His statement attached to my report goes into all the details, but it was clear that he saw the information rightly in terms of its potential international embarrassment, not as a violation of any U.S. law.

He told me about Billy's reaction to his call, too. It was not good, but I knew that Billy's reaction to my adding my opinion would be no better.

(NOTE: It is better to argue that the proposed deal showed no illegal aspects -- Billy would not have gotten money from the Libyans, but from a U.S. company -- then to get into the question of whether or not the CIA circulated the intelligence reports with the specific names of U.S. citizens and oil companies on it to Justice and the FBI. Obviously, the source of the intelligence report is itself a sensitive matter.)

4. Once you knew that Billy was associated with the Libyans, why didn't you instruct your staff to avoid any contact with Billy on issues of interest to Libyans.
- A. Your question assumes that Billy, through my staff, could have exerted any influence on our policy toward Libya, and that assumption is nonsense.

You may not have had time to check the record as it is laid out in my report to the Senate Subcommittee, but it shows no instance in which Billy attempted to lobby or interfere in administration policy toward Libya. If there was ever such a contact we have not been able to find any evidence.

On foreign policy issues, the President makes the final decision and I can tell you that my brother never tried to influence me on those decision.

5. The State Department cable which you mailed to Billy Carter in October of 1978 contained a notation by you complimenting him on the "good job" which he had done on his Libya trip. Isn't it fair to conclude that such praise might actually encourage and foster his relationship?
- A. That certainly was not the intent of the note, and I don't think you could possibly believe that I had any reason to want to encourage the relationship.

On the contrary, Billy was well aware that there was a good deal of anxiety in Washington over his planned trip to Libya. I was concerned too and I'm sure he realized that. When the American Embassy repeated that the trip had gone well, I was relieved and wanted to let Billy know it.

NOTE: You can't say that Billy knew you were concerned since you didn't find out about the trip until he was on the way.

6. Wasn't it a violation of law for you to send Billy a copy of a "confidential" cable?

A. No. The President has the authority to declassify information at any time he so chooses.

As you know the contents of the cable were so innocuous that the State Department made them public over 14 months ago and the columnist who got them never even wrote anything about them.

7. Have you ever given copies of other classified cables to other persons who were not part of the government?
- A. I cannot recall any particular occasion, but I am sure there have been many when I made information -- whether in cables or other documents -- available one way or another to people who I felt should know that information but did not necessarily have all of the formal clearances my Executive Order requires. To transmit that information is often to serve the national interest, and as President, I have the discretion to decide to remove the classification that a particular piece of information may carry.

As you are well aware, the main place in which classified information is disclosed with amazing and sometimes disturbing frequency is in the press. Sometimes the people who make that information available to you have the legal authority, sometimes they don't. But I do have the authority so you can be sure anything I ever disclose to you does not involve you in a violation of the law.

NOTE: Say last paragraph with a smile.

8. Did you ever suggest to your brother that his dealings with Libya might be harmful to you and not in the best interests of the U.S.?
- A. I was aware, of course, of extensive press reports dealing with Billy's deepening relationship with Libya. On at least one occasion, I publically criticized some of his comments. My wife and I talked about his relations with Libya many times. We realized it was damaging to my position as President and to my standing with the great majority of voters, but it was difficult to convince Billy of these concerns. He is a proud and independent person who believes that his own views and the way he lives his life should not be tempered merely because he is the brother of the President. And when his actions are criticized too strongly, he can become even more resistant to change.

Prior to his admission to a hospital for treatment of alcoholism in the spring of 1979, he was already planning another trip to Libya. During our frequent telephone conversations while he was hospitalized, he discussed this trip with me and I urged him not to go, partly because of his health and partly because of the adverse effect it could have on our Middle East Peace negotiations. As you know, later that year he went anyway.

9. Didn't your brother get special access to NSC information before he went to Libya the first time? Wasn't it special treatment to give him a briefing in the White House?
- A. Your facts, as far as the record that the press has already carried, are wrong in detail, but let me deal with the implication. It does seem that Randy Coleman and the NSC staff member who dealt with Libya talked on the telephone at least twice before Billy's and Randy's first trip to Libya in 1978. Billy apparently only got into the conversation once very briefly and that was to say that he didn't need more information on Libya. I did not know about these briefings until recently.

What is more important is the idea that such a discussion was somehow special. In fact, it happens with some frequency and serves to alert Americans whose travels abroad are important to us to sensitive issues they need to know about in the countries they visit. It is good that the State Department and, to some extent, the NSC staff are able to provide that help.

In Billy's case it was important just because there was a risk that the Libyans might have used his trip there for some sort of propaganda advantage against Egypt and the Camp David talks, which Libya opposed. As it happened, the trip took place after Camp David, but I am glad that Randy, at least, was able to learn of the danger ahead of time.

