

**11/5/80**

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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
telegram	From Cutler to The President (one page) re: Personal Message <i>Opened 2/8/92</i>	11/5/80	A

**FILE LOCATION**

Carter Presidential Papers-Staff Offices, Office of the Staff Sec.- Pres. Hand-writing File 11/5/80 BOX 212

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DE YDHND0 #0877 310110Z  
O 051102Z NOV 80 ZY8  
FM COS LONDON

TO WHITE HOUSE

~~CONFIDENTIAL~~ VIA PRIVACY CHANNELS CITE COS LONDON 677

TO: THE WHITE HOUSE  
FOR: THE PRESIDENT  
FROM: LLOYD CUTLER

I HAVE BEEN PROUD TO BE YOUR COLLEAGUE THIS PAST YEAR, BUT NEVER PROUDER THAN LAST NIGHT. YOU HAVE PERFORMED MAGNIFICENTLY IN AN IMPOSSIBLE JOB, ONE IN WHICH NO ONE TODAY CAN MATCH PUBLIC EXPECTATIONS. WITHIN TWO YEARS THE SWING VOTERS WILL REGRET THEIR DECISION. I HAVE BEEN UPHOLDING YOUR BANNER ON BRITISH TELEVISION WHERE THE SENTIMENTS OF THE OTHER PANELISTS--TED HEATH, DAVID OWEN, DAVID STEEL, PETER SHORE AND ROY HATTERSLEY--WERE ALL FOR YOU. LOUISE AND I ARE THINKING OF YOU BOTH.

\*\*\*\*\* WNSR COMMENT \*\*\*\*\*

ZB AAR DEN

PSN:242955 RECALLED PAGE 01 OF 01 TOR:310/11:40Z DTG:051102Z NOV 80

~~\*\*\*\*\*CONFIDENTIAL\*\*\*\*\*~~ COPY

6

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"DETERMINED TO BE AN ADMINISTRATIVE MARKING  
CANCELLED PER E.O. 12958, SEC. 1.3 AND  
ARCHIVIST'S MEMO OF MARCH 14, 1989"

OP IMMED  
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O 051102Z NOV 80 ZYS  
FM COS LONDON

9  
/

TO WHITE HOUSE

CONFIDENTIAL VIA PRIVACY CHANNELS CITE COS LONDON 677

TO: THE WHITE HOUSE  
FOR: THE PRESIDENT  
FROM: LLOYD CUTLER

I HAVE BEEN PROUD TO BE YOUR COLLEAGUE THIS PAST YEAR,  
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MAGNIFICENTLY IN AN IMPOSSIBLE JOB, ONE IN WHICH NO ONE TODAY  
CAN MATCH PUBLIC EXPECTATIONS. WITHIN TWO YEARS THE SWING  
VOTERS WILL REGRET THEIR DECISION. I HAVE BEEN UPHOLDING YOUR  
BANNER ON BRITISH TELEVISION WHERE THE SENTIMENTS OF THE OTHER  
PANELISTS--TED HEATH, DAVID OWEN, DAVID STEEL, PETER SHORE AND  
ROY HATTERSLEY--WERE ALL FOR YOU. LOUISE AND I ARE THINKING  
OF YOU BOTH.

\*\*\*\*\*WHSR COMMENT\*\*\*\*\*

ZB AAR DEN

PSN:042955 RECALLED PAGE 01 OF 01 TOR:310/11:40Z DTG:051102Z NOV 80

\*\*\*\*\*CONFIDENTIAL\*\*\*\*\* COPY

5

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UNRECORDED TO BE AN ADMINISTRATIVE MARKING  
OF THE PRESIDENT, 12300, DEC. 13 AND  
RECORDED TO BE OF MARCH 16, 1983

C  
/

THE WHITE HOUSE  
WASHINGTON

Nov. 5 - '80

Mr. President and Rosalynn -

Life is full of mystery,  
and victory is often followed by  
defeat and then again by victory.  
But you have already won the greatest  
victory of all: you have touched,  
and improved the lives of thousands  
and thousands of people - in prisons  
abroad, underprivileged at home,  
ignored and slighted or just forgotten.  
You made love of others into a tool  
of power, and those who have worked  
with you have also come to love you.  
I will always be grateful and personally  
better because of you -

Frank, Urs.

ELECTION NIGHT STATEMENT

I PROMISED YOU 4 YEARS AGO THAT I WOULD NOT LIE TO YOU.

~~IT WOULD BE A LIE IF I TOLD YOU TONIGHT THAT IT DOESN'T HURT.~~ //  
SO I CAN'T STAND HERE — AND SAY

THE PEOPLE OF THE UNITED STATES HAVE MADE THEIR CHOICE, & OF COURSE  
~~I~~ I ACCEPT THEIR DECISION --

IF NOT WITH THE SAME ENTHUSIASM THAT I ACCEPTED IT 4 YEARS AGO. /  
BUT A  
~~THEN CERTAINLY WITH A DEEPER~~ DEEPER APPRECIATION OF THE SYSTEM  
THAT PRESERVES THEIR PRECIOUS RIGHT TO CHOOSE WHO WILL LEAD THEM.

A FEW MINUTES AGO, I CALLED GOV. REAGAN, & I HAVE ALSO SENT HIM  
THE FOLLOWING TELEGRAM:

(=OVER=) [DEAR GOV. REAGAN...

