

**6/25/77**

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo w/ attach.	From Inderfurth to Hutcheson (4 pp.) re:copy of letter from Arthur Burns to The President/enclosed in Hutcheson to The President 7/25/77	6/22/77	A

FILE LOCATION  
 Carter Presidential Papers- Staff Offices, Office of the Staff Sec. - Pres. Hand-writing File 6/25/77 Box ■ 34

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THE PRESIDENT'S SCHEDULE

Saturday - June 25, 1977

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7:30 Breakfast with Secretary Cyrus Vance,  
Vice President Walter F. Mondale and  
Dr. Zbigniew Brzezinski - Oval Office.

9:00 Dr. Zbigniew Brzezinski - The Oval Office.

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

25 JUNE 1977

TO: THE PRESIDENT *R.H.*  
FROM: RICK HUTCHESON  
SUBJECT: Memos Not Submitted

1. COSTANZA MEMO urging the President to meet with representatives of the National Campaign to Stop the B-1 Bomber. Kraft, Jody, Frank and Zbig all recommend against the meeting, but Midge wanted you to review the decision. The group includes representatives of the American Friends Service Committee, Federation of American Scientists, Common Cause, Congress Watch, etc., etc.

           approve meeting             disapprove meeting *JC*

2. BRZEZINSKI MEMO enclosing a thank-you note from Queen Elizabeth for the Silver Jubilee gift presented by Chip. ✓
3. ARTHUR BURNS MEMO on his conversation with the Chairman of the USSR State Bank. NSC has reviewed the memo, and finds nothing exceptional in it.
4. CHARLES WARREN MEMO attaching a Harris poll which shows that "the American people have begun to show a deep skepticism about the nation's capacity for unlimited economic growth, and that they are wary of the benefits that growth is supposed to bring. Significant majorities place a higher priority on improving human and social relationships and the quality of American life than on simply raising the standard of living." ✓
5. ARTHUR GOLDBERG LETTER thanking you for your note of June 21. ✓
6. BARRY JAGODA MEMO passing along a Chris Lydon article in Harpers, "Jimmy Carter Revealed: He's a Rockefeller Republican." Barry observes that the article is only marginally worth reading. ✓
7. COSTANZA MEMO asking you to meet again with the Business Council, on October 14, in Hot Springs. Tim Kraft's office has already regretted the invitation. ✓ *no*

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for Preservation Purposes

THE WHITE HOUSE

WASHINGTON

June 20, 1977

INFORMATION

MEMORANDUM FOR: THE PRESIDENT

FROM: MARGARET COSTANZA *mc*

RE: Meeting with Business leaders, June 17, 1977  
regarding support for the National Energy Plan

In attendance: See TAB A

After your departure, Mr. Schlesinger continued to answer questions and point the meeting toward support for the Plan.

Mr. DeButts stated 100% support for the leadership shown by you and pledged his support. There was general agreement from the others.

Problems such as environmentalists vs. production and government regulation were briefly discussed.

In summary, two major goals were achieved:

1. The attendees left with a strong sense of commitment. Mr. DeButts hopes to gather the support of both the Business Roundtable and the Business Council. Mr. Schlesinger and I will continue to monitor and direct the activities of the Group as relates to their support of the Plan.
2. A major inroad was made with the business community. Comments were made relative to your openness and willingness to really listen rather than to direct or orchestrate business. I believe this meeting to be a major achievement regarding the relationship of the Administration to the business community.

The Business Council meets again on October 14 and 15 in Hot Springs. 300 top corporate leaders and their wives will be in attendance. You have been invited to speak at their dinner on Friday night, October 14, 1977. I understand this request, made through Mr. DeButts, has been regretted but will be reoffered. I recommend that you accept.

R. Reiman:erc

Participants

The President

Frank Borman,  
Chairman of the Board  
Eastern Airlines

Thornton F. Bradshaw,  
Chairman of the Board  
Atlantic Richfield Corporation

August A. Busch, III  
Chairman of the Board  
Anheuser-Busch

Frederick G. Currey,  
Chairman of the Board  
Continental Trailways

John D. DeButts,  
Chairman of the Board  
American Telephone & Telegraph Company

John H. Filer,  
Chairman of the Board  
Aetna Life & Casualty Company

William Henry Krome,  
Chairman of the Board  
Aluminum Company of America

Frank E. Hedrick,  
President  
Beech Aircraft

Arthur B. Krim,  
Chairman of the Board  
United Artists

Helen Meyer,  
President  
Dell Publishing

Austin Rising,  
Staff Energy Advisor  
Beech Aircraft

Lawrence Stanton,  
Director, Government Affairs  
Continental Trailways

Participants

Margaret Costanza  
Assistant to The President

James Schlesinger

James Bishop

Mark Siegel

Steve Selig

Richard Reiman

Date: June 23, 1977

MEMORANDUM

FOR ACTION:

Tim Kraft  
Jim Schlesinger

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Midge Costanza's memo 6/20/77 re Meeting with  
Business leaders, June 17, 1977 regarding support  
for the National Energy Plan

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12 Noon

DAY: Saturday

DATE: June 25, 1977

ACTION REQUESTED:

Your comments

Other:

\* I wouldn't submit  
this — we'll meet

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

likely decline Business  
Council dinner invite  
if offered again —  
TK

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required  
material please telephone the Staff Secretary immediately. (Telephone. 7052)

---

To: Rick  
H.

THE WHITE HOUSE  
WASHINGTON

Rick:

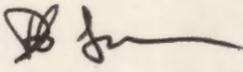
Midge's office is insisiting  
that this proposal be decided by  
the President.

We staffed it out as a schedule  
proposal and Jody, Frank, and Zbig  
all recommend against it. I do as  
well.

Whether or not you want the  
paper to go in is your call.

TK TH

INFORMATION  
June 21, 1977

MEMORANDUM FOR: THE PRESIDENT  
FROM: ZBIGNIEW BRZEZINSKI   
SUBJECT: Thank You From the Queen

Attached is a thank you note from Buckingham Palace for the Silver Jubilee gift Chip presented.

Attachment



BUCKINGHAM PALACE

9th June, 1977

*My Dear Mr President,*

The Queen has commanded me to pass her warmest thanks to you for the splendid gift which your son so kindly brought here yesterday. Her Majesty is delighted to receive such a handsome present which will provide a memento of an already memorable week. The plates will be treasured not only for their design, which is exquisite, but also as a token of a friendship which is among Her Majesty's chief pleasures in this her Silver Jubilee year.

The Queen particularly asked me to send her very best wishes to you, your wife and family for the future and hopes that it will not be long before she has a further opportunity of meeting you again.

*Yours sincerely*  
*Robert Jenkinson*

The Honourable Jimmy Carter, President of the United States  
of America.

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

June 13, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charles Warren  
Gus Speth *GS*  
Marion Edey

RE: Attached Harris Survey Results

The attached Harris poll contains some important and very hopeful results. We expect in the months ahead to be putting a substantial portion of the Council's resources into developing potential Administration programs that are responsive to the aspirations of the public reflected in this poll.

Release: Monday, May 23, 1977

## QUALITY WINS OVER QUANTITY

by Louis Harris

The American people have begun to show a deep skepticism about the nation's capacity for unlimited economic growth, and they are wary of the benefits that growth is supposed to bring. Significant majorities place a higher priority on improving human and social relationships and the quality of American life than on simply raising the standard of living.

The latest Harris Survey sheds some significant and sometimes startling light on current American thinking:

--By 79-17 per cent, the public would place greater emphasis on "teaching people how to live more with basic essentials" than on "reaching higher standards of living."

--By 76-17 per cent, a sizable majority opts for "learning to get our pleasure out of non-material experiences," rather than on "satisfying our needs for more goods and services."

--By 59-33 per cent, a clear majority would stress "putting real effort into avoiding doing those things that cause pollution" over "finding ways to clean up the environment as the economy expands."

--A lopsided 82-11 per cent would concentrate on "improving those modes of travel we already have"; only 11 per cent would emphasize "developing ways to get more places faster."

--By 77-15 per cent, the public comes down for "spending more time getting to know each other better as human beings on a person to person basis," instead of "improving and speeding up our ability to communicate with each other through better technology."

--By 63-29 per cent, a majority feels that the country would be better served if emphasis were put on "learning to appreciate human values more than material values," rather than on "finding ways to create more jobs for producing more goods."

--By 66-22 per cent, the public would choose "breaking up big things and getting back to more humanized living," over "developing bigger and more efficient ways of doing things."

--By 64-26 per cent, most Americans feel that "finding more inner and personal rewards from the work people do" is more important than is "increasing the productivity of our work force."

--By 59-26 per cent, a majority feels that inflation can better be controlled by "buying much less of those products short in supply and high in price" than by "producing more goods to satisfy demand."

Taken together, the majority views expressed by the cross section of 1,502 adults in this Harris Survey suggest that a quiet revolution may be taking place in our national values and aspirations. Some of these attitudes reflect the energy crunch and the realization that the supply of raw materials is not boundless; others are a legacy of all those ideas that young people pressed for in the 1960's that have now begun to take root in the 1970's.

Whether the American people are prepared to face the consequences if the country follows the choices they so clearly express is quite another matter. But there is no doubt that there has been a profound shift in many of the traditional assumptions which have governed the nation.

(more)

ARTHUR J. GOLDBERG

June 23, 1977

My dear Mr. President:

Thank you for your more than kind letter of June 21. I must confess that I, too, like my gentle reminder to Prime Minister Begin, which was borrowed from President Lincoln's second inaugural.

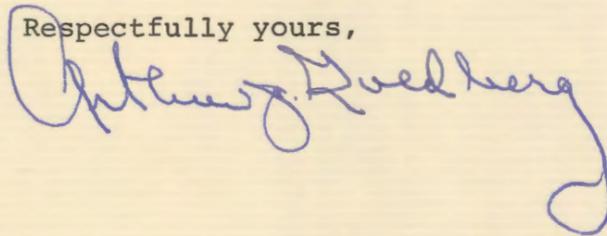
Mr. President, since you were gracious enough to read my speech and thought well of it, I would like you to have a conformed copy, which is enclosed.

My secretary, Mrs. Passemante, was away on holiday when the speech was delivered, and a substitute secretary did not properly transcribe some of the corrections I made to her over the telephone. These were not changes in substance, but at least they were gramatical.

I should like you to have the revised copy to prove that I am not entirely illiterate.

With all good wishes, I am

Respectfully yours,

A handwritten signature in blue ink that reads "Arthur J. Goldberg". The signature is written in a cursive style with a large, looping initial "A".

The President  
Washington, D. C.

ADDRESS BY THE HONORABLE ARTHUR J. GOLDBERG\*

REFORM JEWISH APPEAL DINNER

DETROIT, MICHIGAN

JUNE 5, 1977

It simply is not possible to address a distinguished body such as this, concerned with both American attitudes toward Israel and the relationships of American Jews to Israel, without discussing the consequences of its recent elections.

While it is too early to predict with any degree of certainty what may ensue from the rather unexpected victory of Likud, it is not too early to speculate about its implications for all concerned--Israel, the Carter administration, American Jewry, and the Arab states.

Let me start with the Israelis.

I suspect the Israelis were as much surprised as everyone else with the results. The Labor Party has led Israel even prior to the formation of the state, and it is understandable that Israelis are finding it difficult to accept the reality

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\* Former Associate Justice of the Supreme Court and United States Permanent Representative to the United Nations.

that their new government will be formed by a party and leaders who have been in opposition for these many years.

For Israelis, Likud promised, in the election campaign, a considerable transformation of their society and institutions as well as a change in foreign policy.

The Likud program emphasizes free enterprise and a considerable diminution of the role of labor-oriented enterprises in the life and society of the country.

A signal of the change envisaged for the economy is the invitation to the distinguished economist and Nobel Prize winner, Professor Milton Friedman, of the University of Chicago, to be a consultant to the new government in formation. Dr. Friedman is a conservative economist who takes a dim view of socialistic enterprises such as those which have been a characteristic of Israel for many decades.

Whether in power Mr. Begin and his colleagues will find it opportune or possible to implement their economic creed and Professor Friedman's views is a moot question. Neither President Eisenhower nor President Nixon was able, despite campaign rhetoric, to eliminate or even substantially change the social and economic programs of preceding Democratic administrations.

Foreign policy may be a different matter, but, here too, for reasons which I shall later discuss, the foreign policy of

a Likud government may not depart from that of its predecessors to any significant degree.