10. What rules are there for the NSC staff in deciding whom to brief on foreign policy material?
 - A. The State Department and the National Security Council give literally hundreds of briefings each year to individuals and groups involved in foreign policy in one way or another or who are traveling abroad. The NSC staff is a small one; yet it seeks to be as responsive as it can within the constraints of the subject matter involved and within the limits of its time. Dr. Brzezinski and his staff have been generous in finding time, for example, to meet with various groups which come to the White House for day-long briefings on a variety of subjects. I am proud of this policy of telling our citizens the reasons we do what we do, particularly in the field of foreign affairs where the issues are often complex and involve the peace and security of our nation. The State Department, naturally, is the primary focus for briefings. It has a large public affairs department to respond to inquiries and set up briefings, but the NSC does try to do its part within the constraints that I mentioned above. In many cases, moreover, the contacts that are made through this policy help the government to get the insights the returning travelers bring back with them.

11. Do you think that the Department of Justice investigation of Billy should be reopened based on all the information that is now out?

A. That is for the Department of Justice to decide.

12. Should there be any inquiry into whether Billy in fact lied in his conversations with representatives of the Department of Justice?

A. That is for the Department of Justice to decide.

13. Do you think that Billy Carter may have gotten favored treatment by the Department of Justice because he is your brother?

A. I am confident that this investigation was handled in a thoroughly professional, fair, and impartial manner without regard to Billy's relationship to me. Based on press accounts I have seen, the handling of his case was consistent with departmental practice in the handling of all cases of this type in the past.

NOTE: The Washington Star ran a synopsis of the 54 cases brought under the Foreign Agents Registration Act in its 42 year history. (attached)

Justice Handling of Cases Such as Billy's Has Varied

38 Were Treated As Criminal Matters

By Lyle Denniston
Washington Star Staff Writer

Foreign agents like Billy Carter who get into trouble with the Justice Department may never have to go to court — provided their lawyers can head off a criminal charge.

If they are accused of a criminal violation, the chances are overwhelming that they will be convicted and will at least get a fine.

But if the department handles their case as a civil matter, the

chances are very strong that it can be settled with a simple court order, and the agent may never have to show up in the courthouse.

Those, at least, are the main conclusions that lawyers draw from the history of the Justice Department's enforcement of the Foreign Agents Registration Act of 1938.

A Washington Star analysis shows that in the act's 42-year history, there have been 54 cases — 38 criminal and 16 civil, including Billy Carter's. The government got convictions in 26 of the criminal cases, with two still pending, and obtained court orders against agents in 12 of the civil cases, with two still pending.

Shortly after Billy Carter registered as an agent for Libya on July 14 to settle a Justice Department civil suit against him, Justice Department spokesman John K. Russell said "it was routine" for a civil, rather than criminal complaint, to be filed. "There was no grounds for seeking criminal indictment," Russell said. "It is normal to file a civil case. Our last criminal case was back in the 1960s. . . . We were looking for a speedy disclosure rather than go after him (Billy Carter) criminally because we probably would have had the case thrown out of court."

Attorney General Benjamin R. Civiletti seems to have been relying on a part of that history when he discussed Billy Carter's case with President Carter at the White House on June 17.

Civiletti said in a statement Friday that he told the president that Billy Carter had been "foolish" not to sign up at the Justice Department as a foreign agent for Libya, as the department had been trying for nearly a year and a half to get him to do.

In response to that comment, according to Civiletti, the president asked what would be "likely to happen" if Billy Carter did file a registration form.

"Based on my understanding of department practice," the attorney general said, "I told him (the president) that if a person tells the truth and registers, the previous failure to register has not been prosecutable."

Billy Carter did register, and the Justice Department seems satisfied that he told the truth. He was prosecuted, but under a deal that ended the case without a single day in court for him.

His lawyers and the Justice Department finally negotiated an agreement on July 11. He was charged with a civil violation of the law, but that charge will never be prosecuted at a trial because he agreed to file a registration state-

See JUSTICE, A-5

Continued From A-1

ment disclosing what he had been doing for Libya. That ended the matter; the settlement was approved in a consent order signed by a federal judge and entered July 14 in the U.S. District Court by the lawyers.

The Justice Department official who handled Billy Carter's case, Joel Lisker, insisted Saturday that Civiletti's conversation with the president had not affected the case in any way.

"We hadn't made a decision as to what we were going to do with the case at the time he had his conversation with the president and, in fact, we did prosecute the case civilly," Lisker said.

Others at the department also have sought to defend the Billy Carter settlement, insisting that it followed the normal guidelines and was handled more or less routinely.

The case, though, was exceptional enough that the attorney general talked with the president about it. There is no indication that any of the other civil cases handled in the 14 years since civil remedies became available was in that class.

As a civil case, the Billy Carter matter did not appear to be unusual in its result. Of the 16 civil cases that have arisen since 1966, nine — including his — have been settled by consent orders. Five went to trial.

Among the significant cases settled that way, three involved public relations firms that had tried on behalf of the French government to clear the way for the Concorde supersonic jet to land in this country.

Some civil cases, of course, do lead to a trial instead of an out-of-court settlement. The Irish Northern Aid Committee, which the Justice Department thinks is a U.S. front for the Irish Republican Army, has been taken to court twice; its second case is still pending.

Most of the civil cases appear to have involved commercial promotion — trade, tourism or military sales, for example — on behalf of friendly countries. The results in those cases usually meant only that the agents had to file or, if they had filed already, to make new disclosures.

