

9/19/80

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THE WHITE HOUSE
WASHINGTON
September 19, 1980

To Rick Hertzberg
Jody Powell

I would like to receive all draft remarks
and talking points for the 9/22-24/80 trip
by noon on Saturday the 20th.

A handwritten signature in cursive script, appearing to read "Jimmy", with a horizontal line above it.

cc: Al McDonald

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[Salutations will be updated by Advance]

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Rick Hertzberg
Draft A-1; 9/18/80
For delivery:
Sat 9/20 evening
Chicago, Ill.

Susan
Type names as they are on here
J

Polish National Alliance dinner

President Al Mazewski [maZEFFski], Mayor Byrne, Governor Thompson, Mayor (Nicholas) Blaze,* Congressmen Dan Rostenkowski and John Fary, former Congressman Roman Pucinski [pooCHINski], Francis Meehan, our new American Ambassador to Poland, ladies and gentlemen:

I want to thank Al Mazewski [maZEFFski] for that fine introduction. In his capacity as president of both the Polish National Alliance and the Polish-American Congress,** Al is a frequent visitor at the White House. He knows how to get things done.

He also knows how to get re-elected. So far, he's in his fourth term. Myself, I'll settle for two.

*Of Niles, Ill., the little town just a block or two outside Chicago where the dinner is actually being held.

**The umbrella organization of all Polish-American organizations.

It is good to see him again, and also so many of his colleagues in the leadership of the Polish-American community. I cannot name you all, but I do want especially to recognize the national president of the Polish Roman Catholic Union, Joseph Drobot [DROE-but] --

-- the president of the Falcons, Bernard Rogalski [roGOLLski] --

-- the chairman of the board of Alliance College, Hilary Czaplicki [chopLICKi] --

-- the vice president in charge of the women's division of the Polish National Alliance, Mrs. Helen Szymanowicz [shimaNOvich] --

-- and the president of the Polish Women's Alliance, Mrs. Helen Zielinski [zhaLINSki]. The motto of her organization is "The ideals of her women are the strength of a nation" --

2 } 3
and I agree. Someone else who would agree with that is the
mayor of this great city of Chicago, the second largest
Polish city in the world, Mayor Jane Byrne.

Chicago is also known as the "city of the big shoulders."
During the early years, the tough years of building, those
were Polish shoulders -- here and in many other cities. Nor
should we forget the contributions of artists and thinkers such
as Nobel Laureates Henryk Sienkiewicz [henrik shyenKEEAovich]
and Madame Curie, Joseph Conrad, Artur Rubenstein [stine],
Ignacy Paderewski [ignATsee paderEFFski], Hyman Rickover,
and, I might add, Dr. Zbigniew Brzezinski [zbigNYEF bzheZINski]. } 4

With Zbig in the White House and Ed Muskie at the helm
of the State Department, I am getting used to hearing about
our "bipolar" foreign policy. But with Clem Zablocki serving
as Chairman of the House Foreign Affairs Committee, what we
actually have is a tri-polar foreign policy.

The Polish-American contribution to our country has enriched all our lives. It has been estimated that about 30 per cent of all Americans can trace at least one of their ancestral lines to Poland. And for generations, the Polish National Alliance has been the mortar that has held the Polish-American community together. I am honored to join you in celebrating your 100th birthday. I am sure your second century will be as successful as your first.

As Al mentioned, I am only the second President in history to appear before you. The first -- William Howard Taft -- was a Republican. I'm proud to be the Democrat who has evened the score.

I'm not going to talk politics tonight, but I can't help noticing an interesting coincidence. When President Taft spoke to you, it was also an election year -- 1912. There was one Democratic candidate and two Republicans -- just like this year. Here's the part I like: the Democrat won.

5 } 6 I like this part, too: The winner of that election --
President Woodrow Wilson -- played a decisive role in the
history of Poland. He made Poland's freedom one of his
famous Fourteen Points -- and because of that, after more
than a century of foreign oppression, Poland's existence as
a state was restored.

I have a special feeling for the sons and daughters of
Poland. Poland was the first foreign country I visited as
President of the United States. And the Polish people have
been among the earliest and most consistent fighters for
human rights -- not just for a year, not just for a hundred
years, but for a thousand years. } 7

All of us were reminded again of of that heritage last
year -- when Pope John Paul II visited our country.

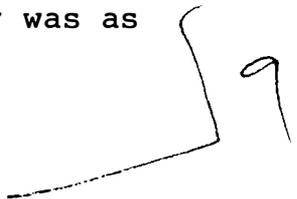
What an impact this good and holy man had on our people!
His spirit, his kindness, his radiance conquered our hearts.

That was a proud and special moment for all Americans. It was doubly so for Polish-Americans. John Paul II, a faithful son of his nation and his Church, became a living symbol of Polish contributions to our common values.



The Pope is only the latest of the millions of Poles who have come to America -- as visitors and as immigrants -- bringing with them a love of human rights.

Everyone knows that Thaddeus Kosciuszko [taDAYoosh koshCHOOshko] helped America win her independence. What most people do not know is what Kosciuszko [koshCHOOshko] did just before he returned to Poland to fight for Polish freedom. He had a large sum of money coming to him from the Continental Congress. He left that money in the care of Thomas Jefferson -- with instructions to him to purchase the freedom of as many black slaves as possible. The great Polish general very simply believed that slavery was as repugnant here in America as in his own country.



9
Let me remind you of one more incident in the long history of Polish-Americans and human rights. It goes back a long time -- more than 350 years -- yet it is as fresh as today's newspaper.

In 1608, in what is now Virginia, Captain John Smith brought a small group of Polish glassmakers to Jamestown to set up the first factory in America. But the Polonians, as they were then called, were denied the rights of free citizens.

These proud people endured these indignities for eleven years. Then, in 1619, they staged the first sitdown strike in American history -- not for money, but for human rights. Because of that, the House of Burgesses -- the first legislature in America -- passed a bill giving the Polonians the right to vote and the other rights of free people.

Think of that, three and a half centuries ago -- and then think of the Gdansk workers of 1980. The spirit of the

10

Leave
space for
my JP

the Jamestown Polonians is very much alive -- here in this
room and across the ocean. The events of recent weeks in
Poland have inspired the world.

During this period of exciting change in Poland, the
U.S. government has pursued a careful policy -- a policy
based on the need for a calm atmosphere, free from outside
interference. We will not interfere in Poland's affairs --
and we expect that others will similarly respect the right
of the Polish nation to resolve its problems on its own.

It now appears that the crisis may be on its way to a
peaceful and constructive resolution. But Poland's economic
problems remain very severe. Besides the dislocations,
there have been terrible floods. Poland needs food.

That is why I ordered quick approval of Poland's full
request for \$670 million in new credit guarantees for American
grain and other farm products -- the largest such guarantee

four million tons of

13

we have ever made. We have also substantially increased
Pacific Coast allocations of fish to Poland. 13 } 14

These steps, which many of you here tonight urged, ^{by} are
intended to meet an urgent and basic need for food.

They are also intended to show our admiration for the
dignified manner in which the entire Polish nation is conducting
itself in this time of wrenching and positive change.

And they are intended to demonstrate to the new leadership
of Poland our desire for better relations. We want to strengthen
even further
the human ties between our two countries. 15

The shipyard workers in Gdansk -- the coal miners in
Silesia -- the store clerks and workers in Warsaw have sent
a powerful message around the world.

Poland has reminded us that the desire for human rights
and human dignity is universal.

Freedom of thought and expression -- freedom from arbitrary violence -- freedom from violations of personal integrity -- -- due process -- participation in government -- civil and political and economic rights. These are the very stuff of human rights.

15
110

And, tonight, I pledge to you this: ~~If the nation of Poland can stand up for human rights,~~ as long as I am President this Nation will stand for its beliefs, will stand for its ideals, will stand for its values, *will stand up for human rights.*

To those who criticize our human rights policy, who say it is not in our national interest, who say it hampers American foreign policy, I say: how can we -- as free people -- be indifferent to the fate of freedom elsewhere? ~~How can we as people with civil and political rights be indifferent to the lack of civil and political rights elsewhere?~~ How can we, as people with the most abundant economy on the globe,

be indifferent to the suffering of those elsewhere who lack
food, and health care and shelter?

We cannot be indifferent -- and we will not retreat one
step from our human rights policy.

Human rights is the very soul of our foreign policy --
because it is the soul of our identity as a Nation. We
support human rights because our conscience commands it.
But the fact is that our human rights policy -- in general --
also pragmatically serves our national interest.

Both our Nation and the world are more secure when basic
human rights are respected.

Our words and our actions have left their mark.

¶ Governments have released political prisoners,
lessened political repression and economic misery.

¶ Hundreds of thousands of people have emigrated to freedom from the Soviet Union, Cuba and elsewhere.

¶ Increased trade with African and Third World nations has resulted in part from the growing trust generated by America's human rights policy.

The Soviet Union may not like our human rights policy. The generals, colonials, and dictators may not like it. Those who tyrannize ~~over~~ others will always fear the ideas of freedom and human dignity. But the people in the villages, the factory workers, those who farm the land and populate the cities -- they care and they applaud and they pray that Americans will never abandon them.

I say to them: we are one, we are together. We will not abandon you.

Here at home, our Nation's commitment to fundamental values is strengthened by advancing human rights -- the rights

of all Americans, regardless of color or national origin or accent or sex. That commitment makes us proud to be Americans. And it makes us realize that America's foreign policy in the 1980s must always emanate from those values.

21

~~We~~ cannot return to the days when we too often gave unquestioning support to repressive regimes.

~~We~~ cannot return to the days when secrecy in foreign policy was used to hide policies and acts the American people would never support.

We must continue to strengthen our defenses -- as I have done every year since I became President, as I will continue to do in the future. But we cannot sap our strength by returning to the days when some would advocate a military solution for every international disturbance.

22

*Dr. Brzezinski would remove these two paragraphs. He says they would rub this rather conservative audience the wrong way.

22

We have learned too much from the past twenty years. Too many American families have made too many sacrifices for their leaders to have their vision blurred by nostalgia for a world that no longer exists.

I say to you that America's military might should be used to seek peace and avoid war.