The American government, from all indications, is also having difficulty in adjusting to the changing of the guard. Israeli leaders of the labor party, from Ben Gurion and Golda Meir to Rabin and Peres, are well known in the United States. They have been frequent visitors. Our presidents, secretaries of state and pentagon officials, past and present, have grown accustomed to their faces and to the nuances of their policies. Although Mr. Begin and some of his associates have been on the Israeli scene very long, they are not nearly as well known, and their policies are a source of puzzlement and concern to the Administration.

The same, I believe, is true of the relations between American Jewry and Israel's forthcoming administration. American Jews and organizations also have had close relations for many years with the leaders of the labor party and much lesser contact with Likud's leadership and understanding of their policies. This lack of familiarity is manifest in the uneasiness about Mr. Begin's views about the West Bank, which has been given vocal expression by the leaders of some Jewish organizations and their spokesmen in our country. There is no justification, however, for them to panic or to doubt the commitment of virtually all Israelis to peace. A reserved judgment about the new Israeli government and its policies is to be preferred to a premature one.

I now turn to the reaction of the Arab states to what presumably is a more "hawkish" Israeli regime than its predecessors. Arab leaders have told the press that they see no substantive difference between Begin's policy and that of Rabin-Peres. Whether they really believe this, I have no way of knowing. Perhaps what they actually have in mind is that Mr. Begin, under American pressure, will have to make the same concessions as would his more "dovish" predecessors.

The answer would seem simpler for Israelis than for others. Israel is a democratic country. In the exercise of their franchise, Israelis have selected Likud and its coalition partners to be their government. And they must live, at least for the time being, with the result. Administrations in a democracy change, but a change may be good or bad dependent upon the character of the leadership and its programs and policies. Besides, the leaders of Likud and its coalition partners are far better known at home than abroad. Mr. Begin has been politically active since before the formation of the state. And other Likud personalities and those of their coalition partners who are being wooed likewise are also familiar to Israelis.

The Begin administration will gain additional adherents or lose their present ones, dependent upon how they conduct the affairs of the country at home and abroad. Being a parliamentary democracy, if they succeed, they can contemplate a reasonable tenure in office; if they fail, a much shorter one.

The problem is much more complicated regarding future relations between the United States and Israel. The American government, as I have said, has dealt with Israeli leaders of the labor party since the state was established and even before then. Mr. Begin, to President Carter and his colleagues, must be a riddle wrapped in a mystery inside an enigma.

To a somewhat lesser degree, but to a critically important one, American Jews are in much the same position as the United States government. And for many of the same reasons, American Jewry is going through an agonizing reappraisal of their relationship with Israel.

At the root of this concern is, of course, the future course of the domestic and foreign policy of Israel. Here, too, I have already said some words which require some amplification.

I hesitate to venture a prediction as to what changes in domestic policy will take place other than to reiterate that, Likud professes that greater emphasis will be given to the free market as against the dominance of labor-related institutions in the economy and greater attention to the needs of the underprivileged in Israeli society. Whether a Likud government will be able to transform Israeli institutions is, I have already said, highly questionable.

With respect to foreign affairs, my experience as a diplomat leads me, perhaps unwarrantedly, to be more venturesome in my analysis.

I have no reason to doubt President Carter's strong commitment to Israel's right to exist as a sovereign state. His acknowledgement that a "special relationship" exists between the United States and Israel is most welcome. But I also have no reason to doubt that President Carter will seek to continue his present course of attempting to assert the powerful influence of the United States on both Israel and its Arab neighbors in the interest of a peaceful settlement.

The danger is that the Administration, out of concern, may adopt Secretary Ball's thesis (without accepting his plan) that Israel must be saved despite itself. This attitude can well lead to an imposed settlement, despite disclaimers to the contrary. This I decry. In writing recently on this subject, I said that the United States should abjure pressure on either party by imposition of drastic sanctions. Even though gun boat diplomacy is ruled out, experience teaches that small nations do not readily respond to other sanctions, however dependent they may be on economic or military supply assistance.

I hasten to add that the United States should and must continue, without imposing a settlement, to continue in a

mediatory role and to assist the parties in reaching an agreement and, of course, this must not preclude suggestions or proposals by the United States in a good officer capacity.

I suspect that President Carter's present sincerely held views as to the terms of settlement may undergo a change. Congressional views, public opinion and the reality of Mr. Begin's election necessarily must be taken into account in the development of American policy.

In light of these circumstances, Mr. Begin would be well advised not to react to President Carter's tentative present conceptions about terms of settlement until he has had an opportunity to review them personally with President Carter and also until Mr. Begin's new government is formed and a common position is reached by him with his coalition partners. President Carter's stated views, it will be recalled, encompass withdrawal of Israeli forces from all fronts except for minor border rectifications, a homeland for Palestinians on the West Bank, and, as a trade-off, renunciation of non-belligerency and normalization of relations between Israel and its Arab neighbors. To this, President Carter has recently added compensation for Arab refugees.

It should be recalled that the resolutions cited by the White House as supporting President Carter's utterances in these areas (General Assembly resolution 181A(2) and General

Assembly resolution 194(111)) were voted against and never accepted to this date by the Arab states. Indeed, the Arab nations went to war against the partition resolution 181A(2).

By way of significant contrast, the U. N. Security Council resolution 242, reaffirmed by Security Council resolution 338, has been accepted by both Israel and the Arab states and has to this date been endorsed by our government as well as the Soviet Union as providing the guidelines for a peaceful settlement. As a principal draftsman of resolution 242, I should like to remind you that this resolution does not mandate a Palestinian state or a total withdrawal by Israel. It recognizes Israel's need for secure boundaries and remits to direct negotiations between the parties the determination of these boundaries. Further, it speaks in terms of justice for refugees which encompasses Jewish refugees from Arab countries as well as Arab refugees from the conflicts in the Middle East. And resolution 242 makes no reference to General Assembly resolutions 181A(2) and 194(111).

To implement his views, President Carter has said, as I have indicated, that he would not hesitate to use the full influence of the United States. I have mentioned the restraints upon the President, but, putting this aside, I fervently hope that a confrontation between the Administration and Mr. Begin's forthcoming government can be avoided. Such a confrontation between two special friends is simply unthinkable. It is true

that in past utterances, Mr. Begin has said that he would not entertain the idea of withdrawal of Israeli forces from the West Bank or a Palestinian entity there. But Mr. Begin in recent days has now said that he and his administration accepts resolution 242. Further, I have learned from my experience that what a politician--or, if you would prefer, a statesman--says while in opposition does not necessarily reflect what he will be prepared to do when in power. And very pervasive in this connection is the overwhelming dependence of Israel for economic help from the United States as well as for a continuous flow of sophisticated weapons.

It is clear that, as in the case of President Carter, there are substantial restraints upon Mr. Begin's policies as articulated in his election campaign.

In this confused situation, what about American Jews? With respect to them, it seems to me that the following considerations must be kept in mind.

Israel is a democratic country; through its processes, it has selected its leaders. Whatever American Jews may feel about their policies, the fact is that after a free and open election, Israelis have made their choice. Their choice must not affect in any way the close bonds of kinship between American Jews and Israel or the support by American Jews of Israel.

With reference to the policies of any Israeli administration, American Jews, because of the centrality of Israel to Jewish life everywhere, have every right to express their views frankly and candidly about these policies without, however, diminishing their support for this embattled country, which is their ancestral home. But American Jews have no right to determine these policies, for Israel is a sovereign state and its policies, good or bad, must be decided by its constitutional organs and processes.

American Jews have come out against an imposed settlement by their government on Israel; they likewise must refrain from attempting to impose their views as to a peaceful settlement on Israel. American Jews can offer advice, make suggestions and offer criticisms, but it is the government and citizens of Israel who have the only right to determine the destiny of their country.

In any dialogue between the Administration and American Jewry, to which no exception can or should be taken, it is most important that both parties to this dialogue bear this in mind.

Mr. Begin in his victory speech the night of his election quoted the famous words from President Lincoln's second inaugural address: "With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive on to finish the work we are in; to bind up the nation's wounds. . ."

There are other words of President Lincoln in this same paragraph which are highly relevant to the great task facing Mr. Begin: "[Let us strive] to do all which may achieve and cherish a just and lasting peace among ourselves, and with all nations."

THE WHITE HOUSE  
WASHINGTON  
June 22, 1977

MR. PRESIDENT:

Our old friend Chris Lydon asked me to send on to you the attached piece from the current issue of Harpers.

Deep in the article, Lydon reveals that the idea that you are a "Rockefeller Republican" is a simplistic journalistic untruth--that what Lydon really thinks is that you are a "post-partisan President...trying to govern on the strength of your personal rating in the polls." Lydon says this is the result of the demise of party politics and the importance of TV.

Overall, the article is only marginally worth reading.

*Barry*  
Barry Jagoda

RECEIVED  
UNIT  
- USE

1977 JUN 23 PM 5 49

WHITE HOUSE MAIL  
RECEPTION & SECURITY  
Processed by:

*for the President,*

*with the author's respect  
and high regard —*

# JIMMY CARTER REVEALED: He's a Rockefeller Republican

*(Christopher Lydon)*

by Christopher Lydon

It has dawned on the liberals of his party that Jimmy Carter is not entirely one of them. Some people knew that all along—David Rockefeller, for instance, who now has a friend at the White House. In the following pages, a political reporter inquires into Carter's ideological loyalties, and an economic columnist explores the importance of Carter's "Trilateral Connection."

**I**t sounds too simple, I grant you, but just for the sake of argument, try thinking of Jimmy Carter as a Rockefeller Republican. It is hardly more simplistic than "populist," "New South," "evangelical," and sundry other handles that have been tried out on Carter; it fits more snugly than any of the others do, and for me it's held firm for more than a year now.

No, alas, this is not an argument that David Rockefeller first invented Jimmy Carter around 1971, arranged for Zbigniew Brzezinski to train him in global politics, and then rigged his nomination and election. Nor do I believe what some Reaganites have suggested: that a piqued Nelson Rockefeller—dumped from the Republican ticket in favor of Senator Bob Dole, a Reagan designee—contrived last fall to make Jimmy Carter the vessel of his revenge on the GOP. On the contrary, I observe here the ban on conspiracy theories in mainstream American journalism and political discussion. So unfashionable are conspiracy theories that if indeed a photograph had been preserved from 1973 or 1974 of the several American members and aides of David Rockefeller's Trilateral Commission—such men as Richard Holbrooke, now an assistant secretary of state; Warren Christopher, the undersecretary of state; their immediate superior, Cyrus Vance (who had been, among other things,

chairman of the trustees of the Rockefeller Foundation); Treasury Secretary Michael Blumenthal; Defense Secretary Harold Brown; National Security Council Director Brzezinski and the NSC's analyst of Soviet intentions, Samuel P. Huntington; also then senator, now Vice President, Walter F. Mondale; and a formerly obscure but promising Georgia governor, now President, Jimmy Carter—if, as I say fancifully, some indisputable record had been preserved from three or four years ago of these men signing blood oaths to remember and honor their fellowship if and when one of them came to power, most editors, commentators, and indeed politicians would have clucked disparagingly that only nuts think power works that way in America. Maybe they are right. In any event we will not get into conspiracy theories here, or into any diagram of power mechanics that might suggest a literal explanation of Carter's rise. This is more nearly a game of categories, a parlor exercise in thinking about who Jimmy Carter is and where, metaphorically, he came from.

I stumbled blindly on the Rockefeller clue in the spring of 1976 and I admit I didn't know what to do with it when I found it. The first crucial observation was that Jimmy Carter, altogether the smartest strategist and most compelling campaigner in a poor primary field, had no base in the Democratic party and little prospect of getting one. He was a former right-to-work governor in a labor-bossed party, from a state that hadn't voted Democratic for President in sixteen years; a rural southern WASP in a party (presidentially speaking) of northern urban ethnics; and a stranger, it seemed, to the several power establishments—representing Jews, the congressional barons, foreign policy types, liberals, and the rest—that even in revised manuals were supposed to count for a lot. He bragged, of course, that he was indeed an uninitiated New Boy and that his outsiderhood would attract a new and unconventional base. It didn't take Dick Tracy, though, or even a confirmed cynic, to figure out that presidential politics was no place for outsiders.

How did anyone still suppose that the power of the White House could be exercised, much less exchanged, outside of the oligarchical harnesses that confined other areas of American life?