The available documents do not show how much other foreign agents involved in civil cases had been paid for their agency, or whether the size of the payments had anything to do with whether a case was handled as a civil or criminal matter. Billy Carter says he has received \$220,000 so far — as installments on a \$500,000 loan, he says.

It is unclear, from available records, how long it usually takes the Justice Department to work out a civil case. Billy Carter's took 18 months, but there is little available information upon which to base a comparison with other cases.

The president's brother has resisted registering for well over a year. In one television interview last week, he said that "I didn't decide to register until the last minute. I registered to stop criminal charges and stop a grand jury." It is not yet known how seriously Justice officials considered sending the case to a grand jury.

The possibility of prosecuting an unregistered foreign agent for a crime, department lawyers have conceded, generally is an important factor in convincing agents to come in and sign up, and that usually averts criminal prosecution.

It is not entirely clear, however, how the department decides when to go for criminal charges rather than a civil settlement. A key factor, officials have said, is their assessment of whether they can persuade a jury to convict. They have said they had real doubts about that in Billy Carter's case.

The record of criminal enforcement of the agents' law suggests that, when the criminal approach is used, it does get results.

Of the 38 criminal cases prosecuted since 1938, 14 resulted in convictions (nine of those by guilty pleas). Another 12 ended with no contest pleas by the accused agents. There has been only one clear-cut not guilty verdict. Four of the cases were dismissed by judges or prosecutors.

Most of the government's more celebrated cases under the 1938 law have been criminal cases. Among them were: the charges — dismissed entirely with no convictions — against the wealthy South Korean rice merchant and congressional influence-peddler, Tongsun Park; the no contest pleas by a newspaper

14. Have you ever suggested to Billy that he return the money he received from the Libyans?

A. No. I doubt that he is able to do that even if he wanted to. If he were able to do so, I doubt that my telling him to do it would make him more likely to want to do it.

15. Would you give him the money to do so if he wanted to?

A. It would be up to Billy whether or not he wanted to return the money. If he so desired, I would do whatever I could to help.

Obviously I do not want my brother to be in a position of being obligated to a foreign government or even appearing to be. If he were willing to end that obligation, I would do whatever I could to help.

III. REQUEST FOR LIBYAN HELP TO RETURN HOSTAGES

1. What made you think Libya could have any influence on Iran? The two countries didn't even have diplomatic relations.

A. We didn't think Libyan support for the hostages' release was the one key ingredient that would set them free. We were pursuing every available opportunity. The contact with Libya was only a small part of a much larger effort. Libya had supported the Khomeini tableau. On November 20, Libya had not publicly or privately opposed the taking of the hostages. We were trying to show Iran a united front of condemnation with the other Moslem countries solidly against the terrorists' conduct.

After November 20, Libya called publicly for the release of the hostages and after November 27 a personal appeal was made to Khomeini.

2. Whose idea was it to involve Billy in getting Libyan help on the hostages? Why did you need him? Why couldn't you have used the Department of State to bring Ali El-Houderi to the White House?

A. My report to the Senate subcommittee makes it clear that my wife first asked Billy if he thought the Libyans could be helpful and passed the idea to me. I asked Dr. Brzezinski to follow it up on November 20, the same day the Ayatollah Khomeini himself first threatened trials for the hostages and the same day fanatics attacked the Great Mosque in Mecca. Those days were just about the most tense ones in the whole hostage crisis and any idea that could contribute to reducing the danger was worth considering.

It is at least worth noting that two days after Dr. Brzezinski and Billy first spoke, the Libyans made a statement urging the hostages' release. Two days after Billy brought Mr. El-Houderi in to the White House, Col. Qadhafi sent us word that he had made a personal appeal, invoking the Koran, to Ayatollah Khomeini and was sending a special delegation to Teheran to try to help.

I don't know that the Libyans would have acted any differently if Dr. Brzezinski had simply called them directly or if we had simply continued our efforts through diplomatic channels. I do know that we wanted the maximum personal and direct push for Libyan support that we could make.

Note: Do not make too much out of the idea that Billy's effort was a success. State the facts and let people judge for themselves.

Do not imply criticism of normal diplomatic channels. We don't want to provoke the legions of the Department of State.

3. If the circumstances were the same but you had more time to think it over, would you use Billy that way again?

A. In the exercise of foreign policy, and in particular in relation to our efforts to free the hostages, decisions are required that are often not clear-cut. I was never eager to use Billy in this connection nor for that matter to imply any fostering of a relationship between my Administration and a government--many of whose policies and actions we find repugnant. Nor was I or anyone else in the Administration aware of the possibility that my brother would receive large sums of money from Libya in the future. But I feel in this regard--as I do about many other actions we have taken--that we would have been remiss had we left any stones unturned, any avenues untrodden, in our efforts to secure the release of our fellow Americans who are being held in violation of every concept of international law and human decency.

4. Since you knew that your brother was under investigation as a possible Libyan agent, didn't you realize you might be increasing his status by showing him to them as a man with the influence to arrange White House appointments?

A. That was a risk we decided to take. There was a risk just in asking the Libyan government to support us then, the risk that it might ask us to reciprocate some day.