And I say to you that America's human rights policy should be used to pierce the curtain of oppression -- to throw the searchlight of world conscience on those who smother the winds of freedom.

23

The cause of human rights is a slow process. Results are not always immediately evident. Progress is often painfully slow. Sometimes there are reverses.

But when the cause triumphs and the winds of freedom blow, no power on earth can with[^]stand their force.

24
We will stand up for human rights in Madrid at the European security conference -- and Al Mazewski [maZEFFski] will be there as a member of the American delegation.

Will this nation abandon its human rights policy?

I answer -- never.

I pledge to you that as long as America stands true to itself and as long as I am President, our voice of liberty will not be stilled.

25
America is human rights. That is what America has meant to the rural people of Poland -- the potato farmers of Ireland -- the Jews of Eastern Europe -- all the oppressed who built and peopled our country.

Those inalienable human rights -- of life, liberty and the pursuit of happiness, so eloquently penned by Thomas Jefferson, so profoundly demonstrated by the Polish workers -- will endure and will prosper and will thrive. Thank you.

##END

THE WHITE HOUSE

WASHINGTON

September 19, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jack*
SUBJECT: TVA Rate Increase

Immediately after you asked me to check with Dave Freeman about the scheduled TVA rate increase, I did so and found Dave un-receptive to suggestions about a delay. He argued that the TVA Board had already acted; that the rate increase was moderate but necessary to meet costs; that the press and public reaction is not nearly as negative as some of the elected officials have said; and that any reversal now would create political charges and problems far greater than the increase itself. Dave also politely reminded me that "White House interference," or even the appearance of such, in the rate setting actions of an independent agency such as TVA was something to be strictly avoided.

I assured Dave that I was not attempting to "interfere" in the matter but was merely reporting to him some serious concerns that had been expressed to me and others about the rate increases (and the reasons for them) and suggesting that he and the Board be sensitive to those concerns. I also suggested that it would be wise for Dave and the Board to exert a maximum effort to cut costs wherever possible to avoid the necessity of such rate increases and to say publicly that they were doing so.

Prior to my call, Stu had independently discussed the rate increase with Dave and received the identical response.

I subsequently discussed the matter with Congresswoman Marilyn Lloyd Bouquard and related to her everything Dave told me. She thanked me for our efforts and concern.

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THE WHITE HOUSE
WASHINGTON

10:20 a.m.

9/18/80

Mr. President:

The campaign called me last night to plead that you see Moffett today. He plans to have a press conference tomorrow and they want to close the deal with Moffett before then.

approve disapprove

Phil

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September 18, 1980

CONGRESSIONAL SCHEDULING PROPOSAL

MEETING: White House meeting with Rep. Toby Moffett

LENGTH: 10 minutes

DATE: Thursday, September 18, 1980

PURPOSE: To discuss the Connecticut campaign

BACKGROUND: Moffett originally had requested a meeting for himself and all other Members who had supported Kennedy. We decided that the timing had probably passed for such a meeting. The campaign now feels that Moffett is key to our plans in Connecticut and on the First Lady's recent trip there the campaign asked her to invite him to meet with the President in the Oval Office.

EVENT DETAILS: Location: Oval Office

Participants: The President, Rep. Moffett, Frank Moore

Press Plan: White House photo

REQUESTED BY: Frank Moore
Les Francis
Patty Knox

APPROVED BY:
FRANK MOORE:

F.M.

DATE SUBMITTED: September 18, 1980

945

THE WHITE HOUSE
WASHINGTON

9/17/80

Mr. President:

Shall I schedule this
request?

yes no

Phil

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September 17, 1980

MEMORANDUM FOR PHIL WISE

FROM: FRANK MOORE *Frank Moore*
JACK WATSON *Jack*

SUBJECT: Brief Meeting for Congresswoman Liz Holtzman

The Campaign has asked us to request time on Thursday, September 19 for a ten minute meeting with Congresswoman Elizabeth Holtzman (D-NY). As you know, she is the democratic candidate for Senate in New York, and with Senator Javits on the Liberal Line, we very much need to coordinate our campaign in the state with Ms. Holtzman's.

The campaign would provide a specific set of requests for the meeting, and Joel McCleary would likely attend with her. Jack English has been talking daily with Ms. Holtzman on behalf of the campaign, and it is believed that now is the time to have a brief meeting with the President.

Hamilton Jordan endorses this request.

11:50 Am

THE WHITE HOUSE

WASHINGTON

September 18, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM:

JACK WATSON *Jack*

SUBJECT:

Brief Meeting with Olin Robison
Friday, September 19, 1980 11:50 am
The Oval Office

Purpose. The purpose of this meeting is to receive a status report and recommendations from the U.S. Advisory Commission on Public Diplomacy.

Background. The U.S. Advisory Commission on Public Diplomacy is the oversight group for the International Communication Agency headed by John Reinhardt. The ICA includes Voice of America and other programs from the old AID agency as well as programs from the State Department's Bureau of Educational and Cultural Affairs. The Commission, chaired by Olin Robison, is independent, bipartisan, created by statute, and has seven members appointed by the President.

This report to you highlights the role of public diplomacy in international relations and, in general, calls for more funding, more personnel, and more attention to the work of the ICA. It also calls for the assignment of the Director of ICA to a permanent seat on the National Security Council. It is not necessary for you to make any response whatsoever to the report.

Olin Robison is President of Middlebury College in Vermont and a personal friend of mine. He served in the State Department under the Johnson Administration, is an expert in Soviet Affairs, and travels there frequently. He is also close to Cy Vance, whom he admires greatly. You met Olin when he escorted Pastor Georgi Vins to services with you at the First Baptist Church after Vins and four others were returned from the Soviet Union.

Participants. The President, Olin Robison, Jack Watson.

Press. White House photographers only.

Talking Points.

- Greet Olin as if you know him.
- Thank him for his leadership on the Commission.
- Tell him that, in view of shifting international tensions, you recognize the increasingly important role of public diplomacy.

11:45 AM

THE WHITE HOUSE
WASHINGTON

PHOTO OPPORTUNITY WITH REP. TIM LEE CARTER(R-KY) AND CHET ATKINS

September 19, 1980
11:40 a.m. (3 minutes)
Oval Office

From: Frank Moore

I. PURPOSE

To be photographed with Chet Atkins, Rep. Carter and Hascal Haile.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

Background: Country music personality Chet Atkins will be presenting one of his guitars to the Smithsonian Institution later today. The guitar was made by Hascal Haile, an internationally known artisan from Tompkinsville, Kentucky in Congressman Carter's Congressional District. Atkins will be making the presentation in the Hall of Musical Instruments in the Museum of Natural History and Technology following a short concert of his music.

Congressman Carter's wife Kathleen will accompany him.

Participants: The President, Rep. Tim Lee Carter, Kathleen Carter, Chet Atkins, Hascal Haile, Mrs. Ravenel Haile, Frank Moore

Press Plan: White House Photographer, Wire Service photo

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THE WHITE HOUSE
WASHINGTON

September 18, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD CUTLER

Lnc

SUBJECT: Press Conference

A good illustration of your "codeword" point is that Strom Thurmond's party in 1948 was called the States Rights Party.

cc: Jody Powell

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Presidential Election of 1948

Source: America at the Polls, compiled and edited by Richard M. Scammon.

PRINCIPAL CANDIDATES FOR PRESIDENT AND VICE PRESIDENT

Democratic—Harry S. Truman; Alben W. Barkley.

Republican—Thomas E. Dewey; Earl Warren.

Progressive—Henry A. Wallace; Glen H. Taylor.

States' Rights—J. Strom Thurmond; Fielding L. Wright.

State	Total	Dem.	Rep.	SR Dem.	Plurality	Electoral			Prog.
						D	R	S	
Alabama	214,980	(1)	40,930	171,443	130,513 S	11			1,522
Alaska	177,065	95,251	77,597		17,654 D	4			3,310
Arizona	242,475	149,659	50,959	40,068	98,700 D	9			751
Arkansas	4,021,538	1,913,134	1,895,269	1,228	17,865 D	25			190,381
California	515,237	267,288	239,714		27,574 D	6			6,115
Colorado	883,518	423,297	437,754		14,457 R	8			13,713
Connecticut	139,073	67,813	69,588		1,775 R	3			1,050
Delaware	577,643	281,988	194,280	89,755	87,708 D	8			11,620
District of Columbia	418,844	254,646	76,691	85,135	169,511 D	12			1,636
Florida	214,816	107,370	101,514		5,856 D	4			4,972
Georgia	3,984,046	1,994,715	1,961,103		33,612 D	28			
Idaho	1,656,212	807,831	821,079		13,248 R	13			9,649
Illinois	1,038,264	522,380	494,018		28,362 D	10			12,125
Indiana	788,819	351,902	423,039		71,137 R	8			4,603
Iowa	822,658	466,756	341,210	10,411	125,546 D	11			1,567
Kansas	416,336	136,344	72,657	204,290	67,946 S	10			3,035
Kentucky	264,787	111,916	150,234		38,318 R	5			1,884
Louisiana	596,748	286,521	294,814	2,489	8,293 R	8			9,983
Maine	2,107,146	1,151,788	909,370		242,418 D	16			38,157
Massachusetts	2,109,609	1,003,448	1,038,595		35,147 R	19			46,515
Michigan	1,212,226	692,966	483,617		209,349 D	11			27,866
Minnesota	192,190	19,384	5,043	167,538	148,154 S	9			225
Mississippi	1,578,628	917,315	655,039		262,276 D	15			3,998
Missouri	224,278	119,071	96,770		22,301 D	4			7,313
Montana	488,940	224,165	264,774		40,609 R	6			
Nebraska	62,117	31,291	29,357		1,934 D	3			1,469
Nevada	231,440	107,995	121,299	7	13,304 R	4			1,970
New Hampshire	1,949,555	895,455	981,124		85,669 R	16			42,683
New Jersey	187,063	105,464	80,303		25,161 D	4			1,037
New Mexico	6,177,337	2,780,204	2,841,163		60,959 R	47			509,559
New York	791,209	459,070	258,572	69,652	200,498 D	14			3,915
North Carolina	220,716	95,812	115,139	374	19,327 R	4			8,391
North Dakota	2,936,071	1,452,791	1,445,684		7,107 D	25			37,596
Ohio	721,599	452,782	268,817		183,965 D	10			
Oklahoma	524,080	243,147	260,904		17,757 R	6			14,978
Pennsylvania	3,735,348	1,752,426	1,902,197		149,771 R	35			55,161
Rhode Island	327,702	188,736	135,787		52,949 D	4			2,619
South Carolina	142,571	34,423	5,386	102,607	68,184 S	8			154
South Dakota	250,105	117,653	129,651		11,998 R	4			2,801
Tennessee	550,283	270,402	202,914	73,815	67,488 D	11		1	1,864
Texas	1,249,577	824,235	303,467	113,920	520,768 D	23			3,918
Vermont	276,306	149,151	124,402		24,749 D	4			2,679
Virginia	123,382	45,557	75,926		30,369 R	3			1,279
Washington	419,256	200,786	172,070	43,393	28,716 D	11			2,047
West Virginia	905,058	476,165	386,314		89,851 D	8			31,692
Wisconsin	748,750	429,188	316,251		112,937 D	8			3,311
Wyoming	1,276,800	647,310	590,959		56,351 D	12			25,282
TOTAL	101,425	52,354	47,947		4,407 D	3			931
TOTAL	48,793,826	24,179,345	21,991,291	1,176,125	2,188,054 D	303	189	39	1,157,326

