

**12/27/77 [2]**

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**J. Carrol Dadisman**  
Executive Editor and Vice President  
The Ledger-Enquirer  
P.O. Box 711  
Columbus, Ga. 31902

*Jody  
J*

President Jimmy Carter  
Plains, Georgia

Dear Mr. President:

Several weeks ago I requested, through Jody Powell, an interview with you while you are in Plains for Christmas. Jody said he would relay the request to you, and I trust he did.

If possible, I would like thirty minutes for myself and one or two other Ledger and Enquirer staff members. We would also like for Lawrence Smith to be allowed to take some pictures. This would be in the nature of a year-end interview, covering a broad range of topics and released to the wire services for whatever use they chose. Some of it, of course, would center on subjects of particular interest to our readership.

We appreciate very much your granting us an interview during the 1976 campaign. The Columbus newspapers retain a special interest in you and your family, as do our readers. I hope you will find it possible in your very busy schedule to see us. We can come at any time it is convenient to you. We have the appropriate White House credentials.

Thank you for your consideration.

Best wishes,

*Carrol*

Carrol Dadisman

CD/pt

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C

PRESIDENTIAL REMARKS  
ON ANNOUNCING  
NOMINATION OF JAMES T. McINTYRE  
AS DIRECTOR OF THE OFFICE OF MANAGEMENT & BUDGET

DECEMBER 27, 1977

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I AM PROUD TO ANNOUNCE TODAY THAT  
JAMES T. McINTYRE WILL BE MY NOMINEE AS THE  
DIRECTOR OF THE OFFICE OF MANAGEMENT AND BUDGET.

*SEVEN*  
IN THE ~~FIVE~~ *(?)* YEARS THAT I HAVE KNOWN AND  
WORKED WITH JIM, I HAVE DEVELOPED THE HIGHEST  
RESPECT FOR HIS CHARACTER AND ABILITIES. HE  
IS A CAREER PUBLIC SERVANT. AS DIRECTOR OF  
THE GEORGIA BUDGET OFFICE DURING MY TERM AS  
GOVERNOR, HE TOOK THE LEAD IN REFORMING THE  
STATE'S BUDGET SYSTEM AND BRINGING THE PEOPLE OF  
GEORGIA MORE EFFICIENT GOVERNMENT AT THE LOWEST  
POSSIBLE COST. HE WAS STILL SERVING IN THAT  
POSITION, REAPPOINTED BY GOVERNOR BUSBEE,  
WHEN I ASKED HIM TO COME TO WASHINGTON AS  
DEPUTY DIRECTOR OF THE O.M.B.

IN THE LAST YEAR, AND ESPECIALLY DURING HIS SERVICE AS ACTING DIRECTOR, JIM HAS SHOWN THAT HE IS SUPERBLY QUALIFIED FOR THIS JOB. THIS FALL, THROUGH MANY HOURS OF BRIEFINGS ON THE 1979 BUDGET, HE HAS DEMONSTRATED HIS GRASP OF OUR POLICY GOALS AND OF THE DETAILED BUDGET QUESTIONS INVOLVED IN REACHING THEM, PRESENTING MAJOR PORTIONS OF THE BUDGET BRIEFINGS HIMSELF.

THE 1979 BUDGET, WHICH WILL BE FORMALLY SUBMITTED NEXT MONTH, ILLUSTRATES JIM'S SKILL IN LEADING HIS STAFF AND DEALING WITH THE MANY AGENCIES WHOSE BUDGET HE MUST REVIEW. IT WILL ALSO DEMONSTRATE OUR COMMITMENT TO MEETING OUR COUNTRY'S MOST PRESSING NEEDS WHILE REDUCING NEEDLESS SPENDING. THE EXPENDITURES IN THE 1979 BUDGET WILL BE ONLY ABOUT TWO PER CENT HIGHER,

IN REAL TERMS, THAN IN 1978, ONE OF THE LOWEST  
INCREASES IN RECENT TIMES. THAT WILL MEAN THAT  
FEDERAL SPENDING AS A PER CENTAGE OF GROSS NATIONAL  
PRODUCT, WILL ACTUALLY DECLINE NEXT YEAR.  
THAT IS A GOAL ESTABLISHED DURING MY CAMPAIGN,  
WHICH IS BEING FULFILLED AND TO WHICH JIM McINTYRE  
IS ALSO COMMITTED.

JIM'S EXPERIENCE ALSO SUITS HIM FOR TWO OF THE  
MOST IMPORTANT STEPS WE MUST TAKE TOWARD A MORE  
EFFICIENT GOVERNMENT -- ZERO BASED BUDGETING,  
AND GOVERNMENT REORGANIZATION. HE HELPED ME  
CARRY OUT BOTH THESE PLANS IN GEORGIA. HE HAS  
BEEN DEEPLY INVOLVED IN BOTH HERE OVER THE PAST YEAR.  
HE HAS EARNED THE RESPECT OF THE MEMBERS OF THE  
CABINET BY HIS HANDLING OF THIS YEAR'S BUDGET.

HE HAS MY COMPLETE CONFIDENCE, AND MY  
APPRECIATION FOR HIS WILLINGNESS TO ACCEPT THIS  
LARGELY THANKLESS BUT EXTREMELY IMPORTANT  
RESPONSIBILITY.

# # #

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

December 23, 1977

C

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*

SUBJECT: Weekly Mail Report (Per Your Request)

Below are statistics on Presidential and First Family:

<u>INCOMING</u>	<u>WEEK ENDING 12/16</u>	<u>WEEK ENDING 12/23</u>
Presidential	24,945	25,450
First Lady	8,920	10,260
Amy	1,170	1,530
<u>Other First Family</u>	<u>105</u>	<u>120</u>
TOTAL	35,140	37,360

BACKLOG

Presidential	5,265	4,860
First Lady	1,765	640
Amy	0	0
<u>Other</u>	<u>0</u>	<u>0</u>
TOTAL	7,030	5,500

DISTRIBUTION OF PRESIDENTIAL MAIL ANALYZED

Agency Referrals	31%	9%
WH Correspondence	30%	48%
Direct File	23%	28%
White House Staff	5%	5%
<u>Other</u>	<u>11%</u>	<u>10%</u>
TOTAL	100%	100%

NOT INCLUDED ABOVE

Form Letters and Post Cards	2,700	2,875
Mail Addressed to White House Staff	15,385	17,195

cc: Senior Staff

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MAJOR ISSUES IN  
CURRENT PRESIDENTIAL ADULT MAIL  
Week Ending 12/23/77

ISSUES	PRO	CON	COMMENT ONLY	NUMBER OF LETTERS
Support for U.S. Aid to Alleviate World Hunger	98%	2%	0	641
Support for Returning the Crown of St. Stephen to Hungary	11%	89%	0	467
Support for Tuition Relief Tax Credit, S.834, H.R.3403	97%	3%	0	381
Increased Federal Funding for Farmers	99%	1%	0	334
Support for Increased Federal Funding of Vocational Education Programs	99%	1%	0	304
Support for Increased Funding of the National Endowment for the Arts	98%	2%	0	290
Federal Funding for Professional Standards Review Organization (1)	100%	0	0	253
Support for Tougher Restrictions on Steel Imports	100%	0	0	238
Support for National Health Care Kennedy-Corman Bill, S.3, H.R.21	100%	0	0	237
Support for Panama Canal Treaties	23%	77%	0	204
Support for Palestine Liberation Organization Representation at Peace Talks	3%	94%	3%	<u>145</u>
			TOTAL	3,494

~~(See Note Attached)~~

NOTE TO MAJOR ISSUE TALLY

Week Ending 12/23/77

(1) FEDERAL FUNDING FOR THE PSRO (100% Pro)

Professionals associated with the medical field strongly recommend that the OMB reconsider its decision to provide no funding for the Professional Standards Review Organization in fiscal year 1979.