We have taken many risks to try to get the hostages released. I have had to let people put their lives at risk for that goal.

But I was not especially concerned about letting it seem that Billy had access to the White House because I knew that he had no influence on the decisions that are taken here. The problem, in a way, has been the other way around--I have not been able to use enough influence on him.

If I had known then that Billy was seeking money from Libya, I would not have asked for his help with that country.

5. Wasn't the White House just free-wheeling all through these contacts, never telling the State Department what it was up to? Isn't the involvement of Billy a striking example of the lack of coordination in making and carrying out foreign policy?

A. The premise of your question is mistaken. The White House actions with Libya in those three weeks or so were all consistent with our overall policy, and they supplemented activities at the Department of State and elsewhere. The fact that not every detail was checked back and forth was partly because of the urgency of the situation, partly not to waste time.

Just because officers below the highest level in the Department of State may not have known everything that was being done is no reason to assume that there was poor coordination. A good number of the initiatives we have undertaken to free the hostages were known only to a very few people anywhere in the government. That was done purposefully, and it was right to do.

I want to remind you that the contact with the Libyans was only a small part of a much larger effort. It is not unusual in a time of crisis for actions to be taken, that are consistent with overall policy, but have not been communicated ahead of time to all agencies involved.

Note: This is a hostile question to which there can be no completely satisfactory response. Dr. Brzezinski says in his statement that he consulted with Secretary Vance on using El-Houderi, but State has no record of this and Secretary Vance does not recall the conversation. Furthermore, State sources do know--and are probably telling--that much of their information on the meetings with El-Houderi came to them from him, not the White House.

IV. Facts as to Billy's Government Contacts on Behalf of Libya

1. When exactly did you become aware, in your own mind, that Billy Carter was functioning as a de facto agent of the Libyan government?

A. I was aware, of course, of press reports as early as 1978 that Billy had become friendly with a Libyan group making a goodwill tour of Georgia and other Southern states. His statements of support for the Libyan regime received wide public attention and were roundly criticized by the American press and public. I publicly criticized some of these remarks myself.

I am not a lawyer and am not familiar with what specific activities must be undertaken before an individual becomes an "agent" of a foreign government within the meaning of the law. I was, of course, aware of press reports that the Department of Justice had undertaken an investigation early last year to determine whether Billy was in violation of the Foreign Agents Registration Act for failing to register and disclose his relationship with Libya.

During the course of that investigation, there was no contact between the White House and the Justice Department about the matter, except for a brief, general discussion in which Attorney General Civiletti related that Billy was being less than cooperative with the investigators.

It was not until July 14 that I learned that my brother had reached agreement with the Justice Department and had agreed to file a registration statement along with a disclosure of his

previous relationships with the Libyan Government. It was also on that date that I learned for the first time that he had received \$220,000 in loans from the Libyan Government.

2. When you first learned about your brother's dealings with Libyans, did it occur to you that he in fact might be a foreign agent under our laws? Did you ever inquire as to whether Billy was registered as a foreign agent?

A. I am not a lawyer and do not know the technical requirements for registration as a foreign agent. It was only within the past few weeks--around the first of July--that I learned that the Department of Justice was engaged in negotiations with Billy over the registration matter. Billy's own lawyers were urging him to register, but Billy was reluctant to do so. When I learned of his reluctance, I telephoned him to encourage him to cooperate fully and comply with the law.

3. If there was any question about his failure to register, didn't you have an obligation to raise the matter with the Department of Justice?

A. From start to finish, the investigation was handled exclusively within the Justice Department. It would have been improper for me to attempt to influence the outcome of the investigation in any manner.

4. Should there be any inquiry into whether Billy in fact lied in his conversations with representatives of the Department of Justice?

A. As with the initial investigation, any subsequent investigation would be a matter for the Justice Department to determine without any consultation from me or my staff.

It was only after he filed the registration statement that I became fully aware of the extent of Billy's relationship with the Government of Libya.

On July 1 I urged Billy to register based on the advice of the White House Counsel and Billy's lawyers. Based on information which came to my attention for the first time on July 14, I believe it was entirely appropriate that he did so.

5. You stated on July 22 that you felt it "inappropriate" for a member of the President's close family to engage in representation of a foreign government. Billy CARTER has now acknowledged that he was an agent for Libya as early as October of 1978. Did you ever make known your objections to this relationship, and if not, why not?

A. I did not become aware that Billy was a registered agent of the Libyan government until he filed the registration statement on July 14 of this year. I was, of course, aware that he had entertained a Libyan delegation to this country in 1978 and that he subsequently traveled to Libya in 1978 and 1979.

I shared the general public concern about Billy's deepening relationship with Libya. My wife and I talked about it many times. Billy is a proud and independent person who believes that his own views and the way he lives his life should not be tempered merely because his brother is President. And when his actions are criticized too strongly, he can be even more resistant.

I know my brother well, as only brothers can know one another. But even so, I cannot be sure in retrospect that I always made the right decisions in my relationship with him. I can only say that I did what I thought was best based on the circumstances and what I knew at the time.