In October of 1975 I had remarked to Jimmy Carter, after greatly admiring his progress to that point, that had he devoted comparable resources (roughly a year of his own and his family's time, the full-time assistance of perhaps twenty people, and about \$1 million) toward capturing a dominant position in industry, he wouldn't have made a small dent against General Motors, say, in the automobile business, or even against Gillette in the razor blade business. Would market shares be any less protected, I wondered aloud, in the Democratic party?—protected not only by the active older brand names like Kennedy and Humphrey but also by permanent interests like labor, the Israeli lobby, the peace Left, and others who would want liens on the next Democratic nominee? Carter answered simply and with his usual foresight that his success in the early caucuses and primaries would light the skies with his own brand name, and that he expected not to be in an "adversary" position when he approached the oligarchs before the convention.

His early successes were nonetheless unconvincing, I thought. There was genius in the way Carter coned other competitors out of the Florida primary for what amounted to a one-on-one test against George Wallace—and used the prospect of that Armageddon to raise black interest and liberal money. Much of the latter was actually diverted beforehand into the season-opening media event, the Iowa caucuses. But so what? He couldn't beat Hubert H. Uncollected in Iowa; in all the early primaries (New Hampshire, Massachusetts, Florida, Illinois, Wisconsin, New York, and Pennsylvania), the network and newspaper polls of primary-day voters showed uniformly that Humphrey and Ted Kennedy (both of them eager for the nomination, I persisted in believing) were the overwhelming favorites of their party. The Carter voters, moreover, did not seem to constitute a base at all—a conservative minority in New Hampshire, a liberal minority in Florida; he did particularly well everywhere among Democrats who had voted for Richard Nixon in 1972; his primary victories hung repeatedly on strength in rural areas where any Democrat would be hard-pressed in the fall; he was weak again and again in cities where a successful Democrat would have to run strong in the final election. Some of his "victories," as in the Illinois primary over the

deflated campaigns of Fred Harris, Sargent Shriver, and George Wallace, were illusions of television reporting; his defeats, as in Massachusetts and New York, were abysmal. He was short in categories that defined the core Democratic vote: working-class whites, blacks, browns, Jews, Catholics, union-organized and not. Yet people, especially media people, were taking Jimmy Carter seriously. What was going on here?

Every clever, coldhearted, main-chance operative in Democratic politics was jumping aboard the Carter opportunity, but that didn't explain what made it work. Some more fundamental combination of forces rallying around Jimmy Carter had yet to be accounted for. That was when the Rockefeller theory occurred to me, and I hadn't even been looking for it. Nor do I share the U. S. Labor party's ability to find Rockefeller fingerprints everywhere. Furthermore, as I've said, I didn't want to find a conspiracy. Yet at least three main elements in the Carter engine looked like spare parts from the Rockefeller shop.

One was *Time* magazine, which gave Carter early prominence with a flattering cover portrait in 1971. Through 1975, *Time's* advertising in other magazines for its own campaign coverage looked more like an ad for Jimmy Carter: a half-page picture presented the candidate in a Kennedyesque rocking chair under the caption: "His basic strategy consists of handshaking and street-cornering his way into familiarity."

### **Should the Trilateral Commission be viewed as a cabal of multinational financiers or should it be seen simply as David Rockefeller's foreign policy toy?**

Through 1976 and into 1977, *Time's* hagiographers were hard to separate from the Carter promotional staff. The White House returned the favor regularly—in April, for example, by giving *Time* the first exclusive "Day With Jimmy Carter." And *Time* kept earning more favors with ever gushier accounts of Carter and his men—as of that shrewd Republican survivor from the Nixon years, "that tall, rumped, totally unpretentious and incisively brilliant intellectual, James Rodney Schlesinger. . . . MR. ENERGY: DOING THE DOABLE—AND MORE." Not that there was anything new or wrong about *Time's* adjectival politicking, but I couldn't remember the weekly newsmagazine extending itself that way in the past except for the more eastern and international (or Rockefeller)

wing of the Republican party—for Willkie in 1940, Eisenhower in 1952, and Scranton in 1964. Was Time Inc. getting ready to bury Henry Luce's Grand Old Party? In 1976, in any event, *Time* placed a formidable bet on Jimmy Carter, and won.

The second Rockefeller connection—more obvious, less noted—was the Trilateral Commission. The Trilateral Commission was David Rockefeller's brainchild, a somewhat more energetic young cousin of the elite Bilderberg Conferences at which Prince Bernhard of the Netherlands had been gathering senior bankers and political figures from Europe and the United States since the mid-fifties. Should the Trilateral Commission be viewed as a cabal of multinational financiers—indeed, as the first step toward a multinational government? Should it be seen simply as David Rockefeller's foreign policy toy? This debate has barely begun.

The commission was conceived in 1972 as a private vehicle for planning the industrial world's course out of the international monetary crisis (and John Connally's cowboy responses) of that period, away from the "Nixon shocks" that had troubled Japan, into a new stability of banking relationships among the First World and of trading agreements with the Third World. The distinctive contribution of the Trilateral Commission was its very three-sidedness, encompassing as equals sixty members each from North America, Western Europe, and Japan. David Rockefeller handpicked the key members and the staff experts who have produced a dozen pamphlets so far on such subjects as "A New Régime for the Oceans," "Energy: the Imperative for a Trilateral Approach," and "Seeking a New Accommodation in World Commodity Markets."

Jimmy Carter had been the one Democratic governor chosen among sixty North American members of the Trilateral Commission in 1973. The official explanations have run that the commission needed a southerner and that in the southern governor category Carter won a photo-finish race against Governor Reubin Askew of Florida. A couple of years earlier, in fact, Carter, ever alert to his future, had been currying Rockefeller attention. In an interview David Rockefeller recalled with amusement that Jimmy made the first, ever so slightly brash, overture in 1971, calling almost as soon as he had been sworn in to say that Georgia sold a lot of bonds in New York, and would David Rockefeller please schedule a lunch at which Governor Carter might meet some bankers. Like so

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Christopher Lydon, who covered the 1972 and 1976 presidential campaigns for the *New York Times*, is now a reporter and commentator on public television, based at WGBH in Boston.

many others, David Rockefeller was more than pleasantly surprised and intrigued at meeting the peanut-farming politician. As a Trilateral Commissioner Jimmy Carter was silent but assiduous at the occasional meetings—a careful notetaker and offstage brainpicker. He proudly mentioned his Trilateral studies and trips whenever questions of his international experience popped up in the early presidential campaign. But presumably the much greater value of Trilateral membership was the private reassurance it conveyed that David Rockefeller had deemed him a promising student and had gotten his education under way. The Trilateral Commission's executive director, Zbigniew Brzezinski, became quite literally Jimmy Carter's tutor, and now, of course, directs the White House foreign policy staff, as Henry Kissinger did in the first Nixon term. Perhaps all David Rockefeller hoped for in assembling the American delegation, a Trilateral colleague mused the other day, was to be sure he included the prospective secretary of state in the era following Nixon's. How could he have guessed that his Trilateralists would staff all major policy posts in the new government—including, as if by a miracle, the vice presidency and the presidency? How indeed?

Carter's third overt Rockefeller link, by my reckoning, was Martin Luther King, Sr., the venerable "Daddy" King, as Carter called him affectionately. By virtue of his son's fame the King name on handbills and radio commercials was magic among black voters who knew next to nothing about the father. One thing that most of them didn't know was that Daddy King was a lifelong Republican, of the Civil War or Lincoln Republicans, who had supported Richard Nixon for President in 1960 until, in late October, John Kennedy's phone call to Martin Luther King, Jr.'s home dramatized the Democrat's concern about the younger King's confinement in a Georgia jail on a restaurant sit-in charge.<sup>1</sup>

The black colleges, seminaries, and professional schools of Atlanta, whose alumni became a powerful Carter network to the black middle class around the country, had received millions of dollars in Rockefeller benefactions over the years. The Kings' Southern Christian Leadership Conference specifically had received personal checks from Nelson Rockefeller in 1963—when it counted for the civil rights revolution, and counted heavily against Rockefeller in his search for 1964 convention delegates. (Representative An-

<sup>1</sup> Arthur Schlesinger, Jr. recounted Daddy King's 1960 conversion in *A Thousand Days*: "King's father told newspapermen that he never thought he could vote for a Catholic but that the call to his daughter-in-law had changed his mind. 'Imagine Martin Luther King having a bigot for a father,' Kennedy said—then added quizzically, 'well, we all have fathers, don't we.'"

drew Young of Atlanta, who had been the only member of the Congressional Black Caucus to vote for Gerald Ford's confirmation as Vice President, was also one of the few who voted for Nelson Rockefeller's confirmation in 1974.) The King connection may have been Rockefeller money at its noblest; in any case, Daddy King was loyal. Through 1975 he told politicians and journalists that Nelson Rockefeller was his first choice for President in 1976 if only he could find a way to run; Jimmy Carter was his second.

There was nothing wrong with that, either. But it was enlightening to see Jimmy Carter's first and foremost black backing in this perspective, coming from the older church establishment of Atlanta because the Rockefeller alternative was not available.

Carter secured and broadened that black support by confronting George Wallace in the Florida primary. The long buildup of that rendezvous with Wallace seemed to me the definitive Carter masterstroke of daring, bluff, and ballyhoo. The black enthusiasm it generated in the South was recycled in the North as reason enough for white liberals to support Carter. What the good vibrations drowned out was that Carter had persistently bad relations with black Democratic politicians, and he never had anything resembling a program for black America. Even such Georgians as Julian Bond and Mayor Maynard Jackson of Atlanta remained hostile as long and as loudly as they dared.

In the North the secular leaders and institutions of black political power were almost all aligned against Carter before the convention, waiting and hoping that Kennedy or Humphrey would come forward with something more substantial for black folks than Jimmy Carter's benevolent words. Jimmy Carter's capture of the black vote (attaining better than 90 percent of the turnout in November) seemed to me the clearest example of a process he repeated again and again: reaching into Democratic constituencies over the heads of hapless "leaders," charming goodly numbers of listeners with vague but fervent words ("I would rather *die* than disappoint Daddy King"), but escaping the crass exchanges of nomination politics, never leaving any negotiable IOUs behind him. Andrew Young discovered all that after the election, when he pressed the black claim to two Cabinet seats, pointedly not including the United Nations ambassadorship.

Wasn't there a pattern here? Jimmy Carter seemed better at dissolving Democratic constituencies than at energizing them. One of his distinctive skills seemed to lie in draining the self-confidence, cohesion, and hope-

ful assertiveness out of the various blocs that some missing leader (I kept imagining Kennedy or Humphrey) might have made into a coalition for progressive change.

**A** lone or combined, Jimmy Carter's several Rockefellerish connections would never be evidence of conspiracy; the question anyway was rather what power centers, trends, and ideas had combined to fill Carter's sails, and such currents are usually mysteries to themselves and each other. But even a year ago it seemed to me fair to say there was a Rockefeller style about the whole Carter enterprise.

On foreign policy, what intimations Carter gave

**Even a year ago it seemed fair to say there was a Rockefeller style about the whole Carter enterprise.**

suggested the Rockefeller brothers' liberal imperialism, born again. Like the Rockefellers, and unlike almost all other politicians of presidential scale in 1976, Jimmy Carter had somehow escaped the political and personal crucible of Vietnam. He was the rare figure for whom the "lessons of Vietnam" were not, in some form, the starting point of the discussion; he could make them sound quite irrelevant.

He seemed to reveal an engineer's competence in the matter of nuclear proliferation and a good politician's instinct for that emerging issue. Overall, when he talked about the American role in the world, the onetime submarine officer managed to make the United States's economic and military dominance sound both more liberal and more imperial than did the men he was running against. A spring evening in Madison, Wisconsin, sticks in my mind: when a television panel interview turned to questions about Africa, Carter spoke eloquently of the contributions that black American graduates of the civil rights movement might make. Surely, he said, we could find more fitting ambassadors to send to young African nations than Shirley Temple! Follow-up questions about what he would do in Africa after changing ambassadors stopped him dead in his tracks; that discussion was over. To his credit, I guess, he never suggested that the foundations of American foreign policy would be other than business as usual. (UN Ambassador Andrew Young seemed to confirm as much in a typically unguarded conversation with Joe Lelyveld of the *New York Times Magazine* about the prospects for empathy with the Third World and for racial change in southern Africa: "In Young's vision," Lelyveld re-

ported, "the catalyst that brings about change turns out to be that troublesome and maligned behemoth, the American multinational corporation." Did he mean those friendly folks from ITT who helped bring change to Allende's Chile?)