* There were no Democratic candidates on the ballot. * Contains 2,595 Republican and 2,448 Independent Republican votes. * Contains 2,557,642 Democratic and 222,562 Liberal votes. * One Democratic elector voted for the States' Rights candidate.

OTHER CANDIDATES FOR PRESIDENT: Prohibition Party, Claude A. Watson; Socialist Party, Norman Thomas; Socialist Labor Party, Edward A. Teichert; Socialist Workers Party, Farrell Dobbs.

NATIONAL TOTALS OF OTHER VOTES: Socialist, 139,572; Prohibition, 103,900; Socialist Labor, 29,241; Socialist Workers, 13,614; scattered, 3,412.

THE WHITE HOUSE

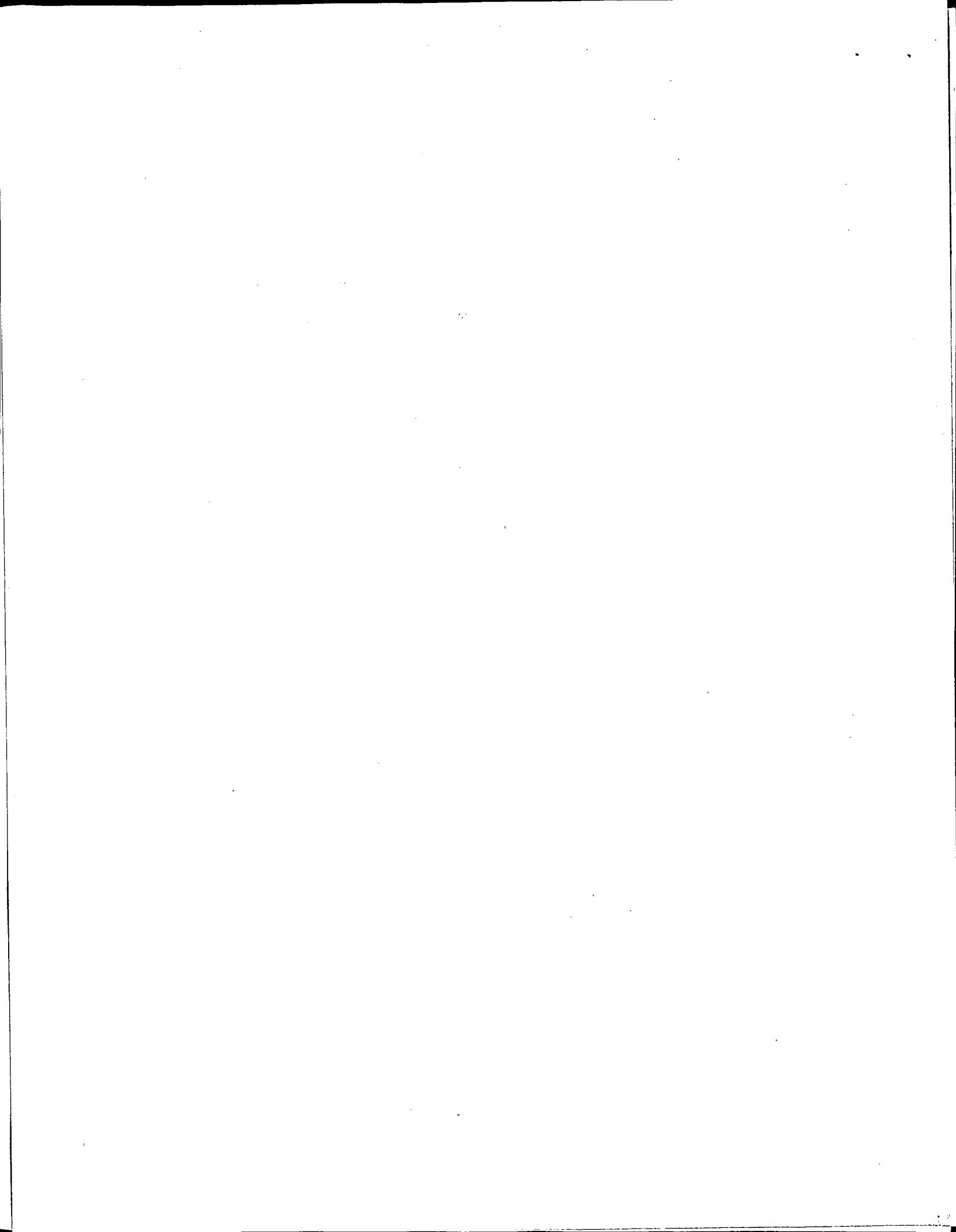
WASHINGTON

9/19/80

AL MCDONALD
JODY POWELL
RICK HERTZBERG

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

Rick Hutcheson



[Salutations will be updated
no later than 9:30 a.m. on
Friday by Richie Reiman x2845.]

Bob Rackleff
A-1; 9/18/80
Scheduled Delivery:
Fri, Sept 19, 1:30 p.m.

Regulatory Flexibility Signing Ceremony
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*Susan
Cards
J*

1 (20)
(2-20)

I want to welcome you all here -- especially the members
of Congress who worked hard to pass this legislation -- John
Culver, Neal Smith, Gaylord Nelson, and Andy Ireland.

In a few moments I will sign into law an important element
of my ~~comprehensive~~ program to cut back excessive regulations,
the small business "Regulatory Flexibility Act."

This law recognizes the fact that small businesses are
vital to the growth and future of America. It recognizes that
government regulation can impose a disproportionate and unfair
burden on small businesses.

1/2

This law requires agencies to tailor their regulations
to the size and resources of the affected business without
sacrificing regulatory goals.

Politicians have talked about regulatory reform for decades.

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We have acted.

This is the fifth major regulatory reform bill I have signed. *The broadest reform program in history.* We have deregulated airlines, trucking, banking, and fossil fuels, and I hope to sign a railroad deregulation bill soon. I have ordered Federal agencies to analyze costs and benefits and choose the least burdensome ways to meet their goals. I ~~hope we can also pass the comprehensive reform legislation that would put these principles into the law.~~

2(20) } 3(21)
44-2

These measures are increasing competition and helping us fight inflation -- without sacrificing environmental quality, worker health and safety, or other vital public interests. ~~My Administration has carried out the broadest regulatory reform program in history. We have achieved much already, and we are not through yet.~~

These steps respond to the major regulatory concerns of the White House Conference on Small Business. In May, Chairman

Arthur Levitt presented me with the Conference Commission's report. Since that time my Administration has carefully

acted on many of

~~considered its recommendations, acting on many just as we have in the regulatory area. I want to again thank Arthur Levitt, the Commissioners and the delegates for giving me their valuable advice.~~

I also want to extend my condolences, as well as Rosalynn's, to the family of Tom Chan, one of the White House Commissioners who died just last week.

Let me tell you how we've followed other recommendations of the Conference. A major concern was capital formation and retention. The economic revitalization program I announced August 28 directly addresses the most important recommendations.

My program will help create a million new jobs in two years, and ~~it~~ will increase productivity without rekindling inflation.

One half of the benefits of ^{the} my program are incentives for

especially helpful to
business investment, including small businesses. Let me
describe some of them.

*4 → (21) (22)
(0-22)*
~~We will.~~
~~My depreciation proposals would make accelerated~~

depreciation of capital goods available to many more small
businesses by simplifying and liberalizing existing rules.
Under constant rate depreciation, small businesses ~~could~~ ^{can} use
the same depreciation methods as large businesses -- without
having to hire an army of accountants.

~~My proposal to make~~ ^{will be} the investment tax credit, partially
refundable for the first time ^{providing immediate} ~~would provide immediate~~ help
to new and struggling small businesses.

^{with improved cash flow}
New businesses would be assisted, by my proposal to deduct
start-up costs over not less than five years. ~~This will help~~
~~cash flow in the difficult early years.~~

5/6
~~My proposal to~~ ^{fix} offset Social Security tax increases with

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refundable tax credits ^{will} ~~would~~ increase the ability of small
business to keep current workers and hire new ones.

At the urging of Senator Sam Nunn and others, I am
directing that OMB and SBA study the use of loan guarantees,
in conjunction with local development companies and private
lenders, to finance plant expansion and renovation.

We are
~~The Conference delegates were also concerned about~~
increasing the share of Federal procurement going to small
business, especially those owned by minorities and women.

I can tell you today that ~~the~~ volume of Federal procurement
going to small business has been increasing steadily during
my Administration and ~~will~~ continue to increase.

Purchasing from minority-owned firms was only about \$1
billion when I took office in 1977. We expect to reach my goal
of tripling that amount by the end of this fiscal year, and we

*(12-22) 7(23)
(8-23)*

hope to triple again the dollar volume of minority procurements.

Further, I ^{have accepted} ~~am today accepting~~ the Commission's goal that contracts and subcontracts to minority firms account for 10 percent of all government procurements by the end of the decade.