DEAR GOV. REAGAN:

IT IS NOW APPARENT THAT THE AMERICAN PEOPLE HAVE CHOSEN YOU  
AS THE INSTRUMENT OF THEIR WILL FOR THE NEXT 4 YEARS. *NEXT PRESID.*

I CONGRATULATE YOU ~~ON A DECISIVE VICTORY.~~, *AND*

*I* PLEDGE TO YOU <sup>*our*</sup> ~~MY~~ FULLEST SUPPORT & COOPERATION,

~~& THAT OF MY ADMINISTRATION,~~

IN BRINGING ABOUT AN ORDERLY TRANSITION OF GOVERNMENT

*WEEKS*  
IN THE ~~DAYS~~ <sup>*WEEKS*</sup> AHEAD.

MY BEST WISHES ARE WITH YOU & YOUR FAMILY.

AS YOU UNDERTAKE THE RESPONSIBILITIES THAT LIE BEFORE YOU.

JIMMY CARTER

(=NEW CARD=) [ I HAVE BEEN BLESSED...

Immediate  
PRECEDENCE

Unclassified  
CLASSIFICATION

FOR COMMCENTER USE ONLY

FROM: Susan Clough  
TO: Staff Secretary

DEX \_\_\_\_\_

DAC 06 \_\_\_\_\_

GPS \_\_\_\_\_

LDX \_\_\_\_\_

PAGES 3 \_\_\_\_\_

TTY \_\_\_\_\_

CITE \_\_\_\_\_

INFO:

DTG: 301805Z OCT 80

RELEASED BY:

TOR: 301818Z OCT 80

SPECIAL INSTRUCTIONS:

Deliver immediately to  
Secretary Bill Miller

THE WHITE HOUSE

WASHINGTON

12/30/80

*Stu -  
Move on this  
immediately*

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EISENSTAT *Stu*  
LYNN DAFT

*J*

SUBJECT:

Restricting Alcohol Fuel Imports

As you know, imports of alcohol fuel have risen sharply in 1980, 70 percent of it from Brazil. You recently shared with us a copy of a telegram on this topic from Robert Delano, President of the American Farm Bureau Federation (~~attached~~). *- didn't "do" well, they say*

By direction of Congress, Treasury has been preparing an assessment of alcohol fuel imports. Although this assessment has not been completed, a draft is now being circulated. If imports are to be restricted, the Treasury report concludes that a tariff commensurate with the amount of the tax exemption is the preferable approach. Such action can probably be taken under existing authority.

The major arguments for and against this action are as follows:

FOR

- o The intent of the excise tax exemption was to encourage domestic investment in alcohol fuel production capacity. At present, the exemption is encouraging foreign imports and thereby discouraging domestic investment.
- o At current import levels, we are losing \$20 million in Treasury revenues.
- o Since imported alcohol costs more than the imported oil it is replacing (\$1.35 per gallon vs. \$.76), it is increasing U.S. fuel import costs by about \$30 million annually.
- o It appears to us that this is not a temporary problem. There are indications that Brazil might be preparing to export on a permanent basis.
- o There is a growing concern over the drain in revenues from the Highway Trust Fund associated with the excise tax exemption. Any reduction in this loss will help moderate this concern.

AGAINST

- o Some alcohol distributors argue that imports are helping them develop markets and that, over the long-run, this will be beneficial to development of a domestic industry.
- o The availability of imported alcohol helps keep the market competitive, an objective that is difficult to realize in such a highly concentrated market.
- o Although we discount these arguments, some believe that this problem is temporary and that it is not really affecting investment decisions.

CONCLUSION

We believe that the arguments for taking action are considerably more persuasive than those against action. Although it is not clear whether this can be done administratively or requires legislation, we recommend that you consider making a statement that you are going to act to restrict these imports and that you are asking the Secretary of the Treasury to advise you on how best to accomplish this. A directive to Secretary Miller is attached.

THE WHITE HOUSE

WASHINGTON

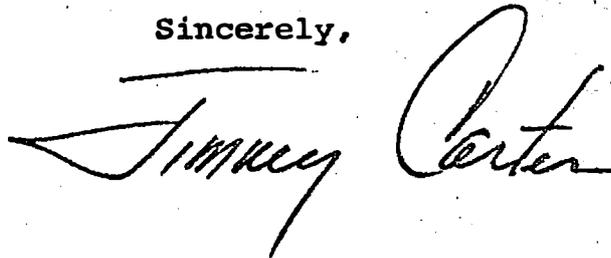
October 30, 1980

To Secretary Bill Miller

Foreign produced alcohol should not benefit from the exemption granted to gasohol from the four cent a gallon gasoline tax. This exemption should be applied only to domestically produced alcohol fuel, to encourage the growth of our domestic industry.

I would like this corrected immediately by administrative means if possible, by legislation if necessary.

Sincerely,

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

The Honorable William G. Miller  
Secretary of the Treasury  
Washington, D.C. 20220

THE WHITE HOUSE  
WASHINGTON

10/30/80

cynthia --

the president signed  
the attached letter on  
AF 1 today. susan  
is returning the original,  
however a dexed copy is  
being sent now - to be  
given to kathy reid  
for secretary miller  
asap.