Physicians and others say they see the program as a unique partnership between the medical profession and the government working together to assure quality services under a federally funded program. Most writers claim that the program is being shot down without a fair trial period.

THE WHITE HOUSE  
WASHINGTON

December 27, 1977

Zbig Brzezinski

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

Rick Hutcheson

LETTER FROM RUSHER -- RICE TO  
INDOCHINA

cc: Stu Eizenstat

*Susan sent the copy to. Rusher*

THE WHITE HOUSE  
WASHINGTON

12/15/77

Susan,

What's the  
best way to handle  
situations like this?

Al Rusta was an  
early supporter of  
our Annapolis classmate

Should it go to StU for  
research?

Phil



BUILDING A BETTER WAY TO BANK

**Bank of Brinkley**

BRINKLEY, ARKANSAS 72021

12/6/77

Dear Phil-

I enjoyed visiting with you by phone yesterday, and I certainly appreciate your help in getting the enclosed letter to the president. During the past 10 months I have not tried to go directly to him with any of the hundreds of requests that I have had, however, this rice program is of the utmost importance to the farmers of this part of the country since our economy is based almost entirely on our farming. These are the people that I will have to go back to three years from now to solicit donations from, and to ask their support for Jimmy's re-election.

kindest regards

Albert H. Rusher



BUILDING A BETTER WAY TO BANK

**Bank of Brinkley**

BRINKLEY, ARKANSAS 72021

December 6th, 1977

*cc To Al Ruster. This  
is a Congressional requirement.  
State & Agriculture are  
working at it.*

President Jimmy Carter  
The White House  
Washington, D. C.

*cc: Bergland  
Vance*

*Jimmy*

Dear Jimmy:

I want to bring your attention to a very serious problem which has developed with regard to export shipments of rice under the Food and Peace Program of the American government. This is commonly referred to as the PL 480 program and provides an important market outlet for a large share of the rice grown in the midsouth region. About 55% of the rice grown in our region is exported and 25 to 30% of the exports usually move under the PL 480 program.

I understand that the fiscal 1978 budget provides funds for the export of 600,000 metric tons of rice under this law, and although we are now in the third month of fiscal 1978, none of the 600,000 tons has yet been exported or contracted for export.

Earlier this year an official list was released of how much American rice was expected to move under the Government Assistance Sales program and to which countries. Indonesia is scheduled to receive approximately 300,000 metric tons to help feed its hungry millions. To date, only 60,000 tons of rice has been moved this year to Indonesia and this has all been strictly on commercial terms and not under the PL 480 program.

I am informed that attempts have been made to include language in the proposed sales agreement that would require the admission that the Indonesian government has been violating human rights in the past. I am also reliably informed that Indonesia is one of only three nations singled out this way. Such attempts are having the effect of delaying sales badly needed by our farmers and by the hungry people of Indonesia. It does not seem right to me to attempt to use food aid in this manner and to hold it as a club over a friendly nation. After all, the right to food is one of the basic human rights and we should be in the position of promoting the feeding of these hungry people.

While I couldn't agree more that the improvement of human rights is a very laudable goal for your administration, I hope that it will not

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BUILDING A BETTER WAY TO BANK

**Bank of Brinkley**

BRINKLEY, ARKANSAS 72021

Page 2

have the effect of causing a number of people to go hungry and to penalize the American farmer in his efforts to not only feed the world but improve America's image in the eyes of our friends and allies in various parts of the world.

I have certainly enjoyed speaking in various parts of the state on the Panama Canal issue during the past two months. The public is gradually being won over as they are learning the truth.

Betty joins me in extending best wishes to you and Rosalyn for the coming Holiday Season.

Sincerely,

A handwritten signature in cursive script, appearing to read 'A. H. Rusher', written in black ink.

Albert H. Rusher



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

C

DEC 23 1977

MEMORANDUM FOR THE PRESIDENT

FROM: JAMES T. McINTYRE, JR. *J. McIntyre*  
SUBJECT: Cash Management Project Schedule

In a recent note to the Reorganization Project, you asked for the time schedule for the Cash Management Project (which you announced on November 14). We envision three phases:

- Phase I - (December 1977-March 1978): Complete review of Treasury Department ongoing studies for scope. Start further studies and improvement efforts. ✓
- Phase II - (April 1978-June 1978): Interim report identifying achievements, opportunities, and recommended process improvements.
- Phase III - (July 1978-September 1978): Final comprehensive report and additional recommendations (including organization, policy and legislation).

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THE WHITE HOUSE  
WASHINGTON  
December 27, 1977

Hamilton Jordan  
Tim Kraft

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

Rick Hutcheson

RE: APPOINTMENT OF CHAIRMAN OF DNC

THE WHITE HOUSE  
WASHINGTON

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

ACTION	FYI	
<input type="checkbox"/>	<input type="checkbox"/>	MONDALE
<input type="checkbox"/>	<input type="checkbox"/>	COSTANZA
<input type="checkbox"/>	<input type="checkbox"/>	EIZENSTAT
<input checked="" type="checkbox"/>	<input type="checkbox"/>	JORDAN
<input type="checkbox"/>	<input type="checkbox"/>	LIPSHUTZ
<input type="checkbox"/>	<input type="checkbox"/>	MOORE
<input type="checkbox"/>	<input type="checkbox"/>	POWELL
<input type="checkbox"/>	<input type="checkbox"/>	WATSON
<input type="checkbox"/>	<input type="checkbox"/>	McINTYRE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	GAMMILL

<input checked="" type="checkbox"/>	KRAFT
<input type="checkbox"/>	LINDER
<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

December 23, 1977

C

MEMORANDUM FOR THE PRESIDENT

FROM: HUGH CARTER *HC*

SUBJECT: Weekly Comment Office Report (Per Your Request)

<u>CURRENT ISSUES</u>	<u>PRO</u>	<u>CON</u>	<u>TOTAL</u>
President's Position re: Crown of St. Stephen	62%	38%	877 ✓
Begin/Sadat Selection of Christmas Day for Meeting	37%	63%	495 ✓
Social Security Tax Increase	64%	36%	442 ✓
Child Abuse by Paraguayan Officials Per Jack Anderson Article	-	100%	414
Energy Bill: Gas Price Increase	-	100%	401
Appointment to Chairman of DNC: John White	54%	46%	395
Tim Kraft	100%	-	282 - <i>kinfolks</i>
Farmer's Protesting in Plains during President's Christmas Vacation	-	100%	218
Farmer's Strike	100%	-	126
Panama Canal	48%	52%	46
Unclassified			<u>177</u>
			3,873
<u>AGENCY REFERRALS</u>			
Social Security			137
Defense Department			62
Veteran's Administration			51
Justice Department			18
Other			<u>176</u>
			444
<u>MISCELLANEOUS</u>			
Non-Substantive			131
Support/Christmas Greetings			160
White House Requests			<u>146</u>
			437
GRAND TOTAL			<u>4,754</u>

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THE WHITE HOUSE  
WASHINGTON

To Strauss  
J

---

Proust à la Pinter • The Senility of the Diplomat  
The Droopy Dollar • Spain's Nobel Poet • The Kingfish's Son