~~To boost opportunities for women-owned businesses, another key conference concern, I~~ ^{have} ~~established a national policy of Women's Business Enterprise. A multi-agency committee is working to see that women-owned small companies receive a greater share of Federal contracts. We expect to double the current level of \$200 million in purchases from women-owned firms by the end of fiscal year 1981, and may~~ ~~I am today setting a~~ ^{is} goal that Federal procurement from women-owned firms will reach \$600 million in fiscal 1982. 7 8(23)

To help ensure meeting these goals, I will instruct all departments and agencies that goals for small business purchases be made readily available to the public.

~~Another priority concern of the Conference was equal access to credit by women-owned businesses. The delegates felt that the application of the Equal Credit Opportunity Act to commercial enterprises seeking credit is incomplete. I am writing to the Federal Reserve Board to urge appropriate action.~~

The same White House Conference ~~recommendation~~ encouraged the SBA to expand its \$3 billion a year loan guarantee program, establishing targets for minority-owned and women-owned firms.

We have
~~My Administration has~~ already more than doubled funding for small business programs and will propose further expansion.

~~and~~ *been able to* We have ~~acted~~ quickly when necessary. To help revitalize the auto industry, the SBA worked closely with banks this summer to lend over \$100 million to more than 500 auto dealers so they could stay in business.

8(23) (9-24)
(10-24)

~~The White House Conference also recommended that the~~
The Office of Advocacy of the SBA ~~be~~ *was* strengthened, ~~This has been~~ *and*

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~~done.~~ Its mission has been broadened.

You can see that we
~~Through these and other measures, we~~ have begun to implement many of the Conference recommendations, and we are not through yet. I intend to reconvene the Conference leadership in 1982 to review the progress made by that time, to reassess priorities set this year, and to establish new goals. ~~I am proud of the thousands of citizens who participated, and I am equally proud of my Administration's response to the specific recommendations.~~

The economic initiatives I have outlined can help revitalize our national economy, which is so reliant on the vitality of small business. I call on you to help put this ambitious program in action, *next year.*

John Culver and Andy Ireland invented the regulatory flexibility concept and worked long and hard to reach this day. I want now to call on them to say ^a few words.

#

ENDORSEMENT BY CONSUMER LEADERS

Friday, September 19, 1980
10 a.m. (15 minutes)
The Cabinet Room

From: Esther Peterson

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I. PURPOSE

To discuss certain issues with consumer leaders prior to their announcement of their endorsement of your re-election and the formation of a "Consumers for Carter-Mondale Committee."

II. BACKGROUND, PARTICIPANTS, AGENDA

A. Background

Leaders of virtually all major consumer organizations (except Ralph Nader) have decided to unconditionally endorse you for re-election and to create a national "Consumers for Carter-Mondale" Committee (in coordination with the campaign). They have requested this meeting to announce their endorsement and formation of the Committee, and to discuss certain issues.

Their decision to endorse you is based on your consumer record and a comparison of the record and promises of Governor Reagan and Representative Anderson. They have prepared an analysis which they plan to disseminate to consumer leaders throughout the country.

They plan to raise four issues for discussion during the meeting:

(1) The need to integrate consumer issues and accomplishments in campaign speeches, materials, and debates.

(2) The importance of consumer participation in domestic economic policy by recognizing the business, labor, and consumer "triad" on programs, boards and other policy forums. In addition, they plan to discuss the impact of inflation on retirees.

(3) The importance of consumer participation in Federal proceedings including continued support for a Consumer Protection Agency, public participation funding, and your Consumer Executive Order. They will also urge sufficient funding for the consumer offices and strong appointees to the key agency consumer jobs.

(4) Continued and active support for health, safety, and marketplace regulations that protect consumers and workers.

Since most consumer organizations cannot engage in political activity per se, these will be individual endorsements, although organizational affiliation will be listed.

B. Participants

Approximately 20 consumer leaders with expertise in food, energy, housing, health, transportation, communications, and finance and in the problems and needs of elderly, children, families, minorities, and the poor. Ellen Haas of the Community Nutrition Institute will be the principal spokesperson from their side.

Others in attendance are Stu Eizenstat, Esther Peterson, Carol Foreman and Joan Claybrook.

C. Agenda

You will open the meeting with a brief one minute statement with the press present. The press will leave and Ellen Haas will make a statement on the endorsement and the formation of the Committee. You will then respond to their endorsement statement. Subsequent to this, you should call on Ellen Haas to lead a discussion on the presentation of their issues.

After the meeting, the consumer leaders will meet the press outside the West Wing. They will read a prepared statement announcing the endorsement and their reasons for it, and announcing the formation of a "Consumers for Carter-Mondale" Committee. They will also distribute the Committee's analysis of the consumer records of the three candidates.

Recommendations for your opening remarks, your response to Ellen Haas, and for positions on the issues are included in your talking points. In any area where you feel more detail is needed, Esther is prepared to comment.

III. PRESS PLAN

The White House Press Corps -- augmented by certain consumer reporters -- will be present for your opening remarks only.

A written statement from you on the endorsement will be released (by the campaign) after the consumers meet with the press.

IV. TALKING POINTS

Talking points for your remarks during the three segments of the meeting are attached.

AGENDA

Meeting with Consumer Leaders
Friday, September 19, 1980
Cabinet Room, 10:30 a.m.

1. Opening remarks by the President (Press Present)
2. Press Leaves
3. Statement by Ellen Haas, Community Nutrition Institute
4. Response by the President
5. Presentation and discussion of Issues (President calls on Ellen Haas)
6. Press Conference by Consumer Leaders -- Outside West Wing

LIST OF ATTENDEES FOR SEPTEMBER 19 CONSUMER LEADERS
MEETING

ERMA ANGEVINE	National Consumers League
JAMES BOYLE	Texas Consumer Association and Consumer Federation of America
ELLEN BROADMAN	Consumers Union
STEVEN BROBECK	Consumer Federation of America
ANN BROWN	Americans for Democratic Action;- Consumer Affairs Committee
PEGGY CHARREN	Action for Children's Television
JACOB CLAYMAN	National Council of Senior Citizens
HILDRED DREW	United Auto Workers International Union
EVELYN DUBROW	International Ladies Garment Workers Union
MICHAEL GILDEA	AFL-CIO Department of Legislation
ELLEN HAAS	Community Nutrition Institute
CHARLES HILL	National Consumer Law Center
LYNN JORDAN	Virginia Citizens Consumer Council
KENNETH KOVACK	United Steelworkers of America
RODNEY LEONARD	Community Nutrition Institute
O'DONNA MATHEWS	Maryland Citizens Consumers Council
ARNOLD MAYER	United Food Commercial Workers
ARCHIE RICHARDSON	Automobile Owners Action Council
SANDRA WILLETT	National Consumers League
MYRON ZEITZ	Community Nutrition Institute

Administration Officials:

STU EIZENSTAT

ESTHER PETERSON

JOAN CLAYBROOK

Administrator, National Highway
Traffic Safety Administration

CAROL FOREMAN

Assistant Secretary of Agriculture

Response to Ellen Haas

-- Ellen, I am grateful for your endorsement and the formation of the Consumer Committee. Vice President Mondale and I consider ourselves consumer advocates and it is always a pleasure to have the recognition and support of one's colleagues in the profession.

-- I think we can all agree that there is a lot at stake for consumers and our nation in this election. We have made great strides in the last four years and I am committed to continuing that progress in the next four years.

-- I understand that there are several issues that you would like to discuss this morning. Ellen, do you want to begin the discussion?

TALKING POINTS ON ISSUES RAISED BY
CONSUMER LEADERS

I. Issue: Integration of consumer issues in campaign/speeches/material/debates.

Response:

-- It is important that we find ways to inform the public of our successes. They seem to be the best kept secrets in Washington.

-- We need to discuss the successes like airline deregulation that the people seem to know about. And we also need to discuss the less prominent but equally significant achievements like the Co-op Bank and the Research Safety Vehicle.

-- The campaign has prepared a consumer pamphlet which I hope the Consumers For Carter-Mondale Committee will help us distribute.

-- Esther Peterson will be traveling all over the country during the next few weeks, combining campaign and official appearances.

-- I will look for opportunities to include these issues during the campaign also.

II. Issue: Importance of consumer participation in domestic economic policy by recognizing the business, labor and consumer "triad" on programs, boards and other policy forums; i.e. impact of inflation on retirees.

Response:

-- There has been significant consumer participation in the economic policy in this Administration. Esther and Fred Kahn have done an excellent job in ensuring that consumer views were represented.

-- At my personal direction, Esther is a member of the Automotive Industry Committee. I believe it is extremely important to have consumer representation on tripartite committees.

-- Fred, Esther and Gus Speth have raised concerns about consumer and environmental representation on the Economic Revitalization Board. There will be a broad array of public members on the Board.

-- We have made significant progress in reducing inflation. Last month the CPI did not increase at all. If you exclude mortgage interest rates, we have brought the inflation rate down to 7 1/2 percent

III. Issue: The importance of consumer participation in Federal proceedings, including continued support for a consumer protection agency, public participation funding and your Consumer Executive Order by providing adequate funding.

Response:

-- I am very proud of our achievement in increasing consumer participation in Federal policy decisionmaking.

-- We began with a strong commitment to regulatory reform and public participation as expressed in Executive Order 12044.

-- Executive Order 12160, the Consumer Executive Order, has assured that there is a special agency official involved in agency policymaking activities on behalf of all consumers. As you know, almost all the agencies now have plans in operation. Esther has worked very closely in the development of those plans.

-- I am pleased to note that this is the first year that separate budgets will be submitted for the consumer activities of the agencies. That process is going well and Esther is working closely with OMB in evaluating the budget requests.

-- The Office of Consumer Affairs has had great success with its intervention program. For the first time, consumers have been represented in Federal rate and licensing proceedings.

IV. Issue: Continued and active support for health, safety and marketplace regulations that protect consumers and workers.

Response:

-- Regulatory reform has been a major priority of this Administration. But in seeking reform of outmoded economic regulatory programs, I have stood firm in my support for needed health, safety and environmental regulation. And I will continued to do so.

-- A major responsibility of government has been and will continue to be the protection of workers' and consumers' health and safety.