-- suzanne

THE WHITE HOUSE

WASHINGTON

To Secretary Bill Miller

Foreign produced alcohol should not benefit from the exemption granted to gasohol from the four cent a gallon gasoline tax. This exemption should be applied only to domestically produced alcohol fuel, to encourage the growth of our domestic industry.

I would like this corrected immediately, by administrative means if possible, by legislation if necessary.

Sincerely,

The Honorable William G. Miller  
Secretary of the Treasury  
Washington, D.C. 20220

"Jimmy Carter is his name -  
Jimmy Carter is his name"

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C

Mr President -

Whenever the election turns  
out - and I truly believe you  
will win - I want to tell you  
that the best part of my last  
14 years and 3 months has been  
working with and for you.

Everybody needs something to  
believe in besides one's own  
comfort and you have given me  
that.

We've put up with a lot  
during your career - from  
Reg Murphy to Joe Kraft -  
but it hasn't meant a  
thing where it counts.

you will go down as one  
of the great Presidents  
and human beings.

Today, show them  
what you're all about  
and give 'em hell.

In the next campaign,  
we'll do a real good  
jingle.

your friend,  
Jerry Ruppman

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Edward M. Kennedy  
Massachusetts

Oct 1980



United States Senate

C

Dear Mr. President -

I thought Lema went well and I think you will have a strong showing in the Hispanic population -

I am on my way to the West tomorrow. California I understand looks much more hopeful -

I am grateful for your help of the Unity Dinner

and most especially your  
gift of the Wright painting  
to the P.F.K. library -

Good luck on  
the debate and for the  
rest of the days of the  
election - I am sure  
this will be a good  
time for you and the  
Democratic Party -  
As ever Ted -

Can people have agreed to  
the date of election 4<sup>th</sup> in N.Y.C.  
and 8<sup>th</sup> in Cal - I am sure they will  
be successful

10

Message from Secretary Hufstedler

Taken over the telephone from her in California  
at 9:30 pm by Connie Gerrard

Dear Mr. President:

You will go down in history as a great President,  
and as a gallant, caring man. I will always treasure  
my opportunity to work with you for education in  
America. God bless you.

With loving wishes

Shirley Hufstedler

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for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON

11/05/80

STU EIZENSTAT  
ZBIG BRZEZINSKI

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

Rick Hutcheson

MEMORANDUM

THE WHITE HOUSE

October 16, 1980

WASHINGTON

ACTION

*not done*

*C*

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT

BOB HORMATS

HENRY OWEN

*R.H.*  
*to*

SUBJECT:

Preparations for Administration Response  
to ITC Decision on Auto Imports

The International Trade Commission will decide on November 10 whether the automobile industry has been injured by imports. If the ITC finds injury, its recommendations for relief will be submitted to you on November 24. You have stated earlier that you will respond promptly and decisively if the ITC finds injury.

USTR is working closely with the other government agencies to ensure that the staff work is completed in time for you to respond promptly. Several task forces already have been established to assemble the necessary documentation. In addition, Dick Cooper, Bob Hormats, and Henry Owen will be in Japan on November 13 for a sub-cabinet meeting. The subject of auto imports surely will be raised at that meeting.

In order to emphasize publicly your concern about this issue and your commitment to prompt action, we suggest the following scenario:

-- You send the attached memorandum to Ambassador Askew directing USTR to complete the documentation that will be required to respond quickly if the ITC finds injury, and indicating that you want the option of import restrictions staffed out, among others.

-- Bob Hormats outlines for several key reporters the steps that we are taking to ensure a prompt response. His briefing would make the following points:

1. The President has personally directed Askew to do all the work required to ensure a prompt response, to resolve quickly the uncertainty attending this issue,

2. Describe the work underway.

3. Reiterate the President's view that if the ITC finds injury, he will seriously consider all options, including measures to limit imports.

4. Emphasize that the work underway will permit a prompt decision following the ITC report.

5. Make public the Owen-Cooper-Hormats visit to Japan.

-- Follow the resulting press stories with statements, or and answers to queries, from you, the Vice President, and other surrogates confirming these plans and your commitment to consider all options, including import restraint, if the ITC finds injury.

Charlie Schultze fears (Tab C) that this approach would commit you to seek auto import restraints if the ITC finds injury. Charlie suggests, therefore, that if you approve the course we suggest you make clear that among the factors you would consider in deciding on import restraints would be the industry's willingness to pledge restraint on price increases on domestic models competing with imports. We have no objection to this, and will add Charlie's point to the talking points at Tab B, if you approve.

We believe our proposed course would indicate that you are preparing to act on the ITC recommendation, without committing you to any particular decision; it would, however, put you in a position that would be perceived to be more sympathetic to the proponents of import restraint. In our judgment, this is as far as you can go without being accused of reversing your position.

We have discussed this option briefly with the Vice President, whose reaction was favorable.

The State Department (Dick Cooper) agrees that this is a skillfully drafted and acceptable line, but shares some of Charlie's fears that it may be misunderstood, and favors his addition, as indicated above.

RECOMMENDATION

That you sign the note to Reubin Askew at Tab A; and authorize us to implement the scenario described above, including use of the talking points at Tab B by you and others, and issuance of a White House statement based on these talking points if this seems desirable in the wake of the Hormats press briefing.