# THE NEW REPUBLIC

December 24 & 31, 1977

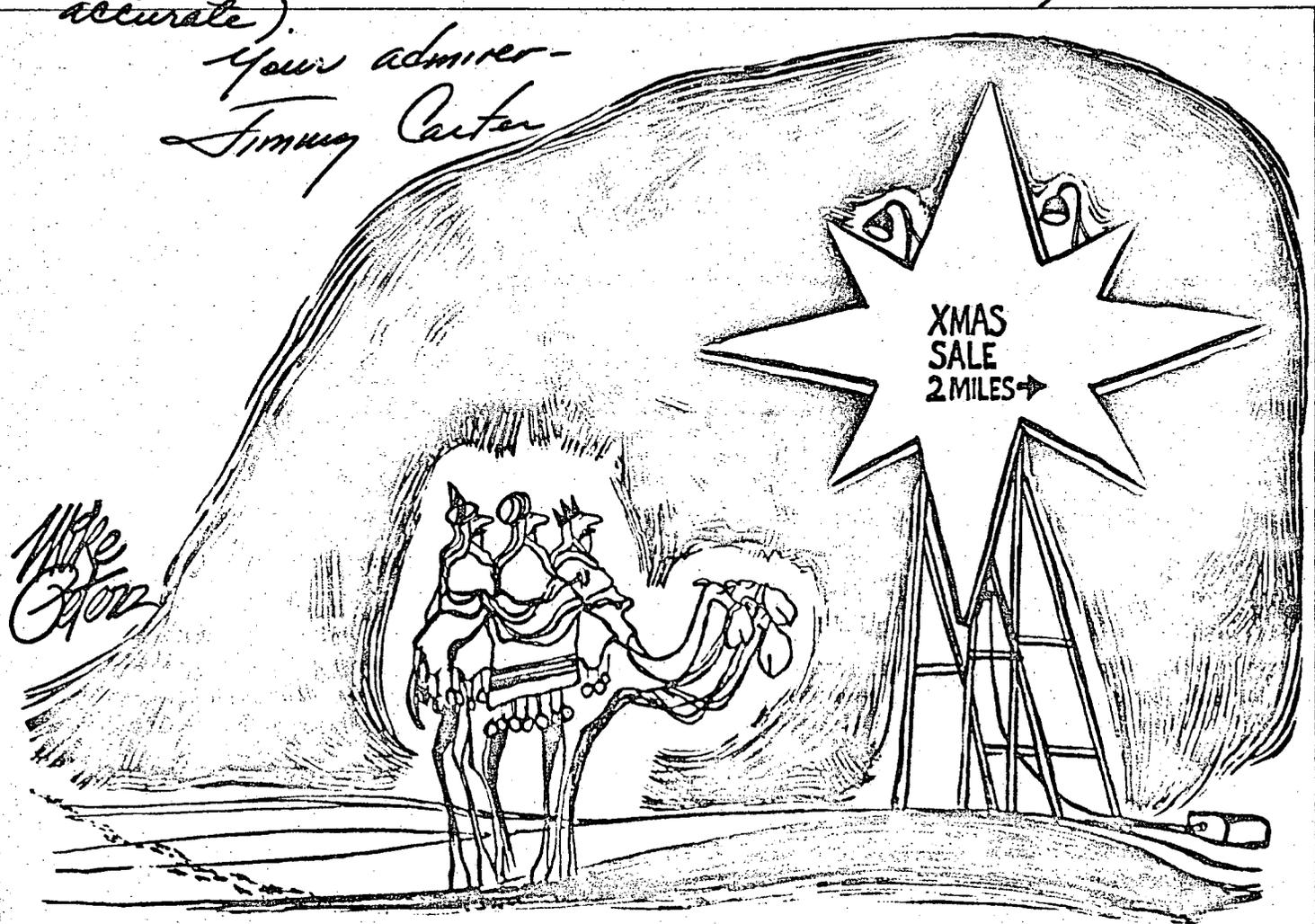
Price 75 cents

John Osborne on the Resurrection of Robert Strauss

Tad Szulc on Kennedy's Cold Warriors *Bob - Now I see who gets all the good coverage while I get the other. (At least the picture is accurate).*

*Your admirer -  
Jimmy Carter*

*Mike  
Cron*



THE PRESIDENT HAS SEEN.

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FBIS 46 (SEE 39)

YEDI'OT AHARONOT OUTLINES ISRAELI PEACE PROPOSAL

TA251411Y TEL AVIV YEDI'OT AHARONOT IN HEBREW 25 DEC 77 PP 1, 8 TA

(BY ARYE ZIMMUQI)

(EXCERPT) PRIME MINISTER MENAHEM BEGIN WILL TODAY PROPOSE TO PRESIDENT AS-SADAT HIS PEACE PLAN WHOSE MAIN POINTS ARE AN ISRAELI WITHDRAWAL FROM THE ENTIRE SINAI IN 3-5 YEARS, DETERMINING SECURITY MEASURES AND DEMILITARIZATION IN THE PENINSULA AND THE ESTABLISHMENT OF AN AUTONOMOUS ADMINISTRATION IN JUDAEA AND SAMARIA.

THE WITHDRAWAL WILL BE CARRIED OUT AFTER THE SIGNING OF A PEACE AGREEMENT BETWEEN THE TWO COUNTRIES WHICH WILL GUARANTEE TOTAL NORMALIZATION IN RELATIONS BETWEEN THE TWO COUNTRIES.

YESTERDAY THE PRIME MINISTER SAID IN THE KNESSET LIKUD FACTION (AS PUBLISHED) THAT "IF PRESIDENT AS-SADAT SAYS THAT THERE WILL BE NO AGREEMENT WITHOUT THE IDF'S WITHDRAWAL FROM JUDAEA AND SAMARIA, I WILL REPLY: THERE WILL BE NO AGREEMENT."

REGARDING THE SINAI, IT WAS REPORTED THAT IN THE COMING FORTNIGHT, SEVERAL FOOTHOLDS (SETTLEMENTS--FBIS) WILL APPARENTLY BE SET UP IN THE RAFAH APPROACHES ACCORDING TO THE PLAN THAT WAS ENDORSED A LONG TIME AGO.

THE FOLLOWING ARE THE BASICS OF THE PLAN TO BE SUBMITTED BY THE PRIME MINISTER; MOST OF THE POINTS WERE PUBLISHED IN YEDI'OT AHARONOT LAST WEEK.

A. THE ISRAELI POPULATION IN THE SINAI WILL BE UNDER EGYPTIAN SOVEREIGNTY BUT WILL BE RUN BY A CIVILIAN ADMINISTRATION AND THE RESIDENTS WILL BE GIVEN ARMS FOR DEFENSE. A UN FORCE WILL BE STATIONED IN THE RAFAH APPROACHES. ISRAEL PROPOSES THAT IN THE YEAR 2001 THE MATTER OF THE ISRAELI SETTLEMENTS WILL BE REEXAMINED.

B. TERRITORIAL CONTINUITY BETWEEN ELAT AND SHARM ASH SHAYKH WILL BE GUARANTEED AND WILL BE UNDER UN SUPERVISION.

C. MOST OF THE SINAI WILL BE DEMILITARIZED.

D. THE EGYPTIAN LIMITED FORCES ZONE WILL BE ENLARGED.

E. DEFENSE ZONES WILL BE SET UP NEAR THE INTERNATIONAL BORDER THAT WILL BE THE NEW BORDER LINE AFTER THE WITHDRAWAL.

F. UN UNITS, WITH U.S. PARTICIPATION, WILL BE STATIONED IN SHARM ASH SHAYKH AND THE RAFAH APPROACHES. THESE UNITS WILL NOT BE ABLE TO LEAVE THE AREA WITHOUT THE JOINT AGREEMENT OF ISRAEL AND EGYPT OR WITHOUT THE UNANIMOUS DECISION OF THE UN SECURITY COUNCIL.