In his general approach to domestic policy, Jimmy Carter defined himself early on in broadly Rockefellerish terms as a big-government conservative. That is, he was a vigorous executive free of the hang-ups that many Republicans suffer about the sheer size and power of government; but he kept himself free, too, of Democratic rhetoric connecting government activism with public purposes and constituencies of need. Carter was promising to make government more rational and more effective—not smaller, he said. He spoke with gusto of a "strong, independent, aggressive" presidency—but for what? The main job ahead seemed to be reorganizing the government, and the public purpose in that was always a mystery. If the object was to eliminate overspecialized subdivisions, might he eventually want to revive the one-room schoolhouse? Whether there were 1800 identifiable government entities or 200, they would all be tied on organizational charts to the President and his Cabinet—and might, in any combination, still be unmanageable.

**Like certain Yankee Republicans of my New England youth, Carter wanted to make it on the appeal of superficially clean, reformist politics without any substantive mandate.**

Carter played skillfully on the eternal antigovernment constituency—traditionally a Republican gambit. His more remarkable success, and his more important service to the status quo, was in dissolving latent constituencies within the Democratic fold—in blunting the initiative and fogging the vision of a vestigially working-class party. This from a man who was billed not just as a Democrat but as something of a populist, yet saw neither villains nor victims in the society he asked to lead. According to Carter, there were no problems of economic or social justice in the land; no racism, no militarism. The job ahead was to make government as good as the people.

Long before the flowering of his "symbolic" style as President, Carter showed an uncanny knack for *spiritualizing* and *bureaucratizing* issues—getting away somehow without *politicizing* issues into anything resembling an "us against them" frame. Race and abortion were the best examples of the spiritualizing tack. All Carter felt he had to do on either front was to demonstrate that he himself was pure of heart. He

often said that no black group had ever hassled him about his opposition to busing after he told how his own daughter, Amy, went to a mostly black school at home. Jimmy was okay on race! Next question? On abortion he so fervently elaborated his personal view that "abortion is wrong" that relatively few people noticed that in the way of legislation or constitutional amendments he was proposing to do just what most of his rivals proposed: nothing.

The classic example of how to bureaucratize an issue was Carter's treatment of tax reform. Surely the country needed tax reform, he said, if then Treasury Secretary William Simon, on the Right, and scholarly Joseph Pechman, on the Left, both said so. Granted their "reforms" were not compatible, but Carter promised to explain someday how tax reform could be a break for working families and business corporations at the same time. The answer would involve making the Internal Revenue Service administer a clearer, simpler, more predictable tax code for everyone! The idea that the tax code is a political, not an administrative, document was inadmissible in Carter's discussions. Of course he always tried to avoid saying who would pay more, and who less, under the tax reforms he had in mind. He slipped up in an Associated Press interview in September, and later repudiated the story.

He had another formula for talking about better, broader medical care that let him off saying who would pay for that, too. A surgical procedure that involved ten days' hospitalization in Brooklyn at a cost of, say,

\$1500, was being done in San Diego with only four days in the hospital, at a cost of perhaps \$500, Carter related cheerfully. Now if every hospital could work as efficiently as that one in San Diego. . . . Having blurred the case for national health insurance in the campaign, Carter in office has postponed the whole matter indefinitely. He was vague enough, too, about welfare reform that he felt free this spring to despair of the long-awaited overhaul, at least in his first term.

What bothered me during the campaign was not so much that Carter's con games were succeeding against other guys' con games but that Carter's steady progress toward the nomination was being used to argue a smug and essentially false view of economic realities, among other things. "Jobs: the Non-Issue of 1976," proclaimed *Time's* Hugh Sidey, a clarion voice of the establishment rooting Carter on. "It could be," Sidey declared last June, "when we [sic] finally write the definitive analysis of this period, that as few as half a million people who were employable, who really

wanted and sought jobs, and who had really been unemployed long enough to undergo hardship, were still out of work this spring, though the unemployment figures were near 7 million." Shades of Herbert Hoover railing against the people who quit good jobs to profiteer in the sidewalk apple trade! The basis for Sidey's callous view was quite simply that Jimmy Carter had waltzed around the jobs issue and gotten away with it. Carter's triumph, it seemed to me, was a comfort to too many people who always felt that ugly and miserably difficult problems such as 8 percent unemployment could be ignored with impunity.

Once I started looking for them, other little giveaway Republicanisms popped up all over the Carter campaign. Carter seemed to have his own Ripon Society of antiseptic issues analysts. I took it that he wanted to project an impression that his answers to public questions would come not from his own experience or from the collective wisdom of his political coalition but from the relatively clinical consideration of expert advisers. But why should voters have been asked to wait a year or more to hear the shape of his tax reform ideas? There was an elitism about policy-making, a squeamishness about political interest, that seemed un-Democratic in Carter's treatment of issues. Like certain Yankee Republicans of my New England youth, Carter wanted to make it on the appeal of superficially clean, reformist politics without any substantive mandate.

There was a corporate air about the campaign as a whole. To my perhaps old-fashioned eye, Carter had taken the politics out of politics. No one described the Georgia Mafia around Carter better than a suddenly out-of-date Robert Kennedy Democrat who observed that if Jimmy Carter had set out in 1973 not to run for President but to wage a proxy fight for control of the Anaconda Corporation, he'd have had the same people with him. Hamilton Jordan, Jody Powell, Bob Lipshutz, Charles Kirbo, and the rest—take away Jimmy Carter, and his lieutenants were men without political direction. They all seemed more than decent people, stunningly good at their campaign assignments, yet not quite public men. Most of them were eager to say they had not been in politics before Jimmy and wouldn't be in politics after Jimmy.

First, last, and always, Jimmy Carter lacked a base in the Democratic party. It's embarrassing now how long it took me, after discovering that, to realize that Carter was more than content to play it that way. Late last March, when his campaign had hit a comfortable cruising speed on its own self-propulsion, I asked Carter to imagine his Inauguration: How many political figures, I puzzled, would stand there on January

20 feeling "we did it," sharing the President's victory because they had shared his risk? Who, to put it crudely, could claim a piece of Carter's presidency? To that question, he answered, on calm reflection, only one man: Andrew Young. "I don't know if I could think of any other one," he said. Right about that time, when barely a dozen small states had started picking convention delegates, Richard Reeves was developing in *New York* magazine what struck me as a bizarre theory: that Carter's early string of first-place finishes (however inconclusive his pluralities, however modest the net of delegates) had secured a huge investment of television's credibility in his continued success. In essence, once Walter Cronkite had announced on half-a-dozen Tuesday nights in late winter that Jimmy Carter had won another caucus or primary, how could the network explain in July that he was losing the nomination—that all the primary coverage hadn't mattered?

What Reeves (and, I'm sure, Carter) saw was that in 1976 a media base was much more important than the demographic base I knew he'd never get. Sure enough, when Jerry Brown whipped Carter over and over, east and west, in May and June, the networks looked the other way. (Was it because media power had found what it wanted in Carter and stuck with him? Or because the networks, with no particular feeling for Carter, sensed they could not be in on the creation and destruction of a political figure in one short cycle of primaries without revealing their overwhelming dominance and inviting a reaction? All that is part of another inquiry.)

Another way to look at Jimmy Carter's base, or lack of it, is still to ask: If he had fallen one vote short at the convention last summer and a ticket had been formed of some combination of Humphrey, Kennedy, Brown, and, say, Dale Bumpers, how many Democratic hearts would have felt broken? Had Jimmy Carter actually lost the election to Gerald Ford, would anyone outside the Carter entourage have risen to urge him to run again in 1980?

A President who acknowledges very few commitments and political debts. A citizen population with such scant knowledge of, and such thin affection for, its leadership—and so little active bargaining power against it. Are not these, rather than limousines and gold-braided epaulets on the uniforms of the White House guards, the essential elements of the imperial presidency? Even as he sheds the more obvious imperial trappings, Jimmy Carter has refined the imperial tricks of the electronic age, detaching the presidency from popular direction and the old institutional restraints. The brilliant devices of his in-office campaign to stay "close to the people" serve the imperial purpose, of course. The "dial-a-President"

lottery that gives every phone caller the same chance of talking to President Carter and Walter Cronkite is a nice way of saying that there's no one that Jimmy Carter *has to* talk to. All citizens, all power centers, are equidistant from this President who wants to be close to everyone.

**I**t is probably too simple, as I said at the outset, to call Jimmy Carter a Republican. The more complicated truth may be that the rise of television and the demise of party in American politics have finally brought forth a new specimen, the post-partisan President, who will try to govern, as he campaigned, almost exclusively on the strength of personal rating points in popularity polls. Carter achieved his phenomenal victories of 1976 without presenting any of the "handles" customarily required of presidential candidates—that is, without a record in national affairs, without an organizing issue of any kind, without any overt political alliances or network

**Surely it is hard to call him a Democratic President . . . when even the nominally more liberal members of his circle wade into office speaking the same slogans as the Republicans who just left.**

of friends outside Georgia. Must he not hope to preside in the same style? His first three months in the White House suggested some success and some inherent limitations in such an approach: he increased his Gallup poll popularity without building either solidarity with Congress or a following in the organized politics of the states, so far as I can see. (Witness the apparently counterproductive intervention of the White House in the North Carolina and Florida legislatures' consideration of the Equal Rights Amendment.) He generated a modest number of "reform" goals, but not the movement consciousness that major reforms usually need. He assumed what may just be a truly heroic job of resolving an energy crisis that is still invisible to a majority of Americans. Yet presidential concentration on energy as the number one problem also served to distract attention from other distressingly visible crises, including urban degeneration and an unchecked plague of youth and ghetto unemployment.

It is only fair to say that the stress on conservation in Carter's energy program makes it very different from the \$100 billion energy plan that Nelson Rockefeller cooked up for Gerald Ford in 1975. Rockefeller's answer was based not on conservation but on

expanded production; it would have involved enormous public subsidy of the energy industry's leap into exotic fuels, nuclear and otherwise. Different as it is, the Carter plan would realize another dream of the energy industry: effective price deregulation that would peg all fuel costs at the extortionate levels fixed by the world oil cartel.

Carter has shown confidence in office, even pleasure in the job, but not yet boldness in spending the political capital he has supposedly acquired. His first hundred days reminded me of nothing so much as a comment by Robert Shrum, a disillusioned liberal speechwriter who quit Carter's campaign staff with the observation to the candidate: "I am not sure what you truly believe in other than yourself."

Still, I cannot help supposing that Jimmy Carter is a Republican deep down. Surely it is hard to call him a Democratic President when his most notable skill is at atomizing, confusing, denying, and neutralizing the various Democratic constituencies that elected him; when his Cabinet represents the IBM board of directors

more heavily than the ranks of Democratic party activists and elected officials; when the man who opened his fall 1976 campaign at Warm Springs, Georgia, in memory of Franklin D. Roosevelt, led in March 1977 what seemed to

be a White House boycott of the New Dealers' anniversary dinner in Washington; when even the nominally more liberal members of his circle wade into office speaking the same slogans as the Republicans who just left.

Charles Schultze, the new head of the Council of Economic Advisers, was one of the many Carter voices trying to reassure business late last winter, saying it was time "for bringing Adam Smith to Washington." Another was Carter's young pollster, Patrick Caddell, who barely a year earlier had been touting evidence that the American public was ready for "radical" economic cures. Around Inauguration time Caddell's new stance was pro-business: "We've all learned . . . you need the goose to lay the golden egg." What does it mean to call Jimmy Carter a Democratic President when labor's demand for a \$3 minimum wage, up from the current \$2.30, is discounted to a 20-cent improvement at the White House? When relations with Democratic party cadres in the states have deteriorated to the point where the White House chose to let the Democratic National Committee vote *unanimous* condemnation of Carter's patronage policies (as it did in April) to avoid the embarrassment of further debate and further recitation of the

non-Democrats being awarded federal plums?