6. Did you ever talk to Billy about the meeting he set on November 27 with Dr. Brzezinski and El--Houdari? Did you perhaps encourage him to go on with his ties to Libya?

A. As the notes I dictated on November 27 and sent in with the report today indicate, Billy and I talked about that meeting before and after it happened. I am sure that Billy was pleased with the Libyans' response and with the way the meeting went. So was I and so was Dr. Brzezinski.

But if I thanked Billy for his help, I did not do so with any idea of encouraging the association. What would have mattered to me most -- after the work we were doing to get the hostages freed -- would have been to encourage Billy's sense of confidence about himself.

I had no reason to encourage my brother's relationship with Libya; certainly I never sought to do so.

7. It has been alleged that your brother tried to get you and your Administration to change the policy that was keeping Libya from getting the aircraft it wanted. Did he? What is that policy? Has it changed? Didn't the Libyans actually get two planes from us shortly after Billy's first trip to Libya?

A. My notes show no indication that Billy ever raised the subject of airplanes for Libya with me. We know, and the report documents, only two instances when he or Randy Coleman ever mentioned the subject to anyone in the Administration. Once, with White House help, Randy got a call from a State Department officer who told him what our policy was -- and has been steadily since 1973 -- on letting Libya take possession of the 8 C-130's it has paid for. We will not sell military equipment to Libya. That State Department official has said that Randy ^{not} made an attempt to influence the policy. Another time, my brother met the Libyan desk officer for the first time at a reception in Washington and asked him about the sale of 747's. Then it looked as though we would allow that sale. In the end we decided against it.

Billy had no influence on any of those policy decisions.

(Further background: The matter of civilian aircraft sales to Libya came up in March 1978, when a decision was made to signal our opposition to certain Libyan policies by refusing licenses for the last two 727's in an order of 11 which Libya had placed. That summer, negotiations to get Libyan assurances that the planes would not be used for military purposes began to move forward. In October when Libya signed the important Hague convention against hijacking, one obstacle was removed. Then when Libya gave the assurances in writing, the licenses were granted in November. Initially, licenses were recommended in December 1978, for the sale of three 747's, but when Libya used some of the 727's to rush soldiers and supplies to Uganda to help Idi Amin, that State Department recommendation was reversed by the State Department on the grounds that the 747's then being built could have "potential significant military application." No new licenses have been granted.)

8. Have you previously used Billy as an intermediary with any other foreign governments?

A. No.

9. Has he been used in any other official or quasi-official way internationally or domestically?

A. No, the only instance that could be so construed is mentioned in the cables released several days ago.

In 1979 our charge in Tripoli discussed with Billy some general points he might make with Khomeini if he saw him. That was not something I directed but simply an entirely proper effort by our charge to get some points across to Khomeini who was very difficult for our diplomats to contact.

V. DOJ INVESTIGATION UNDER F.A.R.A.

1. After both the Attorney General and your own press office denied repeatedly that there was any contact between the White House and the Justice Department concerning the Billy Carter investigation, the Attorney General confirmed, at your urging, that the case was discussed on June 17. Can you be certain that the case was discussed on June 17? Can you be certain that there were no other discussions between anyone in the White House and anyone in the Department of Justice regarding this case?

A. On July 22 the White House issued a public statement to the effect that there had been no contact in either direction between the White House and the Department of Justice concerning the conduct of the investigation, except for FBI interviews and a conversation with a Justice Department lawyer with Philip Wise, my appointments secretary.

That July 22 statement had been previously checked and approved by me and the Attorney General. On July 23, my secretary, Susan Clough, completed typing some of the evening notes that I had dictated during June and July -- a task she had been asked to complete as promptly as possible by my counsel, Lloyd Cutler. She delivered the typed notes to me and I reviewed them on the afternoon and early evening of July 24. In them I discovered an evening note of a June 17 conversation with Attorney General Civiletti which I had forgotten. The text of my evening note is included in the report to the Senate subcommittee. I immediately telephoned Mr. Cutler, who had not previously known about this conversation with the Attorney General. I asked him to read the note the next morning and discuss it with the Attorney General.

As is indicated in his statement in the report, Mr. Cutler happened to encounter the Attorney General at a social event the same evening and told him of my call. The Attorney General promptly disclosed the conversation the following morning. His account of the conversation corresponds closely with my evening notes.

As my own personal notes and the Attorney General statement clearly show that brief conversation was entirely proper. That is the essential point.

2. You stated that you called Billy Carter on July 1 to urge him to cooperate with the Justice Department in its investigation. What was his response? Did you tell Billy Carter at the time about your conversation with Attorney General Civiletti? Specifically, did you tell him that if he cooperated with the Department of Justice, he would most likely escape criminal prosecution?

A. On June 28 I called Billy from Camp David. As is indicated in the evening note in the report, Billy told me that his lawyers were in negotiations with the Justice Department but that he did not think he would be required to file a registration statement.

Use exact language from oral statement here. Conclude with:

When I hung up the phone, I hoped Billy would take my advice, but he had not promised me that he would.