G. AN ADMINISTRATIVE COUNCIL WILL BE ESTABLISHED IN JUDAEA AND SAMARIA. IT WILL TAKE CARE OF ALL AREAS OF CIVILIAN LIFE.

H. JOINT COMMITTEES OF ISRAEL, JORDAN AND THE RESIDENTS OF JUDAEA, SAMARIA AND GAZA WILL BE SET UP. THEY WILL ISSUE REGULATIONS AND WILL TAKE CARE OF THE ECONOMIC DEVELOPMENTS (OF THE AREA--FBIS).

I. ALL MATTERS OF DOMESTIC AND EXTERNAL SECURITY AND THE FOREIGN POLICY OF THE AUTONOMOUS REGIONS WILL BE IN ISRAEL'S HANDS.

J. A SPECIAL JOINT COMMITTEE OF ISRAEL AND THE RESIDENTS OF JUDAEA AND SAMARIA WILL ATTEND ALL MATTERS PERTAINING TO EMIGRATION AND IMMIGRATION TO THE REGION.

K. A COUNCIL THAT WILL DEAL WITH THE SACRED PLACES FOR THE MOSLEMS WILL BE SET UP. REPRESENTED ON THE COUNCIL WILL BE MEMBERS OF THE SUPREME MOSLEM COUNCIL AND REPRESENTATIVES OF JORDAN, SAUDI ARABIA, MOROCCO AND OTHERS.

THE PRIME MINISTER WILL PROPOSE THE ESTABLISHMENT OF 2 TO 3 JOINT HIGH-LEVEL ISRAELI-EGYPTIAN COMMITTEES FOR SPEEDY CLARIFICATION AND EXAMINATION OF MATTERS UNDER DISPUTE.

IT IS EXPECTED THAT AS-SADAT WILL DEMAND A WITHDRAWAL IN 1 YEAR AND WILL OPPOSE VARIOUS POINTS IN THE ISRAELI PLAN. AN ARGUMENT IS EXPECTED ALSO ABOUT THE QUESTION OF THE FUTURE OF THE MILITARY INSTALLATIONS ERECTED BY ISRAEL IN THE SINAI.

BEGIN WILL APPARENTLY EXPRESS READINESS THAT THE MATTER OF THE INDEPENDENT ADMINISTRATION IN JUDAEA AND SAMARIA WILL BE REEXAMINED AFTER A CERTAIN PERIOD. THE ARGUMENT BETWEEN ISRAEL AND EGYPT ON THIS MATTER IS CONNECTED TO THE FORM OF ADMINISTRATION. THE EGYPTIANS DEMAND AN INDEPENDENT GOVERNMENT AND ISRAEL DEMANDS THAT EGYPT SETTLE FOR AN INDEPENDENT ADMINISTRATION. EGYPT DEMANDS THE EVACUATION OF THE IDF FORCE AND ISRAEL WILL NOT CONSENT TO THAT.

25 DEC 1520Z MLD/HMC

THE WHITE HOUSE  
WASHINGTON

December 27, 1977

Jim Fallows

The attached is forwarded to you for your information. The signed original has been given to Stripping for mailing.

Rick Hutcheson

cc: Stripping

RE: GAINING BUSINESS CONFIDENCE -- LETTER  
FROM EMRYS ROSS

THE WHITE HOUSE  
WASHINGTON

rick--

please have extra  
copy made and sent  
with letter to stripping  
desk/central files.....

thanks -- susan

THE WHITE HOUSE  
WASHINGTON

cc Follows  
send out letter

THE WHITE HOUSE

WASHINGTON

12-26-77

To Emrys Ross -

Thanks for your good  
words & advice. I'll  
use both -

Jimmy O.

ROSS, WOODSON, MILLARD & WOOLVERTON

ATTORNEYS AT LAW

FOURTH FLOOR LLOYDS BANK BUILDING

595 EAST COLORADO BOULEVARD

PASADENA, CALIFORNIA 91101

F. G. CRUICKSHANK 1880-1957  
LLOYD W. BROOKE 1886-1949  
ROBERT H. DUNLAP 1896-1969

EMRYS J. ROSS  
KENNETH A. MILLARD  
LONNIE E. WOOLVERTON  
LYLE R. RANDOLPH  
ROBERT J. JACKSON  
DALE R. PETERSON  
ALBERT G. WIEMANS

December 13, 1977

*Pres. Carter -  
For some reason  
I just want attention  
to people from California  
responsibility -  
90m*

OF COUNSEL  
MARGARET WOODSON

AREA CODE 213  
PASADENA 793-5104  
LOS ANGELES 681-9329

*Jim Fallows -  
Good language  
J*

Charles H. Kirbo, Esq.  
King & Spalding  
2500 Trust Company Tower  
Atlanta, Georgia 30303

Dear Mr. Kirbo:

I am enclosing herewith a letter addressed to President Carter. I would have sent it to him at the White House if I thought it would come to his personal attention. If you feel that my letter has merit, I would be appreciative if you would forward it to the President in such manner as you choose.

Although I am not a Democrat, I am most anxious that President Carter's administration be successful. If it is not, I have genuine fears for the future of our country.

I also believe that it is desirable for the President to receive some input from American citizens who have no axe to grind and no personal involvement with politics.

In the matter of economics, it is clear to me that President Carter's principal need is to gain the confidence of the business community which includes not only the heads of major companies but also the multitude of savers and investors among our citizens. At the same time it seems equally clear to me that he and his administration are not saying and doing the few simple things which would earn that confidence. That is the purpose of my letter.

Sincerely yours,

*Emrys J. Ross*  
Emrys J. Ross

EJR/jl

Enclosure

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ROSS, WOODSON, MILLARD & WOOLVERTON

ATTORNEYS AT LAW

FOURTH FLOOR LLOYDS BANK BUILDING

595 EAST COLORADO BOULEVARD

PASADENA, CALIFORNIA 91101

F. G. CRUICKSHANK 1880-1957  
LLOYD W. BROOKE 1886-1949  
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EMRYS J. ROSS  
KENNETH A. MILLARD  
LONNIE E. WOOLVERTON  
LYLE R. RANDOLPH  
ROBERT J. JACKSON  
DALE R. PETERSON  
ALBERT G. WIEMANS

December 13, 1977

*I'd like to pay you a few of these times in occasion.*

OF COUNSEL  
MARGARET WOODSON

AREA CODE 213  
PASADENA 793-5104  
LOS ANGELES 681-9329

PERSONAL

Honorable Jimmy Carter  
President of the United States  
1600 Pennsylvania Avenue  
Washington, D. C. 20500

Dear Mr. President:

I am writing this letter as a person who is sympathetic to your efforts to solve some of the great problems of our beloved country, and I have marked it "personal" in the hope that it may somehow come to your personal attention.

You and your economic advisors know that you have not yet gained the confidence of the business men of this country who must provide the jobs America needs or of the multitude of thrifty savers and investors who must provide the capital which American business needs. This should be no mystery. If the President of the United States will not speak out strongly for our free enterprise system, then that system must be in serious trouble.

As business men yourselves, you and Mr. Blumenthal and Mr. Schultz surely know the words the "business community" wants to hear from your lips and the political and economic prize which awaits you and your administration if you can bring yourself to utter them with sincerity, belief, conviction and persuasion. They run something like this, if I may be so presumptive:

"My fellow Americans:

"In our efforts to protect the handicapped and the poor and needy of our country, we must never lose sight of the fact that it is our free enterprise system which makes everything possible. It is private business, and not government, which must, and does, employ the great bulk of our people. This system is the envy of the world and we must not, through intention or neglect, allow it to wither and fail for, if we do, we shall all fail along with it.