How much easier it is to picture Jimmy Carter as a Republican—and, mind you, not in a defamatory way, either. Call him a Teddy Roosevelt “Bull Moose” Republican, if you will, for his blend of moral uplift, administrative reform, liberal imperialism, and anti-politics. Give Carter credit for recognizing that that stripe of Republicanism has been popular through most of this century. John Kennedy was undoubtedly right in supposing that if the Republicans had had the sense to dump Richard Nixon in 1960, Nelson Rockefeller would have won the fall election handily. Were it not for the truth-in-labeling problem that arises in Carter’s running as a Democrat, you could congratulate him on coming honestly by his Republicanism. He is, after all, a self-made millionaire, a businessman who has met a payroll (and kept the unions out of his plant!) and who revealed over and over in his brilliant campaign the healthy effects of small-business discipline.

*Time* let the cat halfway out of the bag in its January cover story of the Man of the Year: “Carter is a Democrat who often talks and thinks like a Republican.” Further clues keep piling up. David Broder wisely made a page-one story in the *Washington Post* in February of the news that it was the *Republican* leadership in the House that jumped to introduce Carter’s government reorganization plan, after Democrat Jack Brooks of Texas, chairman of the House

Committee on Government Operations, balked at what he considered an arguably unconstitutional and potentially Nixonesque reach for wider executive authority. Pat Caddell, in a memo written last December and leaked into print in May, informed Carter that what calls itself the Republican party was not the real opposition. The GOP “seems bent on self-destruction,” Caddell wrote. “We have an opportunity to coopt many of their [the Republicans’] issue positions and take away large chunks of their normal presidential coalition. Unfortunately,” he added, “it is those same actions that are likely to cause rumblings from the left of the Democratic Party.” And so they were. George McGovern, whistling in the dark, had been loyal to Carter throughout 1976, but by May 1977 he was seeing things from a different perspective. Distressed about Carter’s emphasis on a balanced budget and his reluctance to enact reforms in health care and welfare, McGovern remarked that it was hard to tell who won the election. Carter brushed away criticisms from McGovern and other liberals, saying, “They are very difficult to please.” And it was plain that he was not going to go out of his way to please them. Charles Kirbo, Carter’s lawyer friend from Atlanta, told reporters at breakfast recently that the President was pleased to be widening his base since the election. What did that mean? “He told me he was getting some support from Republicans,” Kirbo said. Not the first time or the last, I thought, and only fair, too. □

THE WHITE HOUSE

WASHINGTON

SCHEDULE PROPOSAL

DATE: JUNE 14, 1977

FROM: MARGARET COSTANZA *mc*

VIA: TIM KRAFT

MEETING: Address and listen to positions

DATE: June 21, 22, 23 or 24 - Open

PURPOSE: To meet with representatives of The National Campaign to Stop The B-1 Bomber

FORMAT: Location: The Cabinet Room  
Participants: See Tab A  
Length of Participation: 20 minutes

CABINET PARTICIPATION: None

SPEECH MATERIAL: Brief discussion of the complexity of the B-1 decision and response to positions of the group

PRESS COVERAGE: White House Photo

STAFF: Margaret Costanza (Richard Reiman)

RECOMMEND: Margaret Costanza

OPPOSED: None

PREVIOUS PARTICIPATION: None

BACKGROUND: Margaret Costanza met with the group in February at which time a meeting with The President was requested. Margaret Costanza advised the group at that time that she would request a meeting with The President pending a recommendation by DOD to continue the B-1 Program.

R. Reiman:erc

Participants: The President

Louis Schneider,  
American Friends Service Committee

Theron Provance,  
American Friends Service Committee

Leon Shull,  
Americans for Democratic Action

Jeremy J. Stone  
Federation of American Scientists

Michael Mann  
Federation of American Scientists

Jerry Wurf  
American Federation of State, County and  
Municipal Employees

Henry Niles  
Business Executives Move for New National  
Priorities

Admiral Gene LaRocque  
Center for Defense Information

Herbert Scoville

David Cohen,  
Common Cause

Michael Cole,  
Common Cause

Carol Ness,  
Clergy and Laity Concerned

Mark Green,  
Congress Watch

Richard Munson,  
Environmental Action Foundation

Jeff Knight,  
Friends of the Earth

Edward Snyder,  
Friends Committee on National Legislation

TAB A (Continued)

Dr. Gordon Adams,  
Council on Economic Priorities

Ann Lugbill  
Church of the Brethren

Dana Grubb,  
Episcopal Peace Fellowship

Pat Tobin,  
International Longshoremen's & Warehousemen's  
Union (ILUW)

Robert Cohen,  
National Association of Social Workers

Steve Chapman,  
National Taxpayers Union

Anthony Mazzocchi,  
Oil, Chemical and Atomic Workers

Victor Lloyd,  
SANE

Robert Alpern,  
Unitarian Universalist Association

Nancy Ramsey  
Women's International League for Peace and Freedom

Edith Giese,  
Gray Panthers

Edith Villastrigo,  
Women Strike for Peace

Fr. William Davis,  
Jesuit Conference

THE WHITE HOUSE  
WASHINGTON

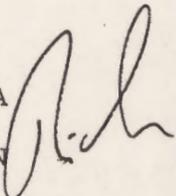
INFORMATION

27 June 1977

TO:

MIDGE COSTANZA

FROM:

RICK HUTCHESON 

SUBJECT:

Your Memos of June 14 and June 20

The President decided against meeting with representatives of the National Campaign to Stop the B-1 Bomber, and against meeting with the Business Council on October 14.

cc: Tim Kraft

THE WHITE HOUSE  
WASHINGTON

Date: June 23, 1977

MEMORANDUM

FOR ACTION:  
Tim Kraft  
Jim Schlesinger

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Midge Costanza's memo 6/20/77 re Meeting with  
Business leaders, June 17, 1977 regarding support  
for the National Energy Plan

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 12 Noon

DAY: Saturday

DATE: June 25, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

**PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.**

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

→ Jody

Brzezinski and Moore  
both recommend against  
this. Midge wants  
President himself to  
decide. What is  
your recommendation?



Tim Smith

THE WHITE HOUSE  
WASHINGTON

June 20, 1977

FOR: Dr. Zbigniew Brzezinski  
Mr. Frank Moore

FROM: TIM SMITH

Could you please comment on this  
proposal as soon as possible?

Thank you.



I think he  
has already heard  
of it. I'll be  
enough of not  
with them  
to go.  
They'll call us  
every name in the  
book even if he  
spends a whole weekend  
in bed with them.  
Jap

THE WHITE HOUSE  
WASHINGTON

June 27, 1977

Tim Kraft -

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

Rick Hutcheson

Re: . Stop the B-1 Bomber  
Meeting with Business  
Council

THE WHITE HOUSE  
WASHINGTON

June 27, 1977

Tim Kraft -

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

Rick Hutcheson

Re: Stop the B-1 Bomber  
Meeting with Business  
Council

65.77

Last wk in June  
1977

THE WHITE HOUSE  
WASHINGTON

- > Leadership meeting
  - Byrd - Health/Labor - Chuck Keiser.
  - Chandler - Ros resolution
  - (abortion - busing - cancer)
  
- > Fraser
  - Mid East
  - > Labor elections
  - > Legis committee reports → law
  - US-UK airline agreement?
  
- > Brecher
  
- > H<sub>2</sub>O - L & P #26
  - Foreign Assistance - Nov 6? '98 Cut
  - Amendments -
  - Taxes in Xport fund - RR - Water
  - MARTA, etc.

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— Breakfast 6/25/77

For Affairs —  
THE WHITE HOUSE  
WASHINGTON

- > Nelson, Goldberg Mid East
- > Egypt - PR. Violate Sinai
- > IMF - Repay private loans?
- > Arms sales
- > Fuel cycle - Soviets
- > CTB
- > Brezhnev visit
- > Tlatelolco - Soviets, Argem
- > Fair's
- > B1
- > Angola propaganda

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THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

June 25, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze *CLS*  
SUBJECT: Response to your note on my corporate profits tax memorandum

Your marginal note on my corporate profits tax memorandum asked "were the same 'discounts' and 'adjustments' applied to the figures used on personal taxes/income?"

The answer is "yes". But they aren't so important in the case of personal income.

Just like corporations, the reported income of farmers, landlords, partnerships, and any other unincorporated business firms who own depreciable capital, tends to be overstated during periods of inflation. Depreciation based on historical costs understates true depreciation; hence net income is overstated.

The Department of Commerce, in its estimates of personal income, tries to make a correction for this overstatement. Personal income from farm operations, unincorporated businesses, and rent, is adjusted in the same manner as corporate profits.

The adjustment, however, is relatively much larger in the case of corporate profits than in the case of personal income. Wages and salaries -- where this adjustment is inapplicable -- are the largest part of personal income. In 1975, for example, the "adjustment" equaled 20 percent of reported corporate profits but only 1-1/2 percent of personal income.

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MEMORANDUM

THE PRESIDENT HAS SEEN.  
THE WHITE HOUSE  
WASHINGTON

Rick -  
"done" means take  
it off my list - some  
action may still be  
required -  
J

June 25, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

RICK HUTCHESON *Rick*

SUBJECT:

Status of Presidential Requests

Follow-up of Previous Reports:

1. Eizenstat: Prepare a draft message to Congress on the opportunity for regulatory reform and consult with the Cabinet -- In Progress, (with Eizenstat, expected 6/30, previously expected 6/23).
2. Jordan: Let's firm up the Renegotiation Board -- In Progress, (Minish Bill has passed the Committee, but no Floor action until after the August recess.)
3. Schultze, Blumenthal, Vance: What can we do about the Bahama Banks? -- Done. (State Department plans to forward treaty to Bahamian government in July; difficult negotiations will then follow. Analysis by Treasury concluded that the present banking regulations do not require further action at this time.) *done*
4. Eizenstat: Check with Congressional leaders regarding Cargo Preference legislation (H.R. 1037) and report back to the President -- In Progress, (Stu's memo completed; being reviewed by Senior Staff; to the President 6/27).
5. Bell: Progress on court reform, organized crime, etc. -- In Progress, (with Senior Staff; to the President 6/28).
6. Bourne: We should prepare an overall message regarding drugs; keep on schedule -- In Progress, (with Senior Staff; to the President 6/29).
7. H. Carter: Assess and implement where possible; tabulate and give the President a report and any questions regarding the information package from John Dunn concerning material for archives, Presidential papers, etc. -- In Progress, (Bob Lipshutz still reviewing). *Expedite*

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8. Lipshutz, Jordan, H. Carter, Harden: Move everyone possible from the White House to the EOB, and from the EOB to the Agencies with regard to the size of the White House Staff -- In Progress, (expected 6/29 as part of the EOP Reorganization Study). *done*
9. Lance, Schultze: The President needs the cost projection for military and civilian retirement -- Done, (in DoD Budget Review). Need to move on a study commission -- Done. (President signed Executive Order and is meeting with the Commission on 6/27.) *done*
10. Brown: What are we doing to expedite reclassification of the Viet Nam MIA's? -- Done. Prepare procedure and submit to the President; do case work on files in the meantime. The President will decide date for DoD announcement -- In Progress, (with DoD, detailed plan expected for the President's review 6/29).
11. Jordan: See the President concerning the Schneiders' memo on White House Projects -- Message Conveyed Again.
12. Bell: You know the President's promise to make the Attorney General independent of White House control and influence. Please consult with your advisors and prepare draft legislation, expedite -- In Progress, (with Senior Staff; to the President 6/27). *expedite*
13. Califano: Let's take similar action and include other devices as advisable concerning the Costly X-Ray Device (CT Scanner) -- Done. *done*
14. Vance: The President needs State's analysis of the four year goals we hope to achieve -- In Progress, (State has been informed of your comments to "expedite" and promises to have by 6/29).
15. Lance, Moore: Try to kill the amendment concerning legislation to provide special annuities for certain foreign service officers -- In Progress, (OMB reports that the Senate version was considered 6/16 and did not contain this provision. They are still working with CSC and State to delete this from the House version. Conference Committee meeting after the July 4th recess). *done*
16. Vice President, Moore, Jordan: Work out the judicial selection committee in states with no Democratic Senators; let Democrats do it. Setting up top flight selection committee comes first -- In Progress, (9 of 13 completed).