3. Since Mr. Civiletti's disclosure that he discussed the case with you, an internal investigation has begun in the Department of Justice to determine whether Mr. Civiletti might be guilty of obstruction of justice. But the chief investigator is, after all, a subordinate of Mr. Civiletti. Do you think that the results of any such investigation can be credible? Do you not believe that this is a case which calls for a special prosecutor?

A. I believe that the conversation initiated by the Attorney General was entirely proper. He did not inform me of any detail as to the conduct of the investigation. What he told me about was the Department's insistence that Billy file a registration statement and that the Department enforcement policy was essentially the same as what the Department's lawyers were saying to Billy's lawyers.

I am confident that the Justice Department's internal investigators, who have a large measure of independence and whose findings will be closely scrutinized by the press, will be capable of determining whether there was any impropriety in this general, brief conversation between the Attorney General and myself.

4. Mr. Civiletti has said that he "disserved" you by bringing up the investigation for discussion. If this is the case, has Mr. Civiletti offered to resign? Have you discussed resignation with him? Do you believe that he should make such an offer, and if he did, would you accept it?

A. Mr. Civiletti has not offered to resign. I have not requested his resignation, nor do I intend to do so.

5. Did you share with your brother the Attorney General's observation that Billy would not be prosecuted if he registered as a foreign agent?

A. At no time did I discuss with Billy my brief conversation with the Attorney General.

My conversations with my brother were based on the two memos from Mr. Cutler which have been given to you. What the Attorney General told me was essentially the same thing that the Department of Justice was telling Billy's lawyers as reflected in those memos.

6. Did you have any other discussions with the Attorney General about this matter other than the June 17 conversation? Have you discussed the case with him since it became public, and if so, what was the substance of those conversations?

A. The June 17 conversation was the only one which I had with the Attorney General, and I have not discussed the case with him since that date.

7. Did you share the substance of your conversation with the Attorney General with any other member of your family or with anyone on the White House staff?

A. No.

8. Did you urge the Attorney General to hold a news conference in which he revealed his conversation with you after first denying there was such a discussion?

A. I recalled the conversation, which I had forgotten, while reviewing my records in preparation for the report to the subcommittee. I immediately telephoned my legal counsel, Mr. Cutler, who had not previously known about this conversation. At my request, he discussed the matter with the Attorney General, who decided to deal with the matter and set the record straight at a press conference on July 25.

9. Why did Billy wait so long to register after it became known clearly that he was acting as a foreign agent? Did he "lie" to the Justice Department investigators last January about whether he had received payments from the Libyans?

A. I cannot address Billy's mental processes, nor am I sufficiently familiar with the investigation to make a personal judgement as to his truthfulness in his negotiations with the Justice Department.

10. Do you think that Billy Carter may have gotten favored treatment by the Department of Justice because he is your brother?

A. No. From all I have been able to glean from newspaper accounts, his case has been handled in a routine manner by the Justice Department.

VI. THE FUTURE

1. Do you plan to testify in person before Congressional committees investigating the Billy Carter matter?

A. I am prepared to cooperate fully with the special subcommittee of the Senate Judiciary Committee as to requests for information about the relationship between Billy Carter and the government of Libya, as well as about any contacts between any member of the White House staff with Billy Carter or with the Department of Justice relating to Billy Carter. The report which we have released today is in line with that commitment, and I am prepared to respond fully to further inquiries relating to these matters, in accordance with mutually acceptable procedures. We have not made any decisions about those procedures at this point.

We expect that the subcommittee is interested, as the Members have indicated, in a fair and expeditious and thorough investigation here, and we expect that there would be no difficulties involved in making appropriate arrangements.

2. Your appearance before a Congressional Committee would be a break in a long tradition of executive privilege. Does this break with tradition, with its implication for future Presidents, concern you? How do you respond to criticism that you are serving your own immediate political interests by breaking with that tradition?

A. The concept of executive privilege continues to be useful and essential to the conduct of the Presidency. The tradition of executive privilege is deeply embedded in our cherished doctrines of separation of powers of the executive and legislative branches.

This does not mean, however, that executive privilege might not be waived under limited, mutually-agreeable circumstances. There was such a waiver in 1974 when President Ford testified before a Congressional committee with respect to his pardon of former President Nixon.

There is a difference, of course, between a Congressional investigation of the formulation and conduct of policy by the executive, and allegations of personal misconduct and impropriety on the other hand. The present inquiry relates to allegations of personal misconduct and impropriety, and the only manner in which the matter can be appropriately resolved will be for the principals to be forthcoming, candid, and accurate in relating their respective roles. The subcommittee has asked for my cooperation in this inquiry, and I intend to give the full measure.

3. Will Mrs. Carter be available to testify?

A. My wife is willing to respond to any relevant and pertinent inquiry relating to the Billy Carter investigation.

4. Do you have the feeling that the Republicans in the Senate are trying to use this to the benefit of their candidates in the fall?

A. I am not prepared to make such a judgment at present. I am sure the American people will be watching closely the behavior of those on the committee as well as those called before the committee.

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5. Do you think the Republicans are trying to drag the inquiry out?

A. I understand that the Republicans have stated that they want a fair, thorough and expeditious inquiry. I am prepared to take them at their word.