THE WHITE HOUSE

WASHINGTON

September 19, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *fm/rd*

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FYI, no action necessary

The following Members of Congress have indicated that they will attend today's bill signing at 1:30 p.m. in the East Room:

Senate

John Culver
Gaylord Nelson
Max Baucus

House

Don Albosta (D-Michigan)	Stephen Neal (D-North Carolina)
Alvin Baldus (D-Wisconsin)	Henry Nowak (D-New York)
Don Bailey (D-Penna.)	Peter Peyser (D-New York)
Berkley Bedell (D-Iowa)	John Porter (R-Illinois)
Edwin Bethune (R-Arkansas)	Richardson Preyer (D-North Carolina)
Doug Bereuter (R-Nebraska)	William Ratchford (D-Connecticut)
Bill Boner (D-Tennessee)	Toby Roth (R-Wisconsin)
Caldwell Butler (R-Virginia)	Neal Smith (D-Iowa)
Bob Carr (D-Michigan)	Gladys Spellman (D-Maryland)
George Danielson (D-California)	Charles Stenholm (D-Texas)
Arlen Erdahl (R-Minn.)	Thomas Tauke (R-Iowa)
Geraldine Ferraro (D-New York)	Mo Udall (D-Arizona)
Joe Fisher (D-Virginia)	Harold Volkmer (D-Missouri)
Floyd Fithian (D-Indiana)	Howard Wolpe (D-Michigan)
Ronnie Flippo (D-Alabama)	Leo Zeferetti (D-New York)
Henry B. Gonzalez (D-Texas)	
Andy Ireland (D-Florida)	
Robert Kastenmeier (D-Wisc.)	
Dale Kildee (D-Michigan)	
John LaFalce (D-New York)	
Clarence Long (D-Maryland)	
Mike Lowry (D-Washington)	
Matthew McHugh (D-New York)	
Dan Marriott (R-Utah)	
Nicholas Mavroules (D-Mass.)	

19 sep 80

Lloyd Cutler
Louis Martin

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

Rick Hutcheson

better to shipping

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
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	FOR APPROPRIATE HANDLING
	LAST DAY FOR ACTION

ACTION
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	MCDONALD
	MOORE
	POWELL
	WATSON
	WEDDINGTON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ANDRUS
	ASKEW
	BERGLAND
	BROWN
	CIVILETTI
	DUNCAN
	GOLDSCHMIDT
	HARRIS
	HUFSTEDLER
	LANDRIEU
	MARSHALL

	MILLER
	MUSKIE
	AIELLO
	BUTLER
	CAMPBELL
	H. CARTER
	CLOUGH
	FIRST LADY
	HARDEN
	HERTZBERG
	HUTCHESON
	KAHN
✓	MARTIN
	MILLER
	MOE
	MOSES
	PETERSON
	PRESS
	RECORDS
	SANDERS
	SHEPPARD
	SPETH
	STRAUSS
	TORRES
	VOORDE
	WISE

THE WHITE HOUSE

WASHINGTON

September 18, 1980

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MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD CUTLER *LNC*

SUBJECT: Kenya Boxing Tournament

The Kenya Golden Cup Boxing Tournament was a success (see attached cable). Boxers from twenty-six nations, including ten African nations, competed. At the opening ceremony President Moi thanked the United States for its role in helping arrange the tournament.

The Department of State did an excellent job in enabling the Kenyans to put on the tournament. And thanks to generous support from the USOC we will be able to return \$10,000-\$15,000 of the \$200,000 we obtained from the contingency fund.

Louis Martin and I suggest that you write the attached letter to Muhammed Ali telling him about the Kenya tournament and thanking him again for his earlier trip to Africa.

Approve Muhammed Ali letter.

Disapprove Muhammed Ali letter.

cc: Louis Martin

THE WHITE HOUSE

WASHINGTON

September 19, 1980

To Muhammed Ali

I wanted to let you know that the recent Kenya Golden Cup Boxing Tournament was a great success. Boxers from twenty-six nations, including ten African nations, competed. Your trip to Kenya and other African nations in February helped pave the way for this successful tournament.

Sincerely,

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

Muhammed Ali
55 Freemont
Los Angeles, California 90005

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TAGS: PORG, SCUL, OEXC, KE
SUBJECT: KENYA GOLDEN CUP-WRAP UP

1. SUMMARY: THE KENYA GOLDEN CUP WAS A SUCCESS, BOTH FROM THE STANDPOINT OF U.S.-KENYA RELATIONS, AND AS AN INTERNATIONAL SPORTING EVENT. PARTICIPANTS FROM 26 COMPETING NATIONS WERE TREATED TO FIRST-CLASS ACCOMMODATIONS, AN ATTRACTIVE SETTING, THE CEREMONY NORMALLY ASSOCIATED WITH OLYMPIC-LEVEL EVENTS, AND WORLD CLASS COMPETITION. THE EVENT RECEIVED EXTENSIVE LOCAL MEDIA COVERAGE AND WAS WELL-ATTENDED THROUGHOUT. IN SPITE OF SOME CONTROVERSY CONCERNING OFFICIATING AND ALLEGED FAVORITISM BEING SHOWN TO U.S. BOSERS, THE TOURNAMENT WENT SMOOTHLY. THE EXPERIENCE GAINED BY THE KENYAN ORGANIZERS HAS DONE MUCH TO GIVE THEM CONFIDENCE IN THEIR ABILITY TO STAGE A FIRST-CLASS WORLD EVENT. THIS COUPLED WITH OUR DONATIONS OF EQUIPMENT AND EXPERTISE HAVE PUT THE KENYA AMATEUR BOXING ASSOCIATION (KABA) SOLIDLY IN THE WORLD'S AMATEUR BOXING MAINSTREAM. END SUMMARY.

2. THE COMPETITION: 115 BOXERS FROM 26 NATIONS PARTICIPATED IN THE SEVEN DAYS OF BOXING, AND 16 COUNTRIES WON MEDALS. THE U.S. TOOK THE OVERALL TEAM TITLE AND THE GOLDEN CUP TROPHY, WITH A TOTAL OF 5 GOLD, 3 SILVER AND 1 BRONZE. HOST KENYA PLACED SECOND WITH 2 GOLD, 4 SILVER AND 2 BRONZE. PUERTO RICO, WEST GERMANY, SOUTH KOREA, THAILAND, AND GREAT BRITAIN ALSO WON GOLD MEDALS. COMPETITION WAS HEAVIEST IN THE LIGHTER WEIGHT CLASSES, WITH SOME EVENTUAL WINNERS HAVING TO FIGHT AS MANY AS FOUR OPPONENTS. CONVERSELY, THE HEAVYWEIGHT CHAMPION NEVER THREW A SINGLE PUNCH DUE TO THE DISQUALIFICATION OF THE OTHER TWO PARTICIPANTS. AT SUPER-HEAVY, ONLY TWO BOSERS WERE ENTERED, AND THEY FOUGHT FOR THE FIRST TIME IN THE FINALS. FOLLOWING IS THE OFFICIAL WINNERS LIST:
LIGHT FLY-JOSE DE JESUS-PUERTO RICO
FLY-PAYOA POOL TARAT-THAILAND
BANTAM-ISAIAH IKHONI-KENYA
FEATHER-IRVING MITCHELL-USA
LIGHTWEIGHT-IN CHANG KIM-SOUTH KOREA
LIGHT WELTER-JAMES MITCHELL-USA
WELTER-DON CURRY-USA
LIGHT MIDDLE-JAMES PRICE-U.K.
MIDDLE-CHRISTIAN HEYMANN-WEST GERMANY
LIGHT HEAVY-LEEROY MURPHY-USA
HEAVY-JAMES OMONOI-KENYA
SUPER HEAVY-JAMES BROAD-USA
IKHONI OF KENYA WAS AWARDED THE SARGE JOHNSON MEMORIAL TROPHY AS THE TOURNAMENT'S OUTSTANDING BOXER.

3. THE CONTROVERSIES: THE MAIN CONTROVERSY OF THE TOURNAMENT INVOLVED THE OFFICIATING. THE MAJOR INCIDENT OCCURRED SEPTEMBER 10, WHEN AMERICAN ROBERT SHANNON WAS AWARDED A DECISION OVER ISRAELI MOSHE SUKWAGER. ISRAELI BOXING FEDERATION CHAIRMAN SAM AMSHALEM, AS WELL AS MOST OF THE CROWD, WERE OUTRAGED AT THE VERDICT. AMSHALEM WAS QUOTED IN THE PRESS AS ACCUSING THE JUDGES OF "OPENLY FAVORING THE U.S. BOXERS." HE WENT ON TO SAY; "THIS IS DISGUSTING. QUOTE ME AND SAY THAT I DON'T CARE WHAT INFLUENCE THE U.S. HAS IN THIS TOURNAMENT, BUT THE FUDGES

HAVE BETRAYED THE ETHICS OF THE SPORT." OTHER ISRAELIS ATTENDING WERE QUOTED AS SAYING THE AMERICANS WERE BEING FAVORED. THE HEAD OF THE LOCAL ISRAELI INTEREST SECTION, ARYE ODED, LATER CALLED THE EMBASSY TO APOLOGIZE FOR AMSHALEM'S STATEMENTS, AND ASSURED US THAT HIS COMMENTS WERE SIMPLY A HOT-HEADED OUTBURST OF EMOTION. THE DAMAGE WAS DONE, HOWEVER, AND BOTH THE SENIS AND THE FINALS WERE CLOUDED SOMEWHAT BY AN ANTI-U.S. CROWD BIAS. SOME OF THE ANTI-U.S. CROWD SENTIMENT WAS DUE TO NORMAL SUPPORT FOR THE UNDERDOG, AS WELL AS THE FACT THAT KENYA WAS OUR CLOSEST RIVAL FOR THE GOLDEN CUP. NEITHER THE ORGANIZERS NOR TOP KENYAN OFFICIALS, HOWEVER, TOOK SERIOUSLY ANY PRO-U.S. BIAS CHARGES. ALL CONCERNED DID FEEL THAT SOME OF THE OFFICIALS WERE POOR, AND AN ATTEMPT WAS MADE TO WEED OUT CERTAIN ONES BEFORE THE FINALS. THE BOYCOTT BY THE SUDANESE TEAM (SEE SEPTTEL) PRIOR TO THE OPENING OF COMPETITION BECAUSE OF THE ISRAELI PRESENCE WAS QUICKLY FORGOTTEN, AND HAD NO REAL IMPACT ON THE PROCEEDINGS.