December 13, 1977

"For a number of years, the profit return of American business in relation to invested capital has been shrinking. This process must be reversed, and I intend to do what I can in this direction.

"For a number of years, the investment return to American savers and investors who provide the necessary venture capital to keep our system going has been shrinking. This process also must be reversed, and I intend to do what I can in this direction.

"As Americans, we cannot allow ourselves to think that those who work are one class and those who save and invest, or those who manage our business enterprises, are another class and that these classes are opposed. We are all in this together and we will swim or sink together.

"Over the years, we have given much thought and attention to the problems of those of our people who are in want and in need, and we shall continue to do so. At the same time, we simply must give thought and attention to the needs of our private free enterprise system, upon which we all rely and without which we will not continue to enjoy the high standard of living we have enjoyed. That system needs capital and reasonable profits. And the savers and investors who provide that capital must have reasonable returns or they will not take the risks of investment.

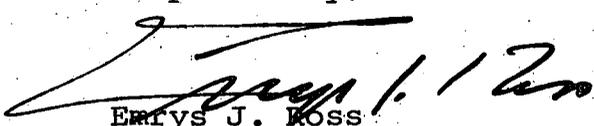
"We have assumed that our vaunted economic system was strong enough to thrive in the face of all adversity but we are finding that this is not so. Just as our people have needs, our economic system has needs and these needs can only be neglected at our peril.

"In preparing and presenting the tax programs and other programs of this administration, we fully intend to recognize and encourage the incentives which business men and investors must have to keep our economy healthy so that it can provide the increasing number of jobs which Americans need.

"Thank you."

My dear President, these words should come easily to you as a business man, and the results could be wondrous to behold. And, of course, deeds will be even more effective than the words. In fact, the deeds are absolutely essential if the words are to be accepted and believed.

Respectfully,

  
Emrys J. Koss

THE WHITE HOUSE  
WASHINGTON

December 27, 1977

Zbig Brzezinski

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

Rick Hutcheson

RE: PEACE CORPS

THE WHITE HOUSE  
WASHINGTON

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OFFICE OF  
THE DIRECTOR

**ACTION**  
WASHINGTON, D.C. 20525

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info  
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December 20, 1977

**Electrostatic Copy Made  
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The President  
The White House

Dear Mr. President:

In preparation for your trip to India, I wanted you to have some information related to your likely discussions on Peace Corps with Prime Minister Morarji Desai.

Mary King was presented with a highly specific proposal by the Secretary of Health in Delhi two weeks ago which asked for Peace Corps Volunteers to carry out seven functions within the overall rural health program of the Ministry of Health. This program is now in the process of training 700,000 village-based community health assistants, and has started with the first group of 15,000. The proposal is feasible and practical, and one in which Peace Corps has considerable experience elsewhere.

In the event that Prime Minister Desai mentions this specific proposal, formal agreement to which has been held pending your discussions, I wanted you to be explicitly aware of the terms which Mary established with the Secretary.

The Ministry asked for 300 - 500 volunteers in the initial program. Without saying no, Mary indicated that any program developed subsequent to your discussions should be cautiously developed, starting small, to be carefully phased on an incremental basis, monitored to make sure that it meets the needs of the Indian Government, and not national in scope in the beginning; in other words, we would start in states which the Government would select according to their own criteria of need or receptivity.

Should you agree in your meeting with Desai to reentry of Peace Corps, I would appreciate your reinforcing these stipulations. A large part of Peace Corps' difficulties in India in the past have stemmed from size; there were 1,328 volunteers there at one point in 1967. While starting too small mitigates impact, we believe 100 volunteers would probably be the best and most realistic starting point for a high quality program in the health sector. For his part, Prime Minister Desai had expressed two stipulations to Ambassador Goheen; that Peace Corps Volunteers be trained in local languages and be willing to work at the village level. These two concerns are of course completely compatible with our basic human needs approach.

An additional element of which you should be aware is that any agreements you make concerning India are not included in the FY '79 Peace Corps budget under the terms we have accepted. I have discussed the possibility of this outcome of your trip to India with the Office of Management and Budget. They indicate that two million dollars (\$2.0 million) has been set aside in your discretionary fund for use by Peace Corps, if you so wish, and that this is the money which would be used if Peace Corps re-enters India. I felt it important that you be personally aware that a commitment to Desai is in effect an obligation of some of your discretionary funds.

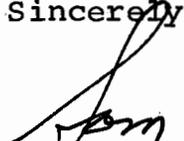
In a somewhat related matter, thank you for your assistance in providing a personal letter from you to President Ziaur Rahman of Bangladesh. Mary delivered it on the same trip in the course of negotiating reentry of Peace Corps into that country. (Peace Corps left in 1970, when the independence struggle endangered the safety of Volunteers.)

Although she found favorable reaction from all government ministers with whom she met, I did want to advise you that programming -- within the framework of our new emphasis on high quality programming and training -- will be difficult. Because of the government's apparent disorganization and inability to penetrate the rural areas, there

is no ready-made starting point for Peace Corps programming and little promise of significant host government support other than moral support. However, dozens upon dozens of private voluntary organizations and foreign assistance agencies have been aiding relief efforts for the past few years. We will, therefore, carefully analyze needs where we can effectively achieve results, and draw on the experience of these other volunteer-sending organizations.

With best personal wishes for a Merry Christmas and Happy New Year.

Sincerely,



Sam Brown

THE PRESIDENT HAS SEEN.

THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

e  
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EYES ONLY

December 27, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: Charlie Schultze <sup>CLS</sup>

SUBJECT: November Trade Deficit

Tomorrow morning at 10:00 a.m. the Department of Commerce will release the November estimates of merchandise exports and imports. The trade deficit went from a record \$3.1 billion in October to \$2.1 billion in November. Both months were significantly affected by the dock strike. The decline is, of course, welcome, but we can't tell much from it.

Exports rose slightly, due mainly to a rise in agricultural exports (which were not affected by the strike). Imports fell by \$900 million mainly due to lower imports of various kinds of manufactured goods (which were affected by the strike). Petroleum imports were virtually unchanged from October to November.

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for Preservation Purposes**

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

December 27, 1977

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
DAVID RUBENSTEIN *D.R.*  
SUBJECT: Year-end interview show

Attached are possible questions and suggested answers for tomorrow's year-end interview show. We have reviewed the suggested answers with Jody, Frank's staff and the Vice President's staff.

Also attached are possible economic questions and answers prepared by Charlie Schultze.

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## ACCOMPLISHMENTS

Q: What do you see as your Administration's major accomplishments in its first year?

A: -- I think there have been significant accomplishments in both the domestic and international areas. We have consciously tried to develop solutions, or propose frameworks from which solutions could be developed, for some of the most serious national and world problems. We did so not because of a conviction that we could solve all of these problems in a 12-month span, but rather because we believed the prospects of satisfactory solutions would be quickly diminished if efforts were not made at the beginning of the Administration.

-- In some areas, of course, we have already been successful in reaching a solution; in others, we have made considerable progress toward a solution.