Should they fail to live up to it, it is not my judgment but the judgment of the American people that they will have to face.

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6. How long do you think they should take before producing the results of their inquiry?

A. They have said they intend to be fair, thorough and expeditious. That sounds good to me.

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7. How will this affair affect your efforts at renomination or reelection?

A. It certainly doesn't help to have everyone focusing on this when they should be taking a good hard look at that amazing Republican platform.

We certainly did the Republicans a favor by arranging all this to delay public recognition of the crazy-quilt, hodge-podge of ill-construed proposals they plan to run on.

I'm sure they'll be gracious enough to reciprocate by agreeing to a whole series of debates this fall. We can make up for last time.

8. Is your report issued today to be considered the definitive statement on this whole matter? If additional information comes to light over the next few weeks, will you make it public immediately?

A. Since this matter first came to public attention, our policy has been to be as forthcoming, candid, and accurate as possible in responding to all inquiries from the press as well as from Congressional committees. We have operated of necessity under the competing imperatives of getting information out quickly and yet accurately. Since we are confronted with the difficult task of proving a negative -- that is, proving that my brother did not exert an influence on foreign policy and that the White House did not exert an improper influence on the investigation of his case -- we cannot be certain that additional information may not come to light. If it does, our policy will continue to be to make public all relevant information relating to this matter.

VII. Reflection on B.C. Affair

1. How do you think our allies and other foreign leaders look at you now as an international statesman based on your involving your family in diplomacy?

A: I really do not know, but I would guess that other leaders who live in free countries such as ours with a political opposition and a free press have themselves been subjected to acute public scrutiny. For those who live in nations where political opposition is outlawed and there is no free press, it probably confirms their belief that theirs is the best system. I wouldn't trade their positions for mine.

2. Do you think the country has been hurt by your actions, your brother's actions and the revelation of them the way it was by Watergate?

A. No. What would have been damaging would have been impropriety and an effort to conceal it. On a massive, prolonged scale, that was what Watergate was, and that is why it did such damage.

It has taken three weeks to put the whole story, as far as I and the White House know it, onto the public record, and perhaps even that is too long for an impatient public. But now that the account is in full public view, I am confident that the people will see that the law has been honored and enforced and the interests of our country have been upheld.

What would be damaging now, I suppose, would be an effort to prolong the formal Senate inquiry for partisan advantage or malicious publicity-seeking. I don't expect that to happen. I have acted responsibly, and I expect others to act that way as well.

3. How do you think the media has treated this affair?

A. Exhaustively.

The press has a responsibility to inquire vigorously into any indication of wrongdoing by public officials and to present an accurate record of what it finds. By and large, I believe the journalists who have shown an interest in this matter have tried to find and tell the truth of it.

Sometimes, of course, an unfounded accusation is a story in itself. The White House has not been able to anticipate all the stories that would come before they appeared or to find as quickly as even we would have liked the answers to questions as they were first raised. Now that those answers are given in full to the best of our ability, I am sure the press will give as much prominence to them as it may have to the questions we could not immediately answer accurately.

4. What is the principal lesson that you have learned from this affair?

A. It has reconfirmed what I already knew and have already lived by: honesty is the best policy.

OR

Do the best you can, tell the truth, and let the chips fall where they may.

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5. One of the most troubling aspects of this affair is that it is only the latest in a recurring pattern of allegations of personal and professional impropriety on the part of those close to you. Why is that the pattern continues?

A. I cannot say why such allegations continue when, as you may have forgotten, the two most serious ones have proved to be unfounded, those involving Bert Lance and Hamilton Jordan. Their cases have been exhaustively investigated at great cost to them and without any proof of wrongdoing being established.

I expect the White House to be held to a very high standard of personal and official conduct. That is as it should be. I also expect that when, as I have done today, a President opens even the most personal aspects of his office to public scrutiny, that act will be understood as a sincere sign of respect for the public's right to know the answers to any questions that are raised about my integrity.

I believe the record shows that I have acted in this matter to enforce the law and to respect its spirit. I would hope that the only pattern discernible in this affair, as in the previous cases, is a pattern of ethical conduct and sound judgment.

VIII. Comments on BC, Other Family Members, & Selected WH Staff

1. How often does Billy Carter call you? How often does he visit Washington? Does he stay in the White House when he visits? Do you expect him to stay in the White House when he comes to Washington for the Congressional hearings?

A. The report to the Senate which I have released today indicates some of the telephone contacts and personal visits between my brother and myself.

The extent of our contact depends upon need and circumstances. For example, when Billy was ill last year, I participated to the extent my other duties permitted, in the intensive effort to persuade him to undergo treatment, and to build up his confidence while he was in the hospital.

The extent and nature of our past contacts has been governed by personal considerations and considerations of propriety. That will continue to be the case in the future.

2. Do you have any business relationships today with Billy Carter? Does he owe you any money?

A. Billy does owe money to the warehouse. I can assure you that no transfers or payments of the money he received from Libya have been made to me and none will be. My trustees have stated that none has been made to the warehouse and none will be.

3. You have used your mother, your son, and, of course, the First Lady on official foreign missions. Do you think that has been proper or effective? Are you reconsidering that policy?