4. THE CEREMONIES: FROM THE OPENING PARADE AND PRESIDENT MOI'S ACCOMPANYING SPEECH, THROUGH THE FLAG RAISINGS AND PLAYING OF NATIONAL ANTHEMS FOR THE WINNERS, THE CEREMONIAL ASPECTS OF THE EVENT WERE FIRST RATE. MEDALS WERE AWARDED BY KENYAN AND FOREIGN DIGNITARIES, INCLUDING MINISTER FOR CULTURE AND SOCIAL SERVICES, JEREMIAH NYAGAH, AND THE PHILIPPINE AND SOUTH KOREAN AMBASSADORS. CULTURAL TOURS WERE ORGANIZED ON THE OFF DAY, SEPTEMBER 12, AND MOST ATHLETES DID SOME GAME VIEWING. THE MINISTER FOR CULTURE AND SOCIAL SERVICES HOSTED A LARGE BANQUET AFTER THE FINALS, AND MOST LOCAL EMBASSIES MADE AN EFFORT TO PROVIDE SOME ENTERTAINMENT FOR THEIR TEAMS. AMBASSADOR HARROP HOSTED A U.S.-KENYA RECEPTION AT THE RESIDENCE SEPTEMBER 12.

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5. PUBLICITY: THE EVENT DOMINATED THE LOCAL SPORTS SCENE THROUGHOUT, AND EVEN GRABBED FRONT PAGE HEADLINES ON SEVERAL OCCASIONS. VIRTUALLY ALL OF THE EVENING BOUTS WERE LOCALLY TELECAST ON A DELAYED BASIS IN PRIME TIME. WITH THE EXCEPTION OF THE ALLEGATIONS OF U.S. BIAS IN OFFICIATING, (WHICH WAS REPORTED FACTUALLY AND WITHOUT UNDUE SENSATIONALISM) THE PESS WAS GENERALLY FAVORABLE AND SUPPORTIVE. ALL IN ALL, BOTH THE U.S. AND KENYAN ORGANIZERS WERE GIVEN A FAIR SHARE OF CREDIT. THE KABA HOSTED A SPECIAL LUNCHEON FOR ALL U.S. ADVISORS ON SEPTEMBER 13, AND PRESENTED THEM WITH SEVERAL THOUGHTFUL MEMENTOS. IN OFFICIAL STATEMENTS BOTH MOI AND NYAGAH THANKED THE U.S. FOR ITS HELP. WHILE LOCAL PUBLICITY WAS EXCELLENT, NAIROBI-BASED INTERNATIONAL MEDIA REPS TOOK LITTLE INTEREST IN THE GOLDEN CUP, IN SPITE OF SEVERAL PRESS CONFERENCES, AND TV PROMOTER SCHWARTZ'S OWN EFFORTS THROUGH A LOCAL PUBLIC RELATIONS FIRM.

6. THE IMPACT ON KENYA-U.S. RELATIONS: THE GOLDEN CUP DID MUCH TO IMPROVE BOTH OUR IMAGE WITH, AND ACCESS TO, KENYAN SPORTS AND CULTURAL FIGURES. AFTER A BUMPY START, WORKING LEVEL RELATIONS SMOOTHED OUT, AND BY THE CLOSE OF THE TOURNAMENT WERE NOTHING SHORT OF EXCELLENT. U.S. BASED COMPANIES, IN PARTICULAR PAN AM, COLGATE-PALMOLIVE, AND XEROX, CONTRIBUTED ADMIRABLY WHEN CALLED UPON.

7. IMPACT ON OTHER COUNTRIES PARTICIPATING: THE FIST CLASS RECEPTION AND TREATMENT OF ALL BOXERS AND OFFICIALS INVOLVED WAS NOTED TIME AND AGAIN BY THE PARTICIPANTS. BOTH WE AND THE KENYANS WERE DULY RECOGNIZED FOR OUR CONTRIBUTION. THE AFRICAN COUNTRIES WERE PARTICULARLY DELIGHTED AT HAVING THE OPPORTUNITY TO COMPETE IN A WORLD CLASS EVENT WITH FULL TRIMMINGS. THE KENYANS RECEIVED MANY WARM COMPLIMENTS AND RECIPROCAL INVITATIONS FROM PARTICIPANTS. THE EXUBERANCE DISPLAYED BY WINNERS FROM SOME OF THE SMALLER COUNTRIES WAS GRATIFYING, AND THE SOUTH KOREANS IN PARTICULAR MOBILIZED THEIR LOCAL COMMUNITY TO COME OUT AND SUPPORT THEIR TEAM. IT IS DIFFICULT FOR US TO ASSESS WHAT IMPACT THE TOURNAMENT HAD IN THE HOME COUNTRIES OF THE PARTICIPANTS, BUT WE CAN SAY WITH ASSURANCE THAT THE COMPETITORS WERE FAVORABLY IMPRESSED. SEVERAL OF THE BOXERS, PARTICULARLY THE THAI AND THE SOUTH KOREAN, SHOWED DEEP EMOTION WHEN STANDING IN THE HUSED HALL WITH THEIR NATIONAL ANTHEM BEING PLAYED, AND THEIR NATION'S FLAG RAISED TO THE PREDOMINANT POSITION.

8. TELEVISION: HENRY SCHWARTZ'S CREW WORKED HARD TO PREPARE FOR THE TELECAST, AND ENJOYED GOOD RAPPORT WITH THE KENYANS. TECHNICALLY, THE TV WORK SEEMED TO GO WELL. THE MAJOR PROBLEM INVOLVED (AND STILL INVOLVES) NEGOTIATIONS BETWEEN SCHWARTZ AND THE KENYANS OVER TV RIGHTS. THE KENYANS CONTINUE TO FEEL THAT THEY DESERVE A BIGGER SLICE OF THE REVENUE, WHILE SCHWARTZ MAINTAINS THAT HIS IABA CONTRACT GOVERNING TV RIGHTS IS VALID. THERE WAS SOME DOUBT THAT THE FINALS WOULD BE TELEVISED, BUT THE KENYANS DECIDED TO PERMIT SCHWARTZ TO CONTINUE IN THE HOPES THAT AN AGREEMENT COULD BE THRASHED OUT AFTER THE EVENT. WE ASSUME NEGOTIATIONS ARE STILL CONTINUING. THE EMBASSY HAS NOT BEEN INVOLVED IN THIS

ASPECT, AND BELIEVES THAT WE SHOULD AVOID SUCH INVOLVEMENT. SCHWARTZ OBVIOUSLY ANTICIPATED A CARTE BLANCHE RECEPTION FROM THE KENYANS. IT DID NOT HAPPEN, AND HE OFTEN COMPLAINED OF THE DIFFICULTY OF "DOING BUSINESS" WITH THE KENYANS. THE EMBASSY PROVIDED EXTENSIVE SUPPORT FOR SCHWARTZ, (CUSTOMS, CLEARANCE, TRANSPORTATION, CONTACTS, ETC.) ALTHOUGH WE WERE TECHNICALLY ENJOINED "NOT TO BECOME INVOLVED" IN THE TV ASPECTS. TV PLAYED SUCH AN IMPORTANT ROLE IN DETERMINING TOURNAMENT REQUIREMENTS, THAT NON-INVOLVEMENT WAS, PRACTICALLY IMPOSSIBLE.

9. RECOMMENDATIONS: HAVING SEEN THE GOLDEN CUP THROUGH FROM INCEPTION, AND HAVING WORKED CLOSELY THROUGHOUT WITH THE KENYAN ORGANIZERS, EMBASSY COORDINATING OFFICER WOULD LIKE TO OFFER THE FOLLOWING THOUGHTS FOR FUTURE PLANNING OF SUCH EVENTS:

--MONEY:--IN THE EARLY STAGES, NOTHING MOVED DUE TO A LACK OF DEFINITIVE FINANCIAL COMMITMENT ON OUR PART. THE ORIGINAL BUDGET WAS ALWAYS SOMEWHAT IN QUESTION. THE DAM BROKE, AND THINGS BEGAN TO HAPPEN WHEN THE FIRST CASH DELIVERY WAS MADE TO THE KENYANS. PRIOR TO THIS, KENYANS WERE UNEASY AND UNWILLING TO PROCEED ON VERBAL ASSURANCES ALONE. WHEN PROGRAMMING, SUCH EVENTS, OUR EXPERIENCE WOULD INDICATE THAT A DEFINITIVE, DETAILED BUDGET, ALONG WITH ADEQUATE START UP FUNDS IN THE HANDS OF THE HOST COUNTRY, ARE IMPORTANT PREREQUISITES.

--PERSONNEL: ON THE SPOT TOY TECHNICAL ASSISTANCE WAS VERY IMPORTANT TO THE SUCCESS OF THE GOLDEN CUP. IN THE AREAS OF TRANSPORTATION AND RECEPTION, OUR EXPERTISE WAS PARTICULARLY INVALUABLE. COUNTRIES SUCH AS KENYA HAVE NO EXPERIENCE IN HOSTING MAJOR INTERNATIONAL SPORTING EVENTS, AND NEED GUIDANCE. WHILE EMBASSY COORDINATING OFFICERS ARE IMPORTANT, IT IS THE SPECIALIZED TECHNICAL AND ORGANIZATIONAL SKILLS OF INDIVIDUALS SUCH AS COLONEL SCHILLER THAT MAKE A TREMENDOUS IMPACT. TDY HELP SHOULD BE MADE AVAILABLE AS SOON AS POSSIBLE IN ALL STAGES OF PLANNING SUCH EVENTS.
HARROP

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
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WASHINGTON

19 sep 80

Lloyd Cutler
Frank Moore
Zbig Brzezinski

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

ADMINISTRATIVELY
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NODIS

September 18, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: LLOYD N. CUTLER

LNC

SUBJECT: STEALTH

Attached is a letter to you from Chairman Sam Stratton of the Investigations Subcommittee of the House Committee on Armed Services, concerning the Stealth leaks. Also attached is a draft reply prepared by Harold Brown and edited by me.