-- International

o Human Rights -- strengthened nation's human rights policy, letting it be known clearly that the U.S. stands with the victims of repression; by so doing, we have almost completely changed the perception of this country held by foreign nations.

o Middle East -- have emphasized the importance of a comprehensive settlement negotiated directly by the affected nations; process begun by this emphasis has led to Sadat-Begin meetings and the real prospects of a settlement.

o Panama Canal -- completed 14-year negotiations (under 4 Presidents) and signed Treaties to gradually transfer responsibility for the operation and defense of a neutral canal to Panama, while giving U.S. permanent right to defend Canal's neutrality; led to changed view of U.S. by Latin-American countries.

o Africa -- restored good relations with black African states of all political leanings.

o SALT -- removed stalemate in negotiations; working on comprehensive settlement consisting of a Treaty through 1985, 3-year Protocol, and a Statement of Principles to guide SALT III negotiations.

o CTB -- began negotiations on a treaty banning all nuclear explosions.

-- Domestic

o Economic Stimulus -- proposed and signed into law a \$21 billion stimulus package (\$4 billion public works, \$5 billion in tax reductions; 425,000 expansion in public service (CETA) jobs; 200,000 youth employment program); the effects of the package have already been felt and have been partly responsible for:

- unemployment down from 8% to 6.9%
- employment up to 92 million (from 88 million) -- largest in history
- housing starts increased 27% (over last 12 months) to an annual level of 2 million units

- corporate dividends up 18%
- consumer savings up 14%

o Social Security -- proposed and signed into law a comprehensive solution to the serious financial problems of the system.

o Energy -- created Department of Energy, combining 11 different entities; proposed nation's first comprehensive national energy plan; although Congress has not yet passed the Plan, considerable progress has been made (conferees have agreed to 3 of the 5 parts), and prospects are very good for final action within first months of Congress' return; country is looking to this Congress and world is looking to this country to solve a problem costing us \$45 billion for foreign oil annually, with prospects for higher costs unless Plan is soon passed.

o Government Reform

- begun reorganization process
- reduced White House staff by 28%
- eliminated (or proposed to Congress the elimination of) more than 40% of the 1,200 advisory committees
- reduced paperwork burden in private sector by 10% thus far
- eliminated 1,100 unneeded regulations of OSHA

o Eased Financial Burdens on the Poor and Middle Class

- Food stamp reform -- eliminated purchase requirement, making stamps available to 2.2 million additional Americans.
- Minimum Wage -- signed bill to enable lowest paid workers to recover, and keep pace with, inflation -- from \$2.30 to \$2.65 on 1/1/78.
- Farm Bill -- signed bill to provide income security to nation's farmers over next 4 years; will provide them with \$6 billion annually.

o Ethics in Government -- made real strides in opening up government and bringing improved ethical standards to government:

- the most complete financial disclosures by Cabinet officers in history;
- signed a tough corporate bribery bill;
- worked with the Congress to pass anti-boycott laws which will end blackmail of American businesses;
- and moving toward passage of reform of our lobby laws.

o Environment (strongest record of any Administration)

- major stripmining legislation
- amendments to Clean Air Act setting mobile and stationary standards to 1983
- amendments to Clean Water Act strengthening water pollution standards

-- Congress, in cooperation with the Executive Branch, has been able to break deadlocks on many of these bills which have existed for years.

## BALANCED BUDGET

Q: One of your major goals has been to balance the budget by Fiscal Year 1981. In light of the fact that you will apparently be proposing a deficit in the FY '79 budget of about \$60 billion, do you still really believe you can overcome that large a deficit in the next three years and balance the budget by the end of your term?

A: -- I have never thought balancing the budget would be easy -- it has not been balanced since 1969, and I inherited a \$68 billion deficit. It is possible to get the budget in approximate balance by 1981 but will be very difficult.

-- That will be possible, however, only if, while holding the line on inflation, we can stimulate the economy sufficiently over the next three years to produce the tax revenues needed to reach a rough balance. We can begin to bring down the level of government expenditure as a percentage of the nation's revenue and we will propose a budget next year to do so. So we will control government expenditures. We now need a healthy economy to take care of the revenue side of the equation.

-- We have made a start in that direction with the \$21 billion stimulus package enacted this year, the effects of which will be fully felt early next year. We will continue to sustain the recovery by proposing a substantial tax cut for individuals and businesses, measures designed to restrain the rate of inflation, and programs designed to create additional jobs, particularly in the private sector.

## CONGRESSIONAL RELATIONS

Q: Your Administration was frequently criticized this past year for its poor relations with Congress. It was said that you and your staff initially regarded Congress as simply a larger version of the Georgia State Legislature. How valid was this criticism of your Congressional relations, and what changes, if any, do you plan to make next year in your relations with Congress?

A: -- Not having served in Washington before, I obviously started from a different point than most other recent Presidents. This first year has been one in which the Congress and I have learned a great deal about one another. I have enjoyed an excellent working relationship with the leadership in both the House and the Senate and with the other Members of Congress. They have been an invaluable guide to me this past year. I meet with the Congressional leadership for weekly breakfasts and meet and talk with a great many Congressmen everyday.

-- In the process of getting to know each other, we have put together an impressive legislative record. This is a record which indicates that Congress has been neither a rubber stamp nor an obstacle to progress. ~~Not~~ have we been uninfluential or uncooperative in our approach. There must be a give and take on both sides -- and there has been.

--While my Administration's relationship with Congress has been good, obviously we will not agree completely on everything. Our Founding Fathers intended Congress and the Executive Branch to balance each other off. These institutional checks and balances operate even when the same political party controls Congress and the Presidency. In fact, even within Congress there are differences of opinion as to the best approach to take. The differences in opinion have occurred this year just as they did during President Kennedy's first year in office, when both Congress and the White House were also Democratic.

--Moreover, as President I have chosen a course of being willing to take on the tough problems that have gone unaddressed for too long in this country -- unemployment, energy, social security, welfare. By taking this approach there are obviously going to be difficult decisions. Many special interests will attempt to oppose our initiatives. But while these comprehensive initiatives may create some short term conflict, I believe that the record of accomplishments we already have indicates that the country will be the better for this approach. For the first time in years, both Congress and

the Administration are working together to find common solutions to these difficult problems. It is worth the short-term difficulties to find the long term answers.

## DIRECTION OF THE ADMINISTRATION

- Q: There are some who say that you have given no clear direction to the people about how you would like to lead the country. Where do you want this country to be at the end of your first term in office? What do you think this country should stand for and what are your goals for this period?
- A: -- The problems we face in the last quarter of the twentieth century cut across ideological lines and old labels. Old doctrinaire approaches do not seem to fit these new problems. For example, there has rarely been a time in our history when we have had both high inflation and high unemployment, and we must seek ways of reducing both simultaneously. Also, the problems of this decade -- like the energy problem -- do not fit into neat conservative or liberal categories. During my first year in office, I have tried to take the best of both liberal and conservative philosophies to meet these new challenges. We must be willing to try new things.
- I have attempted in this first year to directly attack problems that have been left to drift in the last 8 years. We cannot afford to let our unemployment problems, our urban problems, our welfare problems continue to drift. If we do, we will lose the ability to deal with them or they will only be dealt with at much greater cost and sacrifices. So I want to see a country which continues to have the boldness and courage to face

up to its problems, to recognize that there are no longer any easy answers, to recognize that there are limits to our resources and to our ability to solve long-term problems by one-step, crash programs.

-- I would like to see this country attempt a mature approach to the problems we will be facing over the balance of this century, an approach which permits new ideas and which recognizes the limits on our ability to solve all problems.

-- We have made a good beginning this year. Congress and the Executive Branch have faced up to the bankruptcy of the social security system and have saved the system; we are jointly facing up to our energy problems, and I am convinced we will shortly have a bill which will make a giant first step toward solving that problem.