Approve \_\_\_\_\_

Disapprove \_\_\_\_\_

WASHINGTON  
11/05/80

SECRETARY MILLER

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

Rick Hutcheson

THE WHITE HOUSE

WASHINGTON

November 5, 1980

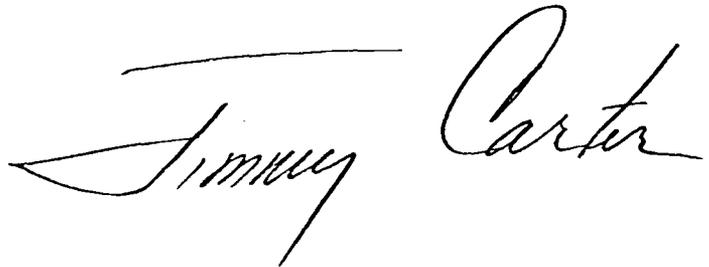
MEMORANDUM FOR

THE SECRETARY OF THE TREASURY

As you are aware, my son, John William Carter ("Jack"), is currently being protected by the U.S. Secret Service pursuant to the provisions of Section 3056 of Title 18, U.S. Code, authorizing the protection of members of the immediate family of The President.

I hereby request that such protection for Jack Carter be terminated as of midnight tonight at the USSS post in Calhoun, Georgia.

However, protection is to continue for my grandchildren, Jason James Carter, and Sarah Rosemary Carter.

Jimmy Carter

R033R I6123)1CZCZYRZYU  
PM-IRAN-2ND-LEAD \*\*\*\*\* URGENT

TEHERAN, NOV 3, REUTER -- AYATOLLAH KHOMEINI TOLD THE MILITANT STUDENTS HOLDING THE AMERICAN HOSTAGES TO TURN THEIR CAPTIVES OVER TO THE IRANIAN GOVERNMENT TODAY AND THE IRANIAN PRIME MINISTER SAID ALGERIA SHOULD TAKE CARE OF THE CAPTIVES.

THE OFFICIAL PARS NEWS AGENCY REPORTED THAT PRIME MINISTER MOHAMMAD ALI RAJAI AGREED WITH THE ALGERIAN AMBASSADOR HERE THAT ALGERIA SHOULD TAKE CARE OF THE 52 AMERICAN HOSTAGES.

THE REPORT CAME IMMEDIATELY AFTER REVOLUTIONARY LEADER AYATOLLA RUHOLLAH KHOMEINI GAVE THE MOSLEM STUDENTS HOLDING THE HOSTAGES PERMISSION TO HAND OVER THEIR CAPTIVES TO THE GOVERNMENT.

THE EXACT MEANING OF THE MOVES REGARDING THE HOSTAGES WERE NOT IMMEDIATELY CLEAR, BUT IT APPEARED THAT THE STUDENTS WOULD AUTHORIZE THE GOVERNMENT TO TAKE CHARGE OF THE CAPTIVES AND THE GOVERNMENT WOULD THEN DELEGATE RESPONSIBILITY FOR THEM TO ALGERIA.

THE WHEREABOUTS OF THE HOSTAGES HAVE BEEN KEPT SECRET BY THE STUDENTS SINCE THEY SAID THEY MOVED THE CAPTIVES TO SOME 15 PROVINCIAL CITIES FOLLOWING THE ABORTIVE U.S. MISSION TO RESCUE THEM LAST APRIL.

MORE 0412 WB

R034R I6154)2CZCZYRUUV

PM-IRAN-2ND-LEAD 2 TEHERAN \*\*\*\*\*

THE LATEST RAPID MOVES ON THE HOSTAGES CAME AFTER THE IRANIAN MAJLIS (PARLIAMENT) YESTERDAY ANNOUNCED CONDITIONS THE U.S. GOVERNMENT MUST FULFILL IN ORDER TO WIN THE FREEDOM OF THE 52 AMERICANS.

PARS SAID THAT IN A HALF-HOUR MEETING BETWEEN MR RAJAI AND ALGERIAN AMBASSADOR ABDEL KARIM GHERAIEB "IT WAS DECIDED THAT THE MOSLEM AND BROTHER COUNTRY OF ALGERIA WILL TAKE CARE OF THE U.S. HOSTAGES."

MR GHERAIEB WAS QUOTED AS SAYING ALGERIA WANTED TO DO ALL IT COULD TO FULFILL THE WISHES OF THE IRANIAN GOVERNMENT.

ALGERIAN EMBASSY OFFICIALS WERE NOT IMMEDIATELY AVAILABLE FOR COMMENT, AND THE STUDENTS DECLINED TO SAY ANYTHING.

ALGERIA IS ONE OF THE FEW COUNTRIES WHICH HAS CLOSE RELATIONS WITH IRAN AND IT REPRESENTS IRANIAN INTERESTS IN THE UNITED STATES. MR RAJAI VISITED ALGERIA LAST MONTH ON HIS WAY BACK FROM ADDRESSING THE UNITED NATIONS SECURITY COUNCIL ON THE PERSIAN GULF WAR WITH IRAQ.

MORE 0424 WB

R035R I6164CZCZYRWYD

PM-IRAN-2ND-LEAD 3 TEHERAN \*\*\*\*\*

THE EMBASSY STUDENTS TOLD AYATOLLAH KHOMEINI THIS MORNING THAT, SINCE THE MAJLIS HAD MADE ITS DECISIONS AND ORDERED THE GOVERNMENT TO CARRY THEM OUT, THEY WOULD ASK THE GOVERNMENT TO KEEP THE HOSTAGES IF THE AYATOLLAH AGREED.