Harold is also submitting a more detailed letter to the Committee as attached.

Harold would like very much to have these letters go in today or early tomorrow because of his concern that Congressman Beard will make further charges and demand additional hearings.

Dr. Brzezinski and David Aaron concur.

Attachments: Stratton letter
Draft Reply
Harold Brown letter

cc: Dr. Brzezinski
David Aaron

Stratton
letter

September 12, 1980

Dear Mr. President:

On August 27 this Subcommittee began an examination of the leaks of information concerning the Stealth aircraft program. We are continuing those hearings on Tuesday, September 16.

I have been directed by the full Committee on Armed Services, and the Investigations Subcommittee, to ask whether you directed or approved any release of information by the Secretary of Defense on the Stealth aircraft program and, if so, request that you provide the Subcommittee with a full description of the circumstances surrounding your decision to release the information.

Sincerely,

Samuel S. Stratton
Chairman

The Honorable Jimmy Carter
President of the United States
Washington, D. C.

JFL:jb

142

Draft
Reply

THE WHITE HOUSE
WASHINGTON

September 18, 1980

Dear Mr. Chairman:

In your letter of September 12, 1980 you asked me, on behalf of the Committee on Armed Services of the House of Representatives, whether I "directed or approved any release of information by the Secretary of Defense on the Stealth aircraft program." You also requested that, if I did approve release of information on this subject by the Secretary, I "provide the Subcommittee with a full description of the circumstances surrounding my decision to release the information." This letter responds to your request.

At the outset, let me set the matter in context. Stealth is a major technological breakthrough. Early in this Administration we perceived the potential of this program. Secretary of Defense Brown, realizing that at that time only the technical details of the program were classified, placed even the fact of its existence under close security restrictions. At the outset, I directed Secretary Brown to maintain the security of the Stealth program as tightly as possible for as long as possible. He has scrupulously followed this guidance. For my part, I can and do state unequivocally that neither I, nor any member of the White House staff acting under my direction or authorization, have engaged in or authorized the leaking of classified information concerning the Stealth program.

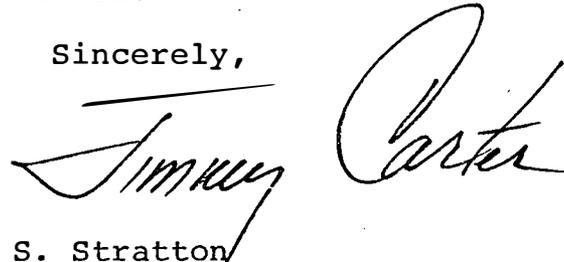
Earlier this year, the Secretary informed me of his growing belief that increasing budgetary requirements would require expanded Congressional briefings on the program as the FY 82 budget cycle got underway. Because this program was in the Department of Defense, it was the Secretary of

Defense to whom I entrusted decision-making responsibility for it, including its classification and security aspects. Accordingly, when Secretary Brown advised me on August 17 that, in view of the serious press leaks of August 11 and August 14 in The Washington Post, Aviation Week and Space Technology, and ABC, he had finally concluded that the timetable for acknowledgement of the existence of the Stealth technology must be advanced, while reinforcing the highest secrecy with respect to the technical details, I agreed with that decision. I did not direct him to take that step, but I approved it then, and continue to believe that his judgment in this matter was correct.

I emphasize to you that the decision of Secretary Brown in 1977 to place the entire Stealth program into compartmented security was rigidly followed. Even within the White House staff, access to the program was restricted to a very few. No one on the White House staff was consulted about the Secretary's decision on August 16 to acknowledge publicly the existence of Stealth. It was not until the period of August 18-19 that, as part of the process of informing other parts of the Executive Branch and the Congress, selected members of the White House staff were briefed by representatives of the Secretary on his decision.

I share your Committee's dismay at the rash of unauthorized disclosures of national security information that has recently occurred. For that reason I have directed the Attorney General, with the assistance of the Federal Bureau of Investigation, to take over the investigation of the leaks described above to The Washington Post, Aviation Week and Space Technology, and ABC. I have also asked Secretary Brown to cooperate with the Attorney General's inquiry and your own inquiry to the fullest extent possible. The results of the Attorney General's investigation will be made available to your Committee.

Sincerely,

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

The Honorable Samuel S. Stratton
Chairman, Investigation Subcommittee
Committee on Armed Services
House of Representatives
Washington, D. C. 20515

Harold Brown
letter



THE SECRETARY OF DEFENSE

WASHINGTON, D.C. 20301

The Honorable Samuel S. Stratton
Chairman, Investigation Subcommittee
Committee on Armed Services
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

Recently your Subcommittee has held hearings concerning the leaks to the press of information about the Stealth program. You have written to the President on behalf of the full Committee on Armed Services of the House of Representatives, requesting information pertaining to his approval of my decision to acknowledge publicly the existence of the Stealth program. His response is being provided to you. I wish to supplement the President's response in light of the testimony that has been given before your Subcommittee, to assure that the Administration's record in this matter is completely clear and understood.

As you know, when this Administration took office in 1977, research on the Stealth program had advanced to the technology exploration phase. As a result of our review of this technology, and our decision to increase greatly its funding and rate of development, I decided to place the entire effort under even greater security, and included in that decision the new step of classifying the fact of the existence of the Stealth program for as long as possible. We recognized that this step would be difficult because the existence of the program had not been classified before, and some information about it had been included in public statements. But we hoped that attention could be minimized while the program grew in size and advanced in development. Our goal was to do so for two years; in fact we managed to keep its existence classified for almost three years.

Our enhanced security program for Stealth served its purpose well through early summer, 1980. By that time we had increased the program one hundredfold above its size in 1977, more than doubled the number of contractor organizations on the program (with a corresponding geographical spread of information on various components of the program), and extended briefings to some additional members of Congress and Congressional staffs at the request or with the approval of

the cognizant Committee Chairmen. By August 1980, we had briefed approximately 40 members of Congress and staff assistants.

Because of this increasing size and scope of the Stealth program, we could, as we began preparation of the FY 82 budget, see the requirement for making even larger numbers of people aware of the existence of the program. In particular, as both Dr. Perry and I testified to you, we envisioned the need to brief many more members of Congress and their staffs no later than January 1981 at the commencement of the FY 82 budget hearings.

It was under these circumstances that we read, on June 28, 1980 in The Washington Post, an article that described development of a new secret bomber that could be made "invisible to enemy radar through highly secret gadgetry." Members of my staff concluded that it would be better to ignore that article in the hope that the story would not be further pursued. Even so, they began to devise a new security program that might involve a controlled announcement designed to prevent a flood of information from a series of leaks, should that become necessary. Before they had completed the revised guidelines, three media stories which gave greater detail on the program appeared in rapid succession: the Aviation Week and Space Technology article on August 11, and The Washington Post article and the ABC News item on August 14. I did not authorize or approve any of these leaks and I do not know who was responsible. I have asked the Attorney General to find out.

It was on the basis of these developments, and in the context of this 3½ year history, that I made my decision on August 16, 1980 to acknowledge publicly the existence of the Stealth program and to establish a new security program for the protection of its vitally important and secret technical and operational details. I was convinced at the time of that decision and remain convinced now that this is the best way to protect the vital details of the Stealth program.

As the President has indicated to you, I informed him of my decision on August 17, 1980 and he approved it. Before that time, although I had indicated to him that the approaching Congressional FY 82 budget cycle would require increased briefings for the Congress, no other person in the Department of Defense had engaged in communications with the White House concerning the development of the Department of Defense plan for a new security program in case it became necessary to acknowledge publicly the existence of the Stealth program. After my decision of August 16 and my discussion with the President of August 17, Department of Defense officials, including in certain cases, my Special Assistant, my Assistant for Legislative Affairs, and the Under Secretary of Defense

for Research and Engineering, met with selected White House staff members on August 18 and 19, committees of the Congress on August 20 and other key members of the Executive Branch (State Department and the Arms Control and Disarmament Agency) on August 21, to inform them of certain aspects of the Stealth program and of my decision to acknowledge publicly its existence.

With respect to communications between my staff and other parts of the Executive Branch, I am informed that, in the course of his appearance before your Subcommittee, you questioned the Assistant Secretary of Defense (Public Affairs) concerning certain alleged communications between my immediate staff and the White House staff. I am aware from press reports that this has been a concern of the Subcommittee. Specifically, I am informed that Assistant Secretary Ross was asked about the existence of a memorandum, allegedly sent from Mr. David Aaron of the White House staff to this Department through Mr. Peter B. Hamilton, my Special Assistant. Assistant Secretary Ross correctly testified, and I wish to underscore, that no such memorandum was received by Mr. Hamilton or any other member of this Department. The White House made clear publicly that no such memorandum was sent.

Assistant Secretary Ross was also asked whether Mr. Hamilton was involved in any discussions or other communications with the White House in any capacity concerning the Stealth program. Mr. Ross correctly testified and I again reemphasize, that Mr. Hamilton never participated in any exchange of information with the White House staff concerning the Stealth program prior to my August 16, 1980 decision. In fact, it was not until August 15, 1980 that he was briefed into the program.

Subsequent to my August 16 decision, Mr. Hamilton did have conversations with the White House staff as part of the general process of informing other parts of the Executive Branch and the Congress of my decision to acknowledge the existence of the Stealth program publicly. On August 18, he and a military officer briefed Mr. Lloyd Cutler. On August 19, he and my Assistant for Legislative Affairs met with Mr. Aaron, Mr. Jody Powell, and Mr. Frank Moore. At the time of his testimony, Mr. Ross was not aware of those facts. He had been away on vacation during those dates and did not return to his Pentagon office until August 20, 1980. My public acknowledgement of the existence of the Stealth program followed on August 22 after the completion of the round of briefings described above.

I trust that this letter will assist the Committee in setting in chronological sequence the key developments in this matter. The President and I share your Subcommittee's concern about leaks of national security information. For that reason, this Department remains pleased to continue cooperating fully with the FBI investigation, and with your Committee's effort to preserve the integrity of classified information.

Sincerely,

Harold Brown

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Office of the Editor and Publisher

Sept. 12, 1980

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J.C.