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17. Brzezinski: (Confidential) Vance and Bell should discuss Visa Policy with Eastland and Rodino, perhaps McGovern Amendment. Then the President will see the Congressional leaders -- In Progress, (Meeting took place with Eastland last week; meeting with Rodino scheduled for next week).
18. Brzezinski, Chip Carter, Bourne, Eizenstat: Get together and let the President know what we can do about world hunger -- In Progress, (meeting scheduled for 6/28). *Keep me informed*
19. Moore: Monitor H.R. 5025 regarding authority to name location of VA hospitals -- On-going. (The bill has passed in the House but no prospects in the Senate.) *done*
20. Lipshutz: Advise the President regarding removal of official documents -- In Progress, (expected 7/6, previously expected 6/24). *Be on time*
21. Eizenstat: Can we issue instruction precluding waiver of dual compensation limitations for retired military officers -- In Progress, (with Eizenstat and OMB, expected 6/30).
22. Eizenstat: Advise on memo concerning Patents and on Independent Research and Development -- In Progress, (with Eizenstat and OMB, expected 6/28).
23. Kraft: Set up one hour per week and see the President with ideas on how best to use time, per Watson/Frank memo on access and openness -- On-going. (Tour of White House offices and Staff Picnics part of expanding program.) *done*
24. Califano: Go over Treasury Plan (tentative) on tax reform with Eizenstat or Schultze -- On-going, (consultations are taking place).
25. Califano: Why not put "cigarette" warning on saccharin? -- Done. *done*
26. Schultze: Let Pechman assess the Treasury plan -- Done. *done*
27. Eizenstat: Comment on the letter from the National League of Postmasters' President, Eugene Dalton regarding personnel structure of the postal service -- In Progress, (expected 6/30).

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28. Jordan: Red and Jim were among the best/earliest supporters in the U.S.; let the President know what we can do regarding recommendations as State Director, FHA and Regional Director, Federal Mediation and Conciliation Service -- In Progress. (There is still no word from the Arkansas Delegation concerning Kaylor. Bergland and Moore are working on it. There are no available positions at FMCS for Brooks. Johnson's resume has been sent to ACTION since the first two jobs he was interested in have already been filled.)
29. Schlesinger: (Personal and Confidential) Please comment on the GSA estimate concerning the Department of Energy location -- Done. (Solomon will make available the space that the President requested. There will be no public announcement until the Energy Bill is passed.) *May not do this completely*
30. Brzezinski: Please let Bob Pastor: a) draft 7 letters, (one to each leader), confirming points from the First Lady's meetings -- Done; b) keep the First Lady posted on Latin American affairs -- On-going. *done*
31. Kreps, Eizenstat: Comment on the letter from Sens. Magnuson and Hollings on the Nation's ocean program -- In Progress, (expected 6/30).

June 11:

1. Blumenthal: Several people think that EPG meetings are too large. Try to limit total attendance to no more than 15, please comment -- In Progress, (expected 6/28).
2. Chip Carter: Martin Luther King, Sr. has a good group who wants to visit the White House. Call him and let it be during regular hours -- Message Conveyed.
3. Kraft: Set up meeting next week with Peter Bensinger concerning Columbia drugs -- Done. *done*

June 16:

1. Schultze: Go over 6/15 memo on investment and business taxation with Mike and Larry -- In Progress, (status report to be included in Weekly Cabinet Summary 6/25).

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June 20:

1. Lipshutz, Eizenstat: Let the President review and then talk with the Attorney General about draft handgun control legislation -- In Progress, (expected 6/28).

June 22:

1. Eizenstat: Pursue the Vice President's Option #3 on the Blumenthal memo concerning generalized preferences and OPEC -- Done. *done*

June 23:

1. Schultze: On the memo concerning corporate profits taxes as a percent of GNP the same "discounts" and "adjustments" applied to the figures used on personal taxes/income? -- In Progress, (expected 6/28).
2. Eizenstat, Moore: See the President regarding the memo analyzing the Senate Committee action on water projects -- Done, (6/23). *done*
3. Watson: Who is trade policy committee, regarding the memo concerning recommended action on exclusion of certain exercising devices from importation into the U.S. -- Done. (The Trade Policy Committee is an extension of the EPG, chaired by Strauss, and includes Cabinet members in the trade area. It has not met as a group since 1/20.) *done*

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for Preservation Purposes**

THE WHITE HOUSE  
WASHINGTON

June 25, 1977

Tim Kraft

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

Rick Hutcheson

RE: Timing of B-1 Announcement

cc: Z. Brzezinski  
Frank Moore

THE WHITE HOUSE  
WASHINGTON

4047



June 25, 1977

MEMORANDUM FOR: THE PRESIDENT  
FROM: ZBIGNIEW BRZEZINSKI *ZB.*  
SUBJECT: Timing of B-1 Announcement

Chairman Mahon has asked that you defer announcement of your decision on the B-1 until after the Defense Appropriations bill has been considered on the House floor (June 24 - 28), particularly if your decision differs significantly from the five B-1 bombers included in the current bill.

If you do decide to make an announcement before June 29, Mahon has asked to be informed privately beforehand so he can speak accordingly on the floor.

RECOMMENDATION

That you notify Chairman Mahon of your decision before announcing it publicly.

APPROVE   ✓   DISAPPROVE           

*Let me see Mahon  
Soon - J.C.*

~~*for also attached.*~~

THE WHITE HOUSE  
WASHINGTON

June 25, 1977

Gretchen Poston

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

Rick Hutcheson

Re: Band Shell and Stage

*9 photos were returned to Poston*

THE WHITE HOUSE  
WASHINGTON

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		ENROLLED BILL
		AGENCY REPORT
		CAB DECISION
		EXECUTIVE ORDER
		Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	FOR STAFFING
	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input checked="" type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON		KRAFT
	BOURNE		LANCE
	BRZEZINSKI		LINDER
	BUTLER		MITCHELL
	CARP	<input checked="" type="checkbox"/>	POSTON
	H. CARTER		PRESS
	CLOUGH		B. RAINWATER
	FALLOWS		SCHLESINGER
	FIRST LADY		SCHNEIDERS
	GAMMILL		SCHULTZE
	HARDEN		SIEGEL
	HOYT		SMITH
	HUTCHESON		STRAUSS
	JAGODA		WELLS
	KING		VOORDE

THE PRESIDENT HAS SEEN.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT  
VIA RICK HUTCHESON

FROM: GRETCHEN POSTON *gp*

DATE: 24 June 1977

SUBJECT: BAND SHELL AND STAGE

The new addition to the South Lawn consists of two parts - the stage, which belongs to the National Park Service - and the band shell, which also belongs to the Park Service, but which was purchased expressly for use by the White House. Although the initial purchase was made during the Kennedy Administration, the band shell was first put to full use during the Johnson Administration. When not in use at the White House, it is used by the Park Service.

As you will note from the pictures attached, the decorations used for the stage in the past have been plants. We expect, weather permitting, to be able to use the stage often during the summer and up to as late as mid-October. In particular, we are looking forward to the opportunity to present the entertainment for the state visitors from West Germany and Italy on this stage.

Admittedly, it has not been encouraging to watch this monstrosity grow over the past week. But we fully expect that when completed, it will prove to be a real asset.

Photos attached

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for Preservation Purposes**

*Gretchen -  
oh -  
It looks much more  
appropriate for LBJ.  
J.C.*

THE WHITE HOUSE  
WASHINGTON

June 25, 1977

Tim Kraft

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

Rick Hutcheson

Re: Mike McCormack

cc: Frank Moore

THE WHITE HOUSE  
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
X	MOORE
	POWELL
	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

X	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

June 23, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM*

The Speaker had Gary Hymel telephone me today asking that you meet with Mike McCormack. The Speaker believes that if you meet with McCormack you could change his mind on the breeder.

*Jim  
doubtful*

I know that you have met with Mike McCormack before and that you probably will not want to meet with him again. However, I felt that I should get your direct advice on this in order to avoid a Ron Dellums type mistake.

APPROVE MEETING

*✓*  
*J*

DISAPPROVE MEETING

*J*

*Not a  
group  
J*

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THE WHITE HOUSE  
WASHINGTON

ACTION	FYI
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
X	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

	KRAFT
X	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

In preparation for the fall review, we will intensify our efforts to develop a set of consolidated decision packages which will permit you to better compare the relationship of the USIA, State Department cultural exchange, and the Board for International Broadcasting programs. We are informing John Reinhardt of USIA and Chairman-designate Gronouski of the Board of your explicit interest in a thorough ZBB review and will work closely with State Department on this.

*2  
Want to  
move now  
on rev. g.  
decision*

(4) Evaluation of U.S. Military Basing Policy. You asked for a thorough assessment of U.S. basing policy as it affects potential requirements for base rental agreement. We propose a two-stage response.

OMB is requesting a short descriptive paper on current U.S. base agreements. This review, which will show the number of existing agreements; the dollar, number, and types of installations covered, and the duration of the agreements, will be prepared as soon as possible.

If you agree, OMB will also request that State and Defense undertake a thorough zero-base evaluation of current U.S. bases together with alternatives for continuing access to priority bases. This review would be prepared in time for incorporation in the 1979 budget reviews in the fall.

Agree  \_\_\_\_\_  
Disagree  \_\_\_\_\_

*See note above  
JC*

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THE PRESIDENT HAS SEEN.



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

To Bert  
J

JUN 22 1977

MEMORANDUM FOR: THE PRESIDENT  
FROM: Bert Lance *BR*  
SUBJECT: Follow-up on Foreign Affairs Budget Review

This memorandum follows up on four items which were discussed at the June 3 budget review of foreign affairs programs.

(1) Foreign Development Assistance Study. Several studies are currently underway within the Administration evaluating elements of the foreign aid program. Both Secretary Vance and Governor Gilligan suggested that all the efforts be incorporated in a single study (for completion by August 15) conducted by the AID-chaired, interagency Development Coordinating Committee. All agencies have now agreed to this approach, and Dr. Brzezinski and Secretary Blumenthal will be sending you a draft Presidential Directive to launch formally the study within the next day or so.

(2) Overseas Staffing. You asked for a detailed breakout of U.S. Government employees abroad. State Department and OMB staff are now preparing a report to you that will:

- summarize the numbers, locations, parent agencies, and functions of Americans working under the authority of the Chiefs of Mission; it will summarize trends and totals at the start of this Administration,
- describe the present interagency control and reporting system managed by the State Department, and
- recommend alternative actions for reviewing and improving the current staffing situation abroad.

We expect to have this report to you within the next two weeks.

(3) ZBB Review of Foreign Information and Exchange Programs. You requested that special zero-base attention be given this subfunction in order to understand better the effectiveness of the component programs at different levels. We believe that the ZBB review of the information-exchange subfunction can best be accomplished in the context of the 1979 budget review next fall.

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THE WHITE HOUSE  
WASHINGTON

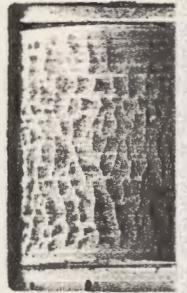
June 25, 1977

Bert Lance  
Z. Brzezinski

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

Rick Hutcheson

Re: Follow-up on Foreign Affairs  
Budget Review



THE WHITE HOUSE  
WASHINGTON

June 25, 1977

Bob Lipshutz

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

Rick Hutcheson

Re: Executive Order Establishing  
Commission on Military  
Compensation

4

THE WHITE HOUSE

WASHINGTON

June 24, 1977

MEMORANDUM FOR THE PRESIDENT

FROM THE WHITE HOUSE  
WASHINGTON

BOB LIPSHUTZ

*Handwritten initials*

Executive Order Establishing  
Commission on Military Compensation

Mr. President:

You are scheduled to meet with the Commission on Monday.

Jim King's office advises that all necessary checks have been completed.

I have approved a draft version of this Commission to study the structure of military compensation by March 15, 1978. Attached is the final

version of the Commission, also previously approved, will be:

Rick

- Charles Swick, Chair
- Lt. Gen. Benjamin Davis
- Gen. William Depuy
- Thomas Ehrlich
- John Filer
- Philip Odeen
- Walter Page
- Jane Pfeiffer
- Herbert York

(A tenth member, Shirley Ruffstedler, has declined.)

We recommend that you sign the Order.

Approve

Disapprove

EXECUTIVE ORDER

- - - - -

PRESIDENT'S COMMISSION ON MILITARY COMPENSATION

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, and as President of the United States of America, in accordance with the Federal Advisory Committee Act (5 U.S.C. App. I), it is hereby ordered as follows:

Section 1. (a) There is established the President's Commission on Military Compensation, hereinafter referred to as the Commission, which shall be composed of not more than nine members who shall be appointed by the President.