THE REVOLUTIONARY LEADER REPLIED THAT, FOLLOWING THE MAJLIS VOTE, "IT IS A CORRECT MOVE TO DELEGATE THE ISSUE TO THE GOVERNMENT."

IN ANOTHER DEVELOPMENT, SWISS AMBASSADOR ERIK LANG CALLED ON MR RAJAI TODAY AND GAVE HIM A MESSAGE FROM PRESIDENT CARTER, PARS REPORTED WITHOUT REVEALING THE CONTENTS OF THE MESSAGE.

THE SWISS ENVOY WAS ACCOMPANIED BY THE WEST GERMAN AMBASSADOR, PARS SAID. SWITZERLAND REPRESENTS U.S. INTERESTS IN IRAN.

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UP416

R I

PN-HOSTAGE-COMMUNIQUE 11-3

BY UNITED PRESS INTERNATIONAL

THE IRANIAN PARS NEWS AGENCY TODAY CARRIED THE FOLLOWING TEXT OF A COMMUNIQUE ISSUED BY THE ISLAMIC MILITANTS IN TEHRAN AND ADDRESS TO PRIME MINISTER MOHAMMED ALI RAJAI FOLLOWING THE MILITANTS' MEETING WITH AYATOLLAH RUHOLLAH KHEOMINI:

"IN THE NAME OF GOD, THE COMPASSIONATE, THE MERCIFUL, BROTHER MOHAMMAD ALI RAJAI, HONORABLE PRIME MINISTER OF THE ISLAMIC REPUBLIC OF IRAN: SINCE THE GOVERNMENT IS BY LAW CHARGED WITH IMPLEMENTATION OF THE PROPOSAL (REGARDING THE HOSTAGES) APPROVED BY THE ISLAMIC CONSULTATIVE ASSEMBLY, THEREFORE WE CONSIDER IT APPROPRIATE THAT THE GOVERNMENT SHOULD HENCEFORTH ASSUME THE RESPONSIBILITY OF HOLDING THE SPY HOSTAGES.

THIS ISSUE WAS RAISED AT TODAY'S MEETING OF THE STUDENTS WITH THE AUGUST LEADER OF THE REVOLUTION, IMAM KHOMEINI, WHO APPROVED OF THIS ARRANGEMENT.

"YOU ARE THEREFORE ASKED TO INTRODUCE YOUR REPRESENTATIVE TO TAKE DELIVERY OF THE AMERICAN SPIES."

UPI 11-03-80 07:09 RES

PN-IRAN-ALGERIA

ALGIERS, NOV 3, REUTER -- ALGERIAN OFFICIALS SAID TODAY THEY COULD NOT CONFIRM AN IRANIAN NEWS AGENCY STATEMENT ABOUT AN AGREEMENT THAT ALGERIA WOULD EVENTUALLY TAKE CHARGE OF THE ISSUE OF THE U.S. HOSTAGES HELD IN IRAN.

THE OFFICIALS DID CONFIRM, HOWEVER, THAT THE ALGERIAN AMBASSADOR TO IRAN HAD DISCUSSED "PRACTICAL DETAILS" OF THE MATTER WITH IRANIAN PRIME MINISTER MOHAMMED ALI RAJAI.

INFORMED SOURCES IN ALGIERS SAID MR RAJAI DISCUSSED THE ISSUE WITH ALGERIAN PRESIDENT CHADLI BENJEDID WHEN THE PRIME MINISTER MADE A STOPOVER IN ALGIERS EN ROUTE BACK FROM THE UNITED STATES TWO WEEKS AGO.

THE SOURCES ALSO QUOTED AN ALGERIAN LEADER AS SAYING PRIVATELY LAST WEEK THAT HE DID NOT EXPECT THE HOSTAGES TO MAKE ANY TRANSIT VIA ALGERIA.

ALGERIA REPRESENTS IRANIAN INTERESTS IN THE U.S. WHILE SWITZERLAND IS IN CHARGE OF AMERICAN INTERESTS IN TEHRAN.

SWISS DIPLOMATIC SOURCES IN ALGIERS DID NOT RULE OUT TODAY THAT THE U.S. HOSTAGES MIGHT GO TO ZURICH.

REUTER 0647 WB

R052R I6531)1CZCWHYBYL

10400700201081L

PM-IRAN-3RD-LEAD 3 TEHERAN (R038-039 ... WAR WITH IRAQ.)  
CONTACTED BY TELEPHONE, THE STUDENTS REFUSED TO GIVE ANY  
INFORMATION ABOUT THE WHEREABOUTS OF THE HOSTAGES OR WHETHER  
THEY WERE BEING PHYSICALLY MOVED.

AT THEIR MEETING TODAY WITH THE AYATOLLAH, THE STUDENTS  
ASKED FOR PERMISSION TO HAND OVER RESPONSIBILITY FOR THE  
HOSTAGES ON THE GROUNDS THAT IRAN'S MAJLIS (PARLIAMENT)  
YESTERDAY ANNOUNCED CONDITIONS FOR THE RELEASE OF THE HOSTAGES  
AND INSTRUCTED THE GOVERNMENT TO PUT THEM INTO EFFECT.