The President and Mrs. Carter
The White House
Washington, DC 20000

077925

Dear Mr. President and Rosalyn:

During our luncheon recently I mentioned to you both how excited I was by your economic partnership program. It is an honest, substantive policy which appeals to a long-suppressed desire among Americans to come together on behalf of a larger purpose. Americans don't love government or business or labor. But they do love their country.

Your partnership program appeals to that spiritual value--putting patriotism above business and labor and government. That is what I have attempted to say in the enclosed speech draft.

You might want to ask Pat Caddell to do some testing to see if the partnership idea shouldn't be given higher emphasis in speeches by you, the cabinet and staff. All we see on television out here is a comparison of your numbers and Reagan's numbers, and folks seem to be skeptical of both.

Also enclosed are some themes you may use to help us get over the reaction to Vietnam, feel better about our relevance to the world and the Atlantic family, and to deal with the myth of Soviet invincibility.

You are special people and I pray that the exertions of the campaign will not take too great a toll on a healthy, happy family. Fond regards to Amy and her friend Agatha Christie.

Cordially,

H. Brandt Ayers

HBA: bjh
Enclosures

THE WHITE HOUSE
WASHINGTON

9/19/80

rick hutchison --

orig. has been sent
to central files
for filing (handwriting).
copies attached for
forwarding to rick
hertzberg *you use.*

-- suzanne

Bread-butter letter to First Family

By BRANDT AYERS

Dear President and Mrs. Carter and Amy:

What a pleasure it was to be incorporated in the warmth of your family table and to hear you, Amy, give the same blessing as my ten-year-old, Margaret, "God is great; God is good..." I also confess to sharing your neutral attitude toward the vegetable zucchini.



AYERS

My only regret, Mr. President, is that the short luncheon didn't give us time to get below the surface in a discussion of how the nation and the world look to you from the White House and how it looks to me "out here."

You will be showing us the pictures in your mind during the campaign but, with the double urgencies of campaigning and governing, you won't have much time to listen to us. So, I thought I would write you about how things seem out in the country.

FOR A GOOD long time now the nation has needed a new definition, not only of our relevance to but our significance to a world that has changed a great deal since World War II. For instance, we need help in sorting out our feelings about the Vietnam War, which Governor Reagan calls "a noble cause."

There surely was nobility in the sacrifice of Americans who fought there but I will leave to the historians to decide about the past. What the country needs is a path between the two extreme reactions to the war in facing the future.

A small but influential minority says the lesson we should draw from Vietnam is for America to fear or hate its power. A larger minority—the coffee-cup commandos and barber shop soldiers I often encounter—react with defensive belligerence. They think America needs to prove how tough it is: by punching Cuba in the nose, slapping tiny Panama across the face or by crushing the weak, confused people of Iran whose leaders do not know that it is cowardice to receive the illusion of power by persecuting the defenseless hostages.

A GREAT NATION should neither

surrender its selfconfidence by fearing its power nor does it draw self-respect from being a braggart or a bully. We need to be reminded that a great nation behaves with the steady self-confidence of power under control.

Our relations with the family of democracies in the Atlantic Community needs a new definition, too. Because our allies and adversaries alike had been knocked to their knees by a war that had not touched our shores, we felt 10 feet tall in 1945. But we don't want our friends and family on their knees because allies too weak to raise a hand in their own defense are threatening to us.

We can only behave like the elder brother in a healthy, mature family. We can't boss around our allies like children anymore; there will be arguments and disagreements as there are in any family. But the family will cleave together around the indispensable strength of the elder brother if any outside threat is asserted.

WHICH BRINGS us to the myth of Soviet invincibility. Would we swap our family squabbles for the disagreements they are having with family and friends in Poland and Afghanistan? From Washington we see our Canadian friends to the north and our Mexican friends to the south. From Moscow, in every direction, they see our friends, too, only the Russians see potential enemies in China, Japan and South Korea and in the Atlantic Alliance.

Out here it is evident in a thousand ways that the country really wants to come together around a new sense of its character, its mission and its importance to the world. We are depressed and disbelieving when the candidates are trying to score political points over such trivialities as the Ku Klux Klan.

It would be exhilarating for the campaign to make us see ourselves the same way the world does—as the most powerful and fascinating idea on earth. The only people who don't know that are the American people.

Meanwhile, thanks again for including me in the warmth of your family circle—and make sure Amy eats her zucchini.

Your friend,
Brandt Ayers
Editor and Publisher
The Anniston (Ala.) Star

MEMORANDUM

TO: President and Mrs. Carter

DATE: Sept. 11, 1980

FROM: Brandt Ayers

SUBJ: Revised Economic Policy Speech

Tonight, for the duration of this campaign, and for as long as I hold this office, it will be my purpose to remind this nation of its first duty and call our people back to their first loyalty. We are a diverse people, proud of roots that spring from everywhere on the planet--from West Africa to Eastern Europe to Asia and the Carribbean. We worship God in many different ways, earn our living by working at many different kinds of jobs but the loyalty of all of us--minorities and managers, women and workers, business agents of unions and business leaders--the loyalty of each one of us is engaged by a single purpose. That is, the success of the American enterprise.

We have lost sight of our primary duty and first loyalty during the last two decades as the government in Washington became a more and more dominant force in making economic decisions. To defend ourselves against federal economic power and to compete for federal favors, we have organized ourselves into swarms of interest groups or self-defense leagues which have almost paralyzed government. We have made Faction king; we have made each of the parts greater than the whole. We have raised our special, individual loyalties above our first loyalty--the success of America.

That is why I have made as the center piece of my economic policy the forging of a new partnership between the public and private sectors of the economy. Government functions best, not as the dominant actor, but as a partner with industry and the working world. There are some jobs the government does well, like supporting basic agricultural

and scientific research. But the government can't be a better farmer or butcher; it can't build and market a better computer. For the past three years, we have been testing this new alliance among business, labor and government. These initiatives have been little noticed by the press or the public because conflict always makes a better story than cooperation. But the experience gives me hope that we can create an atmosphere of industrial peace and progress through partnership. These new initiatives include: the New Accord in the coal industry, the Tri-partite Commission addressing problems of the steel industry, a start on creating the same three-way partnership in the auto industry and a host of programs in the Economic Development Administration. The heart of the administration's energy package, the Synthetic Fuels Corporation, grows out of the same spirit: it is government action, not as a substitute for private enterprise, but as a spark to ignite innovation and jobs in the private sector. Just as the spin-offs from John Kennedy's Space Program made America the world leader in communications technology, I believe that within 10 years the spin-offs from our Energy Program will make America a net exporter rather than an importer of energy.

Creating this new climate of cooperation, a new definition of our economic values as a nation can make the years just ahead an exciting time to be alive and an American. The process we have set in motion is no less significant in the economic sphere than the cooperative spirit of those Americans who, two centuries ago, first defined our political values as a nation. In the 18th Century a group of American leaders sat down and put on paper a statement of our POLITICAL values. A few years later, many of the same men met in Philadelphia and hammered out a framework to secure those values for all time.

Those documents we call the Declaration of Independence and the Constitution. The men who did that work were not mythical supermen; the Founding Fathers' work held up because they were profoundly practical men, learned in common sense, students of human nature.

We have never sat down as a society and consciously written out a statement of our economic values--a Declaration of ECONOMIC Independence--and then gone on to create a framework in which those goals and values could be secured for all time. There is no reason to believe that 20th Century American leaders are any less learned in human nature and practical common sense. But do we have the WILL to suppress our own interests in order to write that declaration of the common economic good and to create that framework for cooperation? The election will turn on that issue.

We must summon the WILL to discard the old solutions of the economic left and the economic right because surely we have enough experience to know that they do not work. We must turn away from those who place their faith in government alone.

The government works through rigid laws which are often insensitive to local needs and often put barriers in the way of private initiative and innovation. The invisible hand of the free market economy has no values because it is the sum of millions of individual actions taken daily, not in the interest of the common good, but in the interests of individual consumers, corporations and union locals. There is no chairman of the Free Market Economy with an office on Wall Street whom the President can call on the telephone or invite to a meeting and appeal to his patriotism.

We must take the middle path where the common good lies. I do not know what the final shape of the future will be, what kind of framework all of the partners can agree

upon to secure our economic future.

But in the spirit of partnership, I consulted widely with leaders of business and labor before creating the Economic Revitalization Board. The board itself is a meeting place where business and labor and government can come together on behalf of our first loyalty and first duty--the common good of the American nation. All the partners must be at the table before any decision is made on what jobs need doing, which of those tasks can best be performed by the private sector and which will better yield to a cooperative effort of the private and public sectors. The meeting place where our higher loyalties merge is symbolized by the leadership of the board, one from business and one from labor, Irving Shapiro, chairman of DuPont, and Lane Kirkland, president of the AFL-CIO.

I will be speaking frequently on this subject but even more often I will be meeting with the leadership of as many groups as I can, to get their ideas verbally and in writing which will be shaped by the staff of the Economic Revitalization Board into a consensus document which itself will be the focus of further consultation after the election campaign is over. Members of my cabinet will spread the network of consultation even further and deeper by speeches to and meetings with other organized groups.

I approach this campaign with excitement and anticipation because what we are embarked upon is not merely an exercise in political partisanship. A political campaign can be--indeed, ought to be--a constructive process; it can extend the idea of a meeting place where all the plural elements of the nation engage in a thoughtful discussion of how we can define our economic values and then make them secure.

I call your attention back again to a time when we were defining by experimentation the idea of SELF-governance. I do so because today the very concept of SELF as a nation--the answer to the question, "What kind of people are we?"-- is the frame of reference against which every foreign and domestic issue of our time will be resolved. The world is watching and waiting for our answer, both that part of the world which looks to us for leadership and that part of the world which hopes, expects and plans for us to fail.

How will we answer them both? Will we pursue our own interests in a self-centered and self-indulgent way or will we earn the right to self-respect through selfless devotion to our first principles and our first loyalty? As we engage in the debates and decisions of the weeks and years ahead, we must do so with a sense that every word and each action will project to the world what we think about ourselves. What will that statement be? If we are true to our first duty and our first loyalty, we will tell the world that America is committed to waging the politics and pursuing the policies of self-confidence, self-reliance and self-respect.

####

JDA

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