-- This is a record to build on. Every major program we have proposed to Congress this year has come as the result of the fact that there is a major problem that needs to be dealt with. We have proposed many solutions precisely because there have been so many unaddressed national needs.

## DOING TOO MUCH

Q: A frequent criticism of your first year is that you tried to do too much -- you sent much more legislation to Congress than it could handle and did not always make clear to Congress, and the public, which of those pieces of legislation were your highest priorities. How valid is that criticism and do you plan any changes next year?

A: -- I think that our priorities for this year were clear and that we are well on the road to achieving them -- passage of our economic stimulus package, obtaining and utilizing our reorganization authority, saving the social security system from bankruptcy and creating a new Energy Department and giving it a comprehensive energy plan to administer.

-- We did send a great deal of legislation to Congress this year, but I think all of it was necessary. If I had the year to do over again, I doubt that I would change my mind about sending any of that legislation to Congress.

o In looking at the legislation we proposed, several points should be kept in mind:

-- Over the past several years, a number of major national problems---like energy, social security, welfare reform---had largely been ignored. If the necessary changes were to occur on these problems, action had to be taken early in the Administration.

-- The new Congressional Budget process required us to get nearly all our legislation to

Congress by March 15, which forced us to bunch together many of our major proposals and thereby gave the impression of overloading.

-- Our record in proposing legislation was roughly equivalent to other recent Administrations in their first years. We sent to Congress, for instance, only a few more Messages this year than President Kennedy or Johnson did in their first years.

-- Much of the legislation we proposed was not intended to be passed this year, but rather to enable Congress to get an early start toward passage of a bill next year. (Examples: welfare reform, undocumented aliens) These were sent at the request of Congressional leaders so they could have a lengthy hearing process.

o Perhaps the best indicator of the fact that we did not send too much legislation to Congress is its record in passing the legislation. As the Speaker has said, this session of Congress was more productive than any session since the beginning of the Roosevelt Administration. Among the major bills passed were:

- Economic Stimulus
- Social Security
- Food Stamp Reform

- Minimum Wage
- Department of Energy
- Farm Bill
- Clean Air/Clean Water
- Strip Mining

-- Next year, I do not think the pace will slacken very much, for the session will be shorter, there are a number of items remaining from this session (energy, Panama Canal, Humphrey-Hawkins, hospital cost containment, airline deregulation, nuclear non-proliferation, consumer agency, welfare reform and lobby reform), and there will be a number of new items (economic stimulus, civil service reform, civil rights reorganization, urban policy, national health insurance).

o The work on next year's planning is already underway. The Vice President is coordinating, in cooperation with the Congress and Congressional leaders, the preparation of the legislative agenda, including priorities in timing for initiatives next year. When I return I will be making final decisions on that agenda.

## ENERGY

Q: Although you made energy your highest domestic priority for this past year, Congress has still not passed your National Energy Plan. In the view of many observers, the conferees are hopelessly deadlocked over the natural gas pricing issue, and as a result there may not be a bill next year. (a) Do you regret emphasizing such a difficult issue in your first year? (b) Do you see Congress' inability to pass a bill as a failure of your Administration? (c) What do you plan to do next year to ensure passage of a satisfactory energy bill?

A: -- (a) In no sense do I regret having emphasized this year the importance of passing a sound energy bill.

o Energy is the most complex and most difficult domestic issue now facing this country. Unless we face up to the energy problem in the very near future, our ability to defend ourselves will be seriously weakened, our economy will decline severely (unemployment and inflation will increase), and our leadership role in the world will be widely questioned.

o I did not think in April, and I still do not think, that we can afford to continue along our present energy road -- \$45 billion of foreign oil purchases this year, with prospects for a larger bill next year unless a strong energy bill is passed. Postponing action on our energy problem until my second or third year in office may have kept my popularity at its peak during 1977, but it would not have brought us any closer to a solution for this extremely difficult problem.

o Although an energy bill has not yet passed, significant progress toward passage has been made. The public has had the opportunity to educate itself about energy this year; as a result, the polls show the public overwhelmingly recognizes the seriousness of the energy problem and is highly supportive of measures such as those in the National Energy Plan.

-- (b) I would, of course, have preferred that Congress pass a sound energy bill this year, so that its beneficial effects could be felt much earlier next year. I do not believe, though, that the failure of Congress to pass a bill is a failure of my Administration. During the past year, the Administration and Congress have made enormous progress toward passage of a bill:

o The opinion polls show clearly that the country has awakened to the energy crisis for the first time since the Arab boycott.

o The House passed the National Energy Plan virtually intact.

o The conference committee, while taking longer than I might like, has made great strides towards passage of a sound bill:

- Agreements have been reached on 3 of the bill's 5 parts, and agreement appears close on the other 2 parts (energy taxes and natural gas). I hope that a final conference report can be agreed to early next year and that legislation can be

enacted before the new session of Congress devotes much attention to any other matter.

o Whether the energy bill passes in December, or January or February, is really an inappropriate way to measure my Administration's success or failure on energy. What is important is the nature of the bill that ultimately passes, and I think a strong bill will be passed early next session.

-- (c) I do not have any present plans to change the legislative strategy we have been using to date -- letting the conferees fully discuss the issue and reach the necessary accommodations without active Administration involvement. That strategy has allowed the Congress a full opportunity to work its will. My only regret is that the process of passing a sound energy bill has not yet been completed.

-- When I return from my trip, and talk with the leaders of the conference committee, I will determine whether a different tact is appropriate to move the committee along.

(Note: You probably do not want to mention on this show the options available for a different legislative approach, but they would include (i) becoming actively involved in seeking a natural gas compromise (perhaps even proposing an Administration compromise); (ii) not sending the tax legislation to Congress until at least a conference agreement has been reached; (iii) begin taking additional administrative measures to reach the goals of the NEP.)

## NEXT YEAR

Q: What do you hope to accomplish next year, in the international and domestic areas?

A: -- My three top priorities next year are: First, passage of a sound energy bill, which is fiscally and budgetarily sound, protects the consumer and makes important steps toward achieving the goals in our national energy plan; second, continuing the economic recovery by a comprehensive economic package of tax reform, significant family and business tax cuts, and anti-inflation programs, and new employment programs aimed at our hard-core unemployed; third, maintaining our national security and broadening the search for peace by: continuing to assist in working toward peace in the Middle East; searching for areas of agreement with the Soviet Union, while standing ready to compete with them where such agreements cannot be achieved; working toward reducing the proliferation of nuclear weapons and the growing levels of nuclear arms while maintaining a strong America; and ratifying the Panama Canal Treaties, which will protect the national security and commercial interests of the United States and deal fairly with the legitimate interests of the Panamanians.

Note: If you are asked for additional agenda items for next year, we suggest the following:

- o Continued Paperwork Reduction/Reorganization
- o Hospital Cost Containment
- o Nuclear Non-Proliferation Legislation
- o Welfare Reform
- o Labor Law Reform
- o Consumer Agency
- o Airline Deregulation
- o Lobby Reform
- o Civil Service Reform
- o Civil Rights Reorganization
- o Urban policy (passage of at least the major employment parts)

## Q &amp; A's for the President's Year-End Press Conference

Question

Did the economy perform during the past year as you had expected? What were the major accomplishments of 1977? What were the major disappointments?

Answer

This past year has been a relatively good one for the American economy and the American people. We have made substantial progress in reducing unemployment and increasing the real incomes of our citizens. And the benefits have been widely shared.

- o Nearly 4 million new jobs were created during the course of 1977.
- o The unemployment rate has fallen from 8 percent in November 1976 to just under 7 percent currently.
- o After-tax income (adjusted for inflation) per person is about 4 percent higher now than was a year ago.
- o Business profits after taxes up in the third quarter of 1977 were 10 percent above a year earlier.