AYATOLLAH KHOMEINI AGREED TO THEIR REQUEST.

THE OFFICIAL PARS NEWS AGENCY SAID PRIME MINISTER MOHAMMAD  
ALI RAJAI AGREED WITH THE ALGERIAN AMBASSADOR HERE TODAY THAT  
ALGERIA WOULD EVENTUALLY TAKE CHARGE OF THE HOSTAGE ISSUE.

PARS EARLIER REPORTED THAT THE ALGERIANS, WHO REPRESENT  
IRANIAN INTERESTS IN THE UNITED STATES, WOULD TAKE CHARGE OF  
THE HOSTAGES THEMSELVES BUT LATER CORRECTED ITS REPORT TO  
SPECIFY THAT IT MEANT ONLY THE HOSTAGE ISSUE.

MORE 0618 WB

R043R I6382CZCUIUZYR

PM-IRAN-3RD-LEAD 4 TEHERAN (R042 ... THE HOSTAGE ISSUE.)

A SPOKESMAN FOR MR RAJAI'S OFFICE SAID THAT THE HOSTAGE  
ISSUE WOULD BE HANDED OVER TO THE ALGERIANS ONCE THE U.S. HAD  
MET THE FOUR CONDITIONS LAID DOWN BY THE MAJLIS.

UNTIL THEN THE GOVERNMENT WOULD BE IN CHARGE OF THEM, THE  
SPOKESMAN SAID.

IN THEIR STATEMENT TO MR RAJAI, WHICH WAS LATER READ OVER  
THE RADIO, THE STUDENTS SAID THAT SINCE THE GOVERNMENT WAS TO  
CARRY OUT THE PROPOSALS OF THE MAJLIS, "WE DEEMED IT NECESSARY  
THAT FROM NOW ON THE RESPONSIBILITY FOR KEEPING THE HOSTAGES  
SHOULD BE GIVEN TO THE GOVERNMENT."

THEY ASKED MR RAJAI TO APPOINT A REPRESENTATIVE TO TAKE  
DELIVERY OF THE HOSTAGES.

A FOREIGN MINISTRY SPOKESMAN SAID THE MINISTRY HAD INFORMED  
THE ALGERIAN EMBASSY IN WASHINGTON OF PARLIAMENT'S RELEASE  
CONDITIONS.

THE SPOKESMAN COULD NOT SAY IF THE CONDITIONS HAD YET  
REACHED THE CARTER ADMINISTRATION, WHICH WAS EARLIER RELYING ON  
TEHERAN RADIO AND FOREIGN NEWS AGENCY REPORTS FOR INFORMATION  
ON THE TERMS.

MORE 0637 WB

R043R I6512CZCUIURYR

PM-IRAN-3RD-LEAD 5 TEHERAN

ERIK LANG, THE AMBASSADOR OF SWITZERLAND, WHICH REPRESENTS  
U.S. INTERESTS IN IRAN, TODAY HANDED PREMIER RAJAI A MESSAGE  
FROM PRESIDENT CARTER, PARS REPORTED WITHOUT REVEALING THE  
CONTENTS OF THE MESSAGE.

AT HIS MEETING WITH MR RAJAI, MR LANG WAS ACCOMPANIED BY  
WEST GERMAN AMBASSADOR GERHARD RITZEL, THE AGENCY SAID.

DIPLOMATIC SOURCES NOTED THAT WHEN AND IF THE HOSTAGES WERE  
RELEASED THEY WERE LIKELY TO BE FLOWN TO A U.S. AIR FORCE BASE  
NEAR WIESBADEN, WEST GERMANY.

{ THE IRANIAN PARLIAMENT

TODAY HAS FINALLY TAKEN A POSITION ON THE RELEASE OF OUR HOSTAGES.  
THIS IS A SIGNIFICANT DEVELOPMENT.

{ WE HAVE LONG BEEN AWARE THAT THERE COULD BE NO RESOLUTION OF THE PROBLEM  
UNTIL THE NEW IRANIAN GOVERNMENT WAS IN PLACE  
& THE PARLIAMENT HAD ACTED.

{ MANY MONTHS AGO

WE MADE CLEAR THE STEPS WE WOULD BE PREPARED TO TAKE  
WHEN THE HOSTAGES ARE RELEASED.

(=OVER=) (EVER SINCE .....)

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*made used by PST/13  
for library / records*

EVER SINCE THE AMERICAN HOSTAGES WERE ILLEGALLY SEIZED IN IRAN,  
I HAVE AFFIRMED THAT OUR POLICY IS BASED ON 2 FUNDAMENTAL OBJECTIVES --  
° PROTECTING THE HONOR & VITAL INTERESTS OF THE UNITED STATES,  
° AND WORKING TO ENSURE THE EARLIEST POSSIBLE SAFE RELEASE OF THE HOSTAGES.

AS WE UNDERSTAND THE PARLIAMENT'S PROPOSALS,  
THEY APPEAR TO OFFER A POSITIVE BASIS  
FOR ACHIEVING BOTH OF THESE OBJECTIVES. //

WE ARE PURSUING THIS MATTER THROUGH DIPLOMATIC CHANNELS. /

ANY ACTION TAKEN BY OUR GOVERNMENT  
WILL BE IN FULL ACCORDANCE WITH OUR CONSTITUTION & LAWS. //

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(=NEW CARD=) (I KNOW .....)