(b) The President shall designate a Chairman from among the members.

Sec. 2. (a) The Commission shall review at least the analyses, findings, and recommendations related to military compensation which have been completed by the Quadrennial Reviews of Military Compensation, the Comptroller General, the Interagency Committee Study of Uniformed Services Retirement and Survivor Benefits, the Department of Defense Retirement Study Group, and the Defense Manpower Commission.

(b) The Commission shall identify, study, and make recommendations on critical military compensation issues, specifically addressing the following issues:

(1) What form of military compensation is the most effective for meeting the needs of the Nation in peace and war? Is the present pay and allowances system appropriate? If not, what changes (such as some form of military salary) offer greater potential to serve the national purpose?

(2) Are specific standards appropriate and necessary for setting and adjusting military compensation? If so, what should the standards be? What elements of compensation should be based on such standards?

(3) What provisions are appropriate for differential compensation (such as special and incentive pays) and what are the appropriate criteria for using them?

(4) What are the purposes of the military retirement system? Is the present system effective in achieving these purposes? What changes are appropriate?

(5) Should the unique characteristics of military service be reflected in the compensation system, and, if so, how?

(c) The Commission shall submit a report to the President through the Secretary of Defense by March 15, 1978. The report shall recommend how the military compensation system can best be structured to serve the national interest. If changes are recommended, the Commission should estimate their cost and propose an implementation plan and timetable.

Sec. 3. In performing its functions the Commission shall conduct such studies, reviews, and inquiries as may be necessary. In addition to conducting open meetings in accordance with the Federal Advisory Committee Act, the Commission shall conduct public hearings to identify critical issues and possible solutions related to the structure of military compensation.

Sec. 4. The Commission is authorized to request from any Executive agency such information that may be deemed necessary to carry out its functions under this Order. Each Executive agency shall, to the extent permitted by law, furnish such information to the Commission in the performance of its functions under this Order.

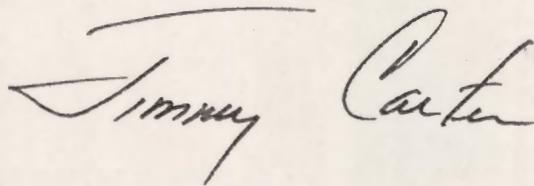
Sec. 5. Each member of the Commission who is not otherwise employed in the Federal Government may receive, to the extent permitted by law, compensation for each day he or she is engaged in the work of the Commission at a rate not to exceed the maximum daily rate now or hereafter prescribed by law for GS-18 of the General Schedule, and may also receive transportation and travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5702 and 5703).

Sec. 6. The Chairman of the Commission is authorized to establish such additional advisory committees as may be deemed appropriate to carry out the purposes of this Order.

Sec. 7. All necessary administrative staff services, support, facilities, and expenses of the Commission shall, to the extent permitted by law, be furnished by the Department of Defense.

Sec. 8. Notwithstanding the provisions of any other Executive order, the functions of the President under the Federal Advisory Committee Act (5 U.S.C. App. I), except that of reporting annually to the Congress, which are applicable to the Commission, shall be performed by the Secretary of Defense in accordance with guidelines and procedures established by the Office of Management and Budget.

Sec. 9. The Commission shall terminate thirty days after submitting its report.

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 text of Section 9.

THE WHITE HOUSE,

CONFIDENTIAL

THE WHITE HOUSE  
WASHINGTON

June 25, 1977

Zbigniew Brzezinski  
Jack Watson  
Bert Lance

For your information, the President signed the letter at TAB A re Study of Foreign Assistance Program and was given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: W. Michael Blumenthal

"DETERMINED TO BE AN ADMINISTRATIVE MARKING  
CANCELLED PER E.O. 12356, SEC. 1.3 AND  
ARCHIVIST'S MEMO OF MARCH 16, 1983"

CONFIDENTIAL  
THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

Mr. President:

The Vice President, Watson, and Lance concur with the proposed study.

Watson suggests that the study focus specifically on ways of making food assistance more effective.

Lance suggests that references to a review of the basic orientation of military assistance be deleted. He observes that a satisfactory review of economic aid will be difficult enough; inclusion of separate military assistance issues will hinder efforts to clarify goals of economic aid.

Lance also suggests that the issue of the relationship between official and private assistance is sufficiently important that it warrants separate consideration.

The proposed presidential memorandum as drafted by Blumenthal and Brzezinski is attached at Tab A. The same memo, incorporating Lance's proposed changes, is attached at Tab B.

ONE SIGNATURE IS REQUESTED.

---Rick

~~CONFIDENTIAL~~  
THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

~~CONFIDENTIAL~~ GDS

June 21, 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: W. MICHAEL BLUMENTHAL  
ZBIGNIEW BRZEZINSKI *WMB*

SUBJECT: Study of Foreign Assistance  
Program

*Prefer A  
J*

We have prepared for your signature a study memorandum (Tab A) requesting an interagency analysis of our current aid programs -- their objectives, inter-relationships, and effectiveness -- and options and recommendations which will help you both to make budget decisions by next fall and to lay the basis for future development assistance strategy.

The study would be directed by Governor Gilligan's Development Assistance Coordinating Committee (DCC), and reviewed by EPG-NSC at Cabinet level in early September. By directly requesting this effort you will give momentum to the study and ensure that relevant agencies understand your personal interest in this project.

We of course invite you to add to or alter the terms of reference in the attached memorandum.

RECOMMENDATION

That you make any changes you may wish on the attached memorandum and sign it.

**Electrostatic Copy Made  
for Preservation Purposes**

~~CONFIDENTIAL~~ GDS

~~CONFIDENTIAL~~ *Jerry 10/31/77*

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR

THE SECRETARY OF STATE  
THE SECRETARY OF TREASURY  
THE SECRETARY OF DEFENSE  
THE SECRETARY OF AGRICULTURE  
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET  
THE ADMINISTRATOR, AGENCY FOR INTERNATIONAL  
DEVELOPMENT

SUBJECT: Analysis of the Effectiveness of  
United States Foreign Assistance

On several occasions, including my foreign assistance message to Congress and the London Summit, I have pledged a more effective U.S. development assistance performance. This commitment was further reinforced at the CIEC Ministerial, for which I also approved announcement of our intention to seek from Congress substantial increases in future aid levels.

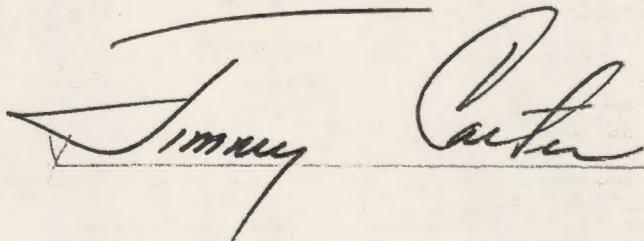
I am now directing the Economic Policy Group and the National Security Council jointly to undertake a full examination of our foreign assistance programs prior to my making major budget decisions this fall. The study should address bilateral assistance including food aid, security supporting assistance, and military aid insofar as it bears on the effectiveness of our over-all assistance; and multilateral assistance provided through international financial institutions and other organizations. It should draw on work in progress, including PRM 8. New analysis and consultations with non-governmental organizations and individuals should be initiated where necessary.

The study should be carried out through the Development Coordination Committee, chaired by Governor Gilligan, with participation by other agencies as necessary. Three broad questions should be addressed:

- Within the context of our evolving North-South relationships, what should be the basic orientation of our foreign economic and military assistance over the next five years and beyond? How should they complement other ingredients of U.S. policies toward the developing countries?
- What should be the relationship among the components of our assistance effort?
- In the context of substantial aid increase over the next five years, what are the alternative effective program mixes? And what kind of programs are most likely to evoke the required degree of public and Congressional support?

More specific issues are listed in the attachment.

A final report should be ready for cabinet level review not later than September 1, 1977.



Jimmy Carter

### ADDITIONAL ISSUES TO BE ADDRESSED

- What basic objectives should guide our foreign assistance efforts?
- What set of techniques and guidelines can we devise to measure the effectiveness of our programs?
- Which programs have been most effective in meeting their assigned objectives? Which have been least effective? Which, if any, should be phased out or discontinued?
- Are there new types of programs or approaches which should be undertaken to better relate our efforts to changing circumstances in developing countries?
- To what extent does military assistance contribute to our overall objectives?
- In which programs does our aid dollar have the most development impact? Which most directly improve the welfare of the poor majority? How can multilateral and bilateral programs be changed to better reach the poor?
- Which programs could be managed at reduced cost without sacrificing our objectives? Where can waste and mismanagement be eliminated? Where can the planning, implementation, and reporting processes be streamlined to reduce cost, personnel, and needless work?
- In which programs could additional assistance be absorbed in ways that would improve the programs' efficiency, i.e., in which the marginal utility of additional funds would be substantial?
- Are we taking adequate measures to insure that host countries pursue policies which magnify or otherwise support the impact of our bilateral assistance and multilateral aid? Should the conditionality of our assistance be made stronger?
- How can the U.S. effectively involve itself in pre-project planning and post-project assessment of multilateral assistance programs?

- How can we best control salaries and living styles of U.S. Government employees and personnel of international financial institutions?
- What kind of programs and approaches are the most effective in producing additional commitments from other donors, including OPEC; which lend themselves best to cooperation with other nations, including COMECON?
- How can coordination between bilateral and multi-lateral programs be improved within the U.S. Government, among donors, and within host countries? How can coordination between official and private assistance programs be improved?

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR

THE SECRETARY OF STATE  
THE SECRETARY OF TREASURY  
THE SECRETARY OF DEFENSE  
THE SECRETARY OF AGRICULTURE  
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET  
THE ADMINISTRATOR, AGENCY FOR INTERNATIONAL  
DEVELOPMENT

SUBJECT: Analysis of the Effectiveness of  
United States Foreign Assistance

On several occasions, including my foreign assistance message to Congress and the London Summit, I have pledged a more effective U.S. development assistance performance. This commitment was further reinforced at the CIEC Ministerial, for which I also approved announcement of our intention to seek from Congress substantial increases in future aid levels.

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More specific issues are listed in the attachment.

A final report should be ready for cabinet level review not later than September 1, 1977.

✓ \_\_\_\_\_

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- What set of techniques and guidelines can we devise to measure the effectiveness of our programs?
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- How can the U.S. effectively involve itself in pre-project planning and post-project assessment of multilateral assistance programs?
- How can we best control salaries and living styles of U.S. Government employees and personnel of international financial institutions?

- What kind of programs and approaches are the most effective in producing additional commitments from other donors, including OPEC; which lend themselves best to cooperation with other nations, including COMECON?
- How can coordination between bilateral and multi-lateral programs be improved within the U.S. Government, among donors, and within host countries?
- How do U.S. Government aid programs relate to those conducted by the private sector? Are there ways in which Government programs could more effectively complement private sector efforts and the coordination between official and private assistance programs be improved?

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

Mr. President:

The Vice President, Watson, and Lance concur with the proposed study.

Watson suggests that the study focus specifically on ways of making food assistance more effective.

Lance suggests that references to a review of the basic orientation of military assistance be deleted. He observes that a satisfactory review of economic aid will be difficult enough; inclusion of separate military assistance issues will hinder efforts to clarify goals of economic aid.

Lance also suggests that the issue of the relationship between official and private assistance is sufficiently important that it warrants separate consideration.

The proposed presidential memorandum as drafted by Blumenthal and Brzezinski is attached at Tab A. The same memo, incorporating Lance's proposed changes, is attached at Tab B.

ONE SIGNATURE IS REQUESTED.

---Rick

*John Ratchford did not  
want per Rosa.*

THE WHITE HOUSE  
WASHINGTON

CONFIDENTIAL GDS

June 21, 1977

MEMORANDUM FOR: THE PRESIDENT  
FROM: W. MICHAEL BLUMENTHAL  
ZBIGNIEW BRZEZINSKI  
SUBJECT: Study of Foreign Assistance Program

WMB

Prefer A  
J

We have prepared for your signature a study memorandum (Tab A) requesting an interagency analysis of our current aid programs -- their objectives, inter-relationships, and effectiveness -- and options and recommendations which will help you both to make budget decisions by next fall and to lay the basis for future development assistance strategy.

The study would be directed by Governor Gilligan's Development Assistance Coordinating Committee (DCC), and reviewed by EPG-NSC at Cabinet level in early September. By directly requesting this effort you will give momentum to the study and ensure that relevant agencies understand your personal interest in this project.