A. If I hadn't thought it proper in the first place, I would not have done it. I think if you research your history you will find it not unique for an occupant of the White House to have delegated certain members of his family to represent him or our nation on missions of ceremonial or even substantive nature. I have always been careful in the selection of family members for official missions -- to make certain that it is fitting -- and I will continue to use the same careful criteria in the future.

As you may know, in many societies the sending of a family member as an emissary or as part of a delegation is seen as a sign of additional importance or respect.

In some cases I have sent a member of my family to funerals because I wanted to convey a sense of personal loss.

4. There is some confusion about what you think about your brother: What is your assessment of his abilities?

A. Mr. President,

This is an almost certain question in some form. I don't think I can answer it for you. Personally, I would be inclined to say something like:

"He is my brother. I don't always agree with everything he does and says, nor he with me. But he is still my brother.

"Beyond that I do not feel compelled to discuss my personal feelings toward members of my family at a press conference."

5. Why would you even assume that his relationship with the Libyans was for any purpose other than personal agrandizement? If you assumed that, how could you legitimize his contacts with the Libyans?

A. As you know, I did not know that my brother had sought large sums of money from Libya until a few weeks ago.

I did not involve him in the effort to free our hostages because I was led to encourage his relationship with the Libyans, but because I wanted to see the hostages freed.

I do not believe he agreed to try to help because he wanted to make money, but because he wanted to see the hostages freed.

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6. We have seen Billy lying on TV and making various outrageous statements. Do you consider him to be honest and emotionally stable?

A. I am tempted to say that I consider him to be more honest and emotionally stable than most of those I see on television.

Instead I will say that I do not feel compelled to make personal judgments about my brother in a press conference.

7. If you don't, how could you ever ask him to assist in contacts with the Libyans?

A. I have described to you the reasons for using Billy as we tried to use many others in our efforts to free our people. You may or may not in retrospect agree with that decision, but it was my decision and I take full responsibility for it.

8. How long have you known about Billy's generally "different" behavior?

A. I suspect you could ask him the same question about me.

Seriously, and with all due respect to your question, my relationships with my brother so far as they involve the conduct of this office are fit subjects for public inquiry. My personal feelings about him or any other member of my family are not.

9. How much information do you have and have you had any contacts with Government officials concerning Billy's federal income tax debt?

A. I have no such information nor have I had any such contacts.

10. Do you believe it was proper for your White House counsel to suggest a specific lawyer to Billy Carter to handle his dealings with the Department of Justice?

A. Of course! On June 11, 1980, my brother made an appointment with my National Security Advisor, Dr. Brzezinski. After a few minutes of conversation, Dr. Brzezinski learned for the first time that Billy was involved in negotiations with the Justice Department. Billy wanted to learn whether he should mention, in his discussions with the Justice Department, a meeting which he had arranged between Dr. Brzezinski and a Libyan diplomat to explore ways in which the Libyans might be helpful in securing the release of our hostages in Iran.

As soon as Dr. Brzezinski learned that legal matters were involved, he called Lloyd Cutler, my counsel, to join the meeting. When Mr. Cutler learned that Billy was not represented by an attorney in his dealings with the Justice Department, he strongly urged that Billy secure a Washington counsel. Billy replied that he did not know any Washington lawyers and asked Mr. Cutler if he might recommend someone. Mr. Cutler suggested the names of several lawyers, and Billy chose two. Mr. Cutler then made a telephone call to these attorneys and introduced them to Billy over the phone. Thereafter, Mr. Cutler remained in general contact with Billy's lawyers, although he did not discuss the specifics of the negotiations with the Justice Department at any time. Mr. Cutler's role was entirely proper and appropriate from a professional standpoint as well as from the standpoint of his role as a government official.

11. There seems to be some uncertainty about the role of your appointments secretary Phil Wise in this whole affair: What is his relationship to Billy?

A. I believe his role is described adequately in the document we have presented to the Committee and to the public.

I have known Phil Wise since he was a child. I have absolutely no doubt that he has behaved properly.

12. What exactly has Phil Wise done that in any way relates to Billy and the Libyans?

A. So far as I know his only involvement is that he may have relayed a request from Randy Coleman to the NSC for a briefing on our policies toward Libya some time in 1978.

That was entirely proper and the briefing resulted in a warning to Randy and Billy about the sensitivity of our relationship and a request that the visit be at least postponed. It was.

13. Do you think that Phil Wise may have been indiscreet in any of his dealings?

A. No.

IX. INQUIRIES ABOUT WHITE HOUSE PROTOCOL

1. Do you make it a practice to record every activity and conversation? Do you keep a diary, or tape record any conversations or discussions?

A. For some time I have made it a practice each evening to dictate some personal notes about events of the day. These notes deal mostly with issues that come before me as President, but occasionally I will include references to personal matters as well. I have a small desk tape recorder which I use principally for dictation and for reminder purposes. From time to time interviews with journalists are recorded in order that the participants may be provided with an accurate transcript. But otherwise, no tape recordings are made of my private conversations and discussions. Certainly, we do not make recordings of conversations without the knowledge of all those involved.