I KNOW I SHARE WITH THE HOSTAGES,  
THEIR FAMILIES,  
& THE PEOPLE OF THIS COUNTRY

THE DESIRE FOR A PROMPT RETURN OF THOSE FOR WHOM WE HAVE SO LONG WAITED.

I KNOW ALSO THAT ALL AMERICANS WILL WANT THAT RETURN TO BE ON A PROPER BASIS WHICH IS WORTHY OF THE SUFFERING & SACRIFICE WHICH THE HOSTAGES HAVE ENDURED.

LET ME CONCLUDE WITH A FINAL COMMENT.

WE ARE WITHIN 2 DAYS OF AN IMPORTANT NATIONAL ELECTION.

LET ME ASSURE YOU THAT MY DECISIONS ON THIS CRICIAL MATTER WILL NOT BE AFFECTED BY THE CALENDAR.

WE ARE IN CONTACT WITH THE BI-PARTISAN LEADERSHIP OF CONGRESS & WITH GOV. REAGAN & CONG. ANDERSON.

AND WE WILL KEEP THE AMERICAN PEOPLE INFORMED.

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(=OVER=) (I WISH I COULD,....)

I WISH I COULD PREDICT WHEN OUR HOSTAGES WILL RETURN.

I CANNOT.

BUT WHETHER OUR HOSTAGES COME HOME BEFORE OR AFTER THE ELECTION,

& REGARDLESS OF THE OUTCOME OF THE ELECTION --

THE IRANIAN GOVERNMENT & THE WORLD COMMUNITY

WILL FIND OUR COUNTRY,

ITS PEOPLE,

& THE LEADERS OF BOTH PARTIES

UNITED IN DESIRING THE EARLY & SAFE RETURN OF THE HOSTAGES --

BUT ONLY ON A BASIS THAT PRESERVES OUR NATIONAL HONOR & INTEGRITY.

# # #

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#1

The Iranian Parliament today has <sup>finally</sup> taken a position on the release of our hostages.

This is a significant development. We have long been ~~advised~~ <sup>aware</sup> that there could be no resolution of the problem until the new Iranian Government was in place and the Parliament had acted.

Ever since the American hostages were <sup>illegally</sup> seized in Iran, I have affirmed that our policy is based on two fundamental objectives -- protecting the honor and vital interests of the United States, and working to ensure the earliest possible safe release of the hostages.

Many months ago we made clear the steps we would be prepared to take when the hostages are released.

As we understand the Parliament's proposals, they appear to offer a positive basis for achieving both of these objectives.

*pursuing their mother*  
 We are ~~prepared to respond~~ through diplomatic channels to the  
~~any action taken by the American government will be~~  
~~four points of the Parliament's statement~~ in full accordance  
 with our Constitution and laws } 3

We are in contact with the bipartisan leadership of Congress  
 and with Governor Reagan and Congressman Anderson, *and we* We will keep  
 the American people informed.

I know I share with the hostages, their families and the  
 people of this country the desire for a prompt return of those  
 for whom we have so long waited. I know also that they will want  
 that return to be on a *proper* basis which is worthy of the *suffering* ~~anxiety~~ and  
 sacrifice which they have *endured* ~~experienced~~.

Let me conclude with a *final comment*, ~~brief further word~~.

~~There is intense speculation as to why the Iranians have taken~~  
 We are within two days of an important national election.

~~their action at this time. Whatever their reason,~~ } Let me assure

① P 3

you that my decisions on this critical matter will not be affected

by the calendar.

(A)



Whether our hostages come home before ~~the election~~ or after  
the election, ~~whether I am re-elected, or Governor Reagan is elected,~~  
*and regardless of the outcome of the*  
*election,*  
the Iranian Government and the world community will find our country,

its people and the leaders of both parties united in desiring the

early and safe return of the hostages, but only on a basis that

preserves our national honor and integrity.

#

#

#

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#2

re typed

I KNOW I SHARE WITH THE HOSTAGES,  
THEIR FAMILIES,  
& THE PEOPLE OF THIS COUNTRY

THE DESIRE FOR A PROMPT RETURN OF THOSE FOR WHOM WE HAVE SO LONG WAITED.

I KNOW ALSO THAT <sup>ALL AMERICANS</sup> ~~THEY~~ WILL WANT THAT RETURN TO BE ON A PROPER BASIS  
WHICH IS WORTHY OF THE SUFFERING & SACRIFICE WHICH ~~THEY~~ HAVE ENDURED. //

THE HOSTAGES

LET ME CONCLUDE WITH A FINAL COMMENT.

WE ARE WITHIN 2 DAYS OF AN IMPORTANT NATIONAL ELECTION.

LET ME ASSURE YOU THAT MY DECISIONS ON THIS CRITICAL MATTER  
WILL NOT BE AFFECTED BY THE CALENDAR.

WE ARE IN CONTACT WITH THE BI-PARTISAN LEADERSHIP OF CONGRESS  
& WITH GOV. REAGAN & CONG. ANDERSON.

AND WE WILL KEEP THE AMERICAN PEOPLE INFORMED.

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(=OVER=) (WHETHER OUR.....)