We of course invite you to add to or alter the terms of reference in the attached memorandum.

RECOMMENDATION

That you make any changes you may wish on the attached memorandum and sign it.

CONFIDENTIAL GDS

CONFIDENTIAL July 10/3/89

THE WHITE HOUSE

WASHINGTON

Date: June 21, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat *re by phone*  
Jack Watson *- part of study should focus on PL 480 & ways to make food assistance more effective*  
Bert Lance *attached*  
Frank Moore

FOR INFORMATION:

The Vice President *concur*  
*more effective*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Blumenthal/Brzezinski's memo 6/21/77 re Study of Foreign Assistance Program

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:

TIME: 1:00 PM

DAY: Thursday

DATE: July 23, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

*get OMB comments SE*

CONFIDENTIAL ATTACHMENT

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE  
WASHINGTON

*confidential*

DETERMINED TO BE AN ADMINISTRATIVE MARKING  
CANCELS PER E.O. 12958, SEC. 1.3 AND  
ARCHIVED PER E.O. OF MARCH 16, 1989  
239

ACTION	
FYI	
	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
	MOORE
	POWELL
	WATSON

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER

Comments due to  
Carp/Huron within  
48 hours; due to  
Staff Secretary  
next day

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	GAMMILL
	HARDEN
	HOYT
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LANCE
	LINDER
	MITCHELL
	POSTON
	PRESS
	B. RAINWATER
	SCHLESINGER
	SCHNEIDERS
	SCHULTZE
	SIEGEL
	SMITH
	STRAUSS
	WELLS
	VOORDE

~~CONFIDENTIAL~~

3734

THE WHITE HOUSE  
WASHINGTON

~~CONFIDENTIAL GDS~~

June 21, 1977

MEMORANDUM FOR: THE PRESIDENT  
FROM: W. MICHAEL BLUMENTHAL  
ZBIGNIEW BRZEZINSKI *WMB*  
SUBJECT: Study of Foreign Assistance  
Program

We have prepared for your signature a study memorandum (Tab A) requesting an interagency analysis of our current aid programs -- their objectives, inter-relationships, and effectiveness -- and options and recommendations which will help you both to make budget decisions by next fall and to lay the basis for future development assistance strategy.

The study would be directed by Governor Gilligan's Development Assistance Coordinating Committee (DCC), and reviewed by EPG-NSC at Cabinet level in early September. By directly requesting this effort you will give momentum to the study and ensure that relevant agencies understand your personal interest in this project.

We of course invite you to add to or alter the terms of reference in the attached memorandum.

RECOMMENDATION

That you make any changes you may wish on the attached memorandum and sign it.

~~CONFIDENTIAL GDS~~

~~CONFIDENTIAL~~

*July 20/31/89*

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR

THE SECRETARY OF STATE  
THE SECRETARY OF TREASURY  
THE SECRETARY OF DEFENSE  
THE SECRETARY OF AGRICULTURE  
DIRECTOR, OMB  
THE ADMINISTRATOR, AID

SUBJECT: Analysis of the Effectiveness of U.S.  
Foreign Assistance

On several occasions, including my foreign assistance message to Congress and the London Summit, I have pledged a more effective U.S. development assistance performance. This commitment was further reinforced at the CIEC Ministerial, for which I also approved announcement of our intention to seek from Congress substantial increases in future aid levels.

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The study should be carried out through the Development Coordination Committee, chaired by Governor Gilligan, with participation by other agencies as necessary. Three broad questions should be addressed:

"DETERMINED TO BE UNCLASSIFIED  
CANCELLED PER E.O. 12958, SEC. 1.3 AND  
ARCHIVIST'S MEMO OF MARCH 16, 1983"

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

- Within the context of our evolving North-South relationships, what should be the basic orientation of our foreign economic and military assistance over the next five years and beyond? How should they complement other ingredients of U.S. policies toward the developing countries?
- What should be the relationship among the components of our assistance effort?
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More specific issues are listed in the attachment.

A final report should be ready for cabinet level review not later than September 1, 1977.

Attachment

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

ADDITIONAL ISSUES TO BE ADDRESSED

- What basic objectives should guide our foreign assistance efforts?
- What set of techniques and guidelines can we devise to measure the effectiveness of our programs?
- Which programs have been most effective in meeting their assigned objectives? Which have been least effective? Which, if any, should be phased out or discontinued?
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- How can the U.S. effectively involve itself in pre-project planning and post-project assessment of multilateral assistance programs?

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

- How can we best control salaries and living styles of U.S. Government employees and personnel of international financial institutions?
- What kind of programs and approaches are the most effective in producing additional commitments from other donors, including OPEC; which lend themselves best to cooperation with other nations, including COMECON?
- How can coordination between bilateral and multi-lateral programs be improved within the U.S. Government, among donors, and within host countries? How can coordination between official and private assistance programs be improved?

~~CONFIDENTIAL~~

*Denis*

Date: June 21, 1977

MEMORANDUM

FOR ACTION:  
 Stu Eizenstat  
 Jack Watson  
 Bert Lance  
 Frank Moore

FOR INFORMATION:  
The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Blumenthal/Brzezinski's memo 6/21/77 re Study  
 of Foreign Assistance Program

YOUR RESPONSE MUST BE DELIVERED  
 TO THE STAFF SECRETARY BY:

TIME: 1:00 PM

DAY: Thursday

DATE: July 23, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

*D. Denis*  
*Office of the Vice President*

~~CONFIDENTIAL ATTACHMENT~~

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material please telephone the Staff Secretary immediately. (Telephone 7052)

Date: June 21, 1977

MEMORANDUM

FOR ACTION:  
 Stu Eizenstat  
 Jack Watson  
 Bert Lance  
 Frank Moore

FOR INFORMATION:  
 The Vice President

1977 JUN 21 PM 3 50

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Blumenthal/Brzezinski's memo 6/21/77 re Study of Foreign Assistance Program

YOUR RESPONSE MUST BE DELIVERED  
 TO THE STAFF SECRETARY BY:

TIME: 1:00 PM

DAY: Thursday

DATE: July 23, 1977

ACTION REQUESTED:

 Your comments

Other:

STAFF RESPONSE:

 I concur. No comment.

Please note other comments below:

Part of his study should focus  
Specifically on P.L.-480 and  
 ways to CONFIDENTIAL ATTACHMENT make  
 food assistance more effective.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material please telephone the Staff Secretary immediately. (Telephone 7052)



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

JUN 24 1977

MEMORANDUM FOR: THE PRESIDENT  
FROM: Bert Lance *Bla*  
SUBJECT: Study of Foreign Assistance Program

As we discussed at the foreign affairs budget preview in early June, I strongly endorse the proposed study of foreign aid and recommend that you sign a memorandum along the lines proposed.

I would suggest, however, that you delete the references to a review of the basic orientation of military assistance. Military assistance should be reviewed insofar as it bears on our overall development assistance effort, but should not be a separate line of inquiry. A satisfactory review of economic aid will be difficult enough given the time available, and inclusion of separate military assistance issues will hinder our efforts to clarify the goals of economic aid and to review its effectiveness.

I would also suggest that the issue of the relationship between official and private assistance is sufficiently important, as you suggested at the preview session, that it warrants separate consideration.

The proposed OMB changes have been noted on the attached draft.

Attachment

CONFIDENTIAL ATTACHMENT

Date: June 21, 1977

MEMORANDUM

FOR ACTION:  
Stu Eizenstat  
Jack Watson  
Bert Lance  
Frank Moore

FOR INFORMATION:  
The Vice President

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Blumenthal/Brzezinski's memo 6/21/77 re Study  
of Foreign Assistance Program

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 1:00 PM

DAY: Thursday

DATE: July 23, 1977

ACTION REQUESTED:

 Your comments

Other:

STAFF RESPONSE:

 I concur. No comment.*Please note other comments below:*

CONFIDENTIAL ATTACHMENT

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material please telephone the Staff Secretary immediately. (Telephone 7052)

~~CONFIDENTIAL~~

THE WHITE HOUSE  
WASHINGTON

MEMORANDUM FOR

THE SECRETARY OF STATE  
THE SECRETARY OF TREASURY  
THE SECRETARY OF DEFENSE  
THE SECRETARY OF AGRICULTURE  
DIRECTOR, OMB  
THE ADMINISTRATOR, AID

SUBJECT: Analysis of the Effectiveness of U.S.  
Foreign Assistance

On several occasions, including my foreign assistance message to Congress and the London Summit, I have pledged a more effective U.S. development assistance performance. This commitment was further reinforced at the CIEC Ministerial, for which I also approved announcement of our intention to seek from Congress substantial increases in future aid levels.

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The study should be carried out through the Development Coordination Committee, chaired by Governor Gilligan, with participation by other agencies as necessary. Three broad questions should be addressed:

"DETERMINED TO BE AN ADMINISTRATIVE MARKING  
CANCELLED PER E.O. 12958, SEC. 1.3 AND  
ARCHIVIST'S MEMO OF MARCH 16, 1983"

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

- Within the context of our evolving North-South relationships, what should be the basic orientation of our foreign economic and military assistance over the next five years and beyond? How should they complement other ingredients of U.S. policies toward the developing countries?
- What should be the relationship among the components of our assistance effort?
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More specific issues are listed in the attachment.

A final report should be ready for cabinet level review not later than September 1, 1977.

Attachment

"DETERMINED TO BE AN ADMINISTRATIVE MARKING  
CANCELLED PER E.O. 12356, SEC. 1.3 AND  
ARCHIVIST'S MEMO OF MARCH 16, 1983"

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

ADDITIONAL ISSUES TO BE ADDRESSED

- What basic objectives should guide our foreign assistance efforts?
- What set of techniques and guidelines can we devise to measure the effectiveness of our programs?
- Which programs have been most effective in meeting their assigned objectives? Which have been least effective? Which, if any, should be phased out or discontinued?
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~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

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~~CONFIDENTIAL~~

MEMORANDUM FOR

THE SECRETARY OF STATE  
THE SECRETARY OF TREASURY  
THE SECRETARY OF DEFENSE  
THE SECRETARY OF AGRICULTURE  
**The** DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET  
THE ADMINISTRATOR, AGENCY FOR INTERNATIONAL  
DEVELOPMENT

SUBJECT: Analysis of the Effectiveness of United States  
Foreign Assistance

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More specific issues are listed in the attachment.

A final report should be ready for cabinet level review not later than September 1, 1977.

*delete*

Attachment

~~CONFIDENTIAL~~

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR

THE SECRETARY OF STATE  
THE SECRETARY OF TREASURY  
THE SECRETARY OF DEFENSE  
THE SECRETARY OF AGRICULTURE  
DIRECTOR, OMB  
THE ADMINISTRATOR, AID

SUBJECT: Analysis of the Effectiveness of U.S.  
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CANCELLED PER E.O. 12958, SEC. 1.3 AND  
ARCHIVIST'S MEMO OF MARCH 16, 1983"

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

- Within the context of our evolving North-South relationships, what should be the basic orientation of our foreign economic ~~and military~~ assistance over the next five years and beyond? How should ~~they~~ <sup>it</sup> complement other ingredients of U.S. policies toward the developing countries?
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Attachment

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

ADDITIONAL ISSUES TO BE ADDRESSED

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- ~~[ To what extent does military assistance contribute to our overall objectives? ]~~
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~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

- 2 -

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- How can coordination between bilateral and multi-lateral programs be improved within the U.S. Government, among donors, and within host countries?  
~~How can coordination between official and private assistance programs be improved?~~
- How do U.S. Government aid programs relate to those conducted by the private sector? Are there ways in which Government programs could more effectively complement private sector efforts and the coordination between official and private assistance programs be improved?

~~CONFIDENTIAL~~

THE WHITE HOUSE  
WASHINGTON

Date: June 21, 1977

MEMORANDUM

FOR ACTION:  
Stu Eizenstat  
Jack Watson  
Bert Lance  
Frank Moore

FOR INFORMATION:  
The Vice President

*HL*  
*ST*  
*No comment*  
*No comment*

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Blumenthal/Brzezinski's memo 6/21/77 re Study  
of Foreign Assistance Program

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 1:00 PM

DAY: Thursday

DATE: July 23, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

CONFIDENTIAL ATTACHMENT

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material please telephone the Staff Secretary immediately. (Telephone 7052)