*Bev*

WHETHER OUR HOSTAGES COME HOME BEFORE OR AFTER THE ELECTION, &  
REGARDLESS OF THE OUTCOME OF THE ELECTION,  
THE IRANIAN GOVERNMENT & THE WORLD COMMUNITY  
WILL FIND OUR COUNTRY,  
ITS PEOPLE,  
& THE LEADERS OF BOTH PARTIES  
UNITED IN DESIRING THE EARLY & SAFE RETURN OF THE HOSTAGES --  
BUT ONLY ON A BASIS THAT PRESERVES OUR NATIONAL HONOR & INTEGRITY.

*retyped*

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*I WISH I COULD PREDICT WHEN  
 OUR HOSTAGES WILL RETURN. I CANNOT.*

THE WHITE HOUSE  
WASHINGTON

11/05/80

STU EIZENSTAT

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

Rick Hutcheson

Received 10/29/80

THE WHITE HOUSE  
WASHINGTON

no +  
done  
J

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MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
SUBJECT: The Head Start Program: Announcement  
Regarding Presidential Support for  
Increased Funding

Background

The Head Start program is a popular, effective program that is especially important to constituencies who are central to our campaign in this last phase: Blacks, Hispanics, civil rights leaders, liberal Democrats.

You have an opportunity to generate enthusiasm among those voters by announcing your commitment now to increased funds for Head Start in your next budget request. You can contrast, clearly and effectively, your strong differences with the Republicans by your endorsement of a budget increase brought to you by Secretary Harris for a popular program serving 65% low-income minority children and providing jobs to an equal percentage of minorities from the communities where the children are served.

OMB says they agree to an early announcement of an increase for Head Start. However, there is disagreement on the amount. OMB prefers that you announce only an early commitment to at least \$100 million. I believe you should be able to announce your decision to "move the Head Start program past the billion dollar level," which would require at least \$190 million in increased funds. Secretary Harris requests a \$308 million increase for 1982, which I hope this Administration will adopt after full discussion and final decision on the budget.

Policy Reasons for the Budget Increase

Three independently conducted reviews of Head Start - including the forthcoming report you commissioned last Spring - document an impressive array of medical, nutritional and lasting educational gains in this highly cost-effective program.

However, these reviews also conclude that Head Start is being damaged by inflation, with program quality in the average center now threatened. One in five programs has been unable to repair facility conditions potentially hazardous to health and safety. The average center has had to let class sizes grow to a point where child developmental gains may be retarded. Centers must also pay both teachers and aides wages at or below the poverty line.

These programs are rooted in long-standing Republican neglect of Head Start. When President Nixon came into office, there were almost 700,000 children in Head Start, mostly in summer programs. When data showed the summer programs to be less effective than full-year Head Start, the Republicans as a cost-savings measure chose to move the bulk of "summer children" out of Head Start, enrolling only about 70,000 of the 400,000 summer children in the full-year program. Had the Republicans permitted summer children to be enrolled full-time, Head Start would have been more than a billion dollar program in our first budget cycle. Further, the Ford Administration in particular ignored inflationary impact on Head Start. Had the Republicans adequately protected even the reduced Head Start population from inflation their FY '78 request would have been \$630 million rather than \$475 million - a \$155 million shortfall. Given current inflation, the Carter Administration's fiscal support of Head Start has not been able to overcome the damage of the program's Republican legacy.

The HHS budget request provides you with a swift and early response to Head Start's emerging problems. It is substantively quite consistent with the findings of the report you commissioned. In addition the Secretary asks to bring 40,000 more children into this program, currently serving only 1 in 5 eligible children.

This budget request would create about 10,000 new jobs, primarily for low-income people.

#### Political Value

In recent weeks Administration officials have been contacted by the office of Mayor Coleman Young and other Mayors and by the office of Governor Hunt, to express their opinions that the campaign would benefit, particularly in southern Black communities and in inner cities, from positive actions now in support of Head Start.





EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

October 27, 1980

MEMORANDUM FOR THE PRESIDENT

FROM: Jim McIntyre *Jim*

SUBJECT: Head Start Budget Increase

Strictly on budgetary grounds, there is no reason to announce any commitment to a specific funding level for Head Start at this time. If you determine that there is some political benefit to be gained by committing to a funding floor, I would not oppose your announcing now at least a \$100M increase for Head Start in FY 1982.

By way of background, funding for Head Start has been increased from \$475M to \$820M during your Administration. We have proposed to increase the period of reauthorization from 3 to 5 years -- a change which was hailed by Head Start supporters. We are still awaiting many managerial improvements in the program which have been recommended strongly by Head Start's own advisory council.

For FY'82, HHS has requested an increase from \$820M to \$1128M to cover inflationary costs, boost salaries, and expand the number of eligible children served. Only the first \$78M of that \$308M increase falls within the adjusted planning ceiling. You will have to make trade-offs among other HHS programs to compensate for the requested increase if you decide to approve it now.

However, I have some broader concerns than just this particular budget decision, although this issue leads me to raise them. First, I am not certain that such announcements at this time convey a positive impression to the general public, or even to the affected groups. Second, such premature budgetary announcements may send a signal to the rest of your Administration that you are willing to entertain other such requests.

You should know that I have received many similar requests for early announcement of '82 budget increases. They are in programs ranging from the Voice of America to aid for Israel and Cyprus, and of widely varying dollar magnitudes. Only you can determine the pay-off of such announcements, and the relative weights of any single one. I would be pleased to present all of them to you, if you decide you want to consider them.