Several aspects of our economic performance in 1977 have been disappointing, however.

- o Unemployment among blacks has not improved. The unemployment rate for blacks and other minorities is still nearly 14 percent -- and higher than a year ago.
- o Inflation continues to be an intractable problem. Consumer prices have risen more moderately since mid year than they did in the first half of 1977, but they are still more than 6-1/2 percent above a year ago.

- o Our foreign trade position continues to exert a heavy drag on the growth of our domestic economy.
  - Oil imports continue to increase strongly, and we ~~as~~ do not as yet have an effective national energy program that offers promise of reducing our dependence on foreign sources of energy.
  - Demands for our exports are not expanding, largely as a consequence of the very sluggish pace of economic recovery among most of our major trading partners.

The performance of our economy in 1977 has been much better than that of almost any major country in the world. By maintaining a strong recovery of our economy, we have improved the economic well-being of our own people and at the same time have helped to keep the economies of the Western world from sliding into deeper trouble. I think we can be justifiably proud of those accomplishments.

Question

What are your hopes and expectations for the economy in 1978? Can you give the American people assurance that the coming year will be an economically prosperous one?

Answer

I am confident that 1978 will be another good year for the U. S. economy.

- o The recovery that began in the spring of 1975 is now almost 3 years old. But it shows none of the signs of weakness that are the typical precursors of a slower rate of economic expansion.
- o During the summer and early fall months, some slowdown did occur in the rate of growth of employment and production. Over the past several months, however, a number of the major economic indicators have been moving up more strongly. Consumer spending has been particularly vigorous in recent months -- most retailers appear to have enjoyed good Christmas sales.

This recent improvement in economic performance suggests that business activity will be moving ahead at a brisk pace in the early months of 1978, and that we should see unemployment beginning to decline relatively soon -- after staying on a plateau at close to 7 percent since last April.

The recommendations for tax reform and reduction that I will make in my fiscal 1979 Budget will, I believe, help keep the economy moving up later next year and through 1979.

- o They will ensure consumers of a boost to their after-tax incomes in the latter part of 1978.
- o They will also indicate to businesses that my Administration recognizes the importance of a stepped

up pace of capital formation, and of the need to provide businesses with the incentives to enlarge their investment expenditures.

I hope we will be able to make some progress in 1978 in bringing down the rate of inflation, also, but we must recognize that this will be a difficult task. Two factors will be working in our favor next year.

- o The OPEC countries have agreed to maintain the present price of OPEC oil for awhile, and I am hopeful that there will be no increase at any time next year. This will help to moderate the rise of energy prices in 1978.
- o Stocks of major grain crops are very ample, and if we are fortunate enough to enjoy favorable weather conditions, this will hold down the rise of food prices in 1978.

12/27/77

Question

What is behind our huge trade deficit this year? Are our products becoming less competitive in world markets?

Answer

Our trade deficit grew to about \$30 billion this year from \$9 billion in 1976. About half of the increase is accounted for by a \$10 billion increase in oil imports, which will reach \$45 billion for 1977. I believe that a key to reducing the trade deficit is the enactment as soon as possible of an effective energy program.

The other half of the rise in our deficit occurred because growth in the United States was strong while foreign economies were sluggish. As a result, increased demand for imports in the United States was not matched by growth of demand abroad for U.S. exports.

U.S. products are not becoming less competitive. Our performance in reducing inflation is not as good as in a few other countries, but it is better than in most. U.S. exporters have been able to stay generally competitive. But economic growth has been sluggish abroad, and this has affected their abilities to sell.

Question: Do you think that the dollar has fallen too far in exchange markets? Should we understand from your statement last week that your administration will now take stronger action to keep the dollar's value from falling?

ANSWER:

There is nothing unsound about the dollar or about the U.S. economy. Our rising oil imports are one reason for the dollar's value, and we are working to reduce our dependence on foreign oil. Slow economic growth in our foreign markets is a second reason, and I hope that the economic outlook for our trading partners also will improve soon.

The United States has in recent years pursued a policy of allowing markets to assess the value of different currencies. This policy remains in the long-run best interests of our country. From time to time, however, conditions in the foreign exchange markets are disorderly because of uncertainties or "thin" markets. We have been in consultation with our partners, and remain prepared to step in to restore order to exchange markets.

THE WHITE HOUSE  
WASHINGTON

December 27, 1977

Rex Granum

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

Rick Hutcheson

cc: Stu Eizenstat

RE: FARM MEETING

THE WHITE HOUSE  
WASHINGTON.

cc Rep

info SE

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for Preservation Purposes

THE WHITE HOUSE  
WASHINGTON  
December 24, 1977

*Rex.  
You followed  
up on Bob  
J*

MEMORANDUM TO THE PRESIDENT

FROM: Rex Granum *Rex*  
SUBJECT: Farm meeting

You asked to be reminded of points made by the farmer representatives in your meeting with them, and promised them that Secretary Bergland will have looked into them by the time of his early January meeting with state leaders of the strike.

The points are:

1. Truck shipment of vegetables from Mexico to South Florida for sale at below cost, and allegations that shipments are a front for drug smuggling.

There was the additional point that these below cost sales may be aimed at driving out competition.

2. Questions raised about large portions of farm land being purchased by investors from foreign countries.
3. Statement that the nation's four top problems are unemployment, a sagging economy, a rising national debt and trade deficit, and that profitable agricultural times would have a greater effect on lessening those problems than any other industry or business.
4. Almost no Small Business Administration farm loans had been forthcoming from the Birmingham office, and the statement that one farmer had to take his banker and attorney to the Birmingham SBA office last week in order to try to gain such a loan.

There were statements that, in general, a good portion of the farm loans that are going out are going to those farmers who could get by without them, while the more deserving are not making application.

5. The statement that Arizona farmers have been trying to gain information on SBA loans, but cannot.

THE WHITE HOUSE  
WASHINGTON

December 27, 1977

Zbig Brzezinski

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

Rick Hutcheson

RE: LIBYA

THE WHITE HOUSE  
WASHINGTON

cc ZB

To. Pres. center

3679 -  
info  
J

283 Argonne Avenue  
Long Beach, CA 90803

**Electrostatic Copy Made  
for Preservation Purposes**

December 17, 1977

*I don't recall this  
guy. I wonder if there  
is any merit in it*

Mr. Charles Kirbo  
Suite 2500  
Trust Company Tower  
Atlanta, Georgia

Dear Mr. Kirbo:

Your Atlanta address was given to me in Washington last October while I was visiting there.

I am writing you because most of the specialists with whom I worked in Washington during World War II are no longer there. After the War, I worked in the USIA(S) and A. I. D. One friend made four trips to Pakistan year before last with A. I. D. He is now in Afghanistan!

Would you be kind enough to let me know the name of the person who is in charge of the Libya "Desk" or else to send these thoughts to him if you think they are worth sending.

We hope and pray for the success of the present conference in Cairo. The absence of the possibility of a home land for the Palistinians seems to be the chief obstacle to the willingness of certain of the Arab countries even to attend the conference.

Libya is a country the area of which is twice the size of California with one third of the population of Los Angeles County! You probably know this but I know a Congressman or two who were not that aware of the geography of Libya.

A look at the map of North Africa gives the impression that most of Libya is desert, but there is water there. Hydrographers in whom I have confidence point out that the same water belt found underground in Egypt extends well into Libya. After all we do know that Libya at one time served as the granary of the Roman Empire. Muammar Kaddafi understands full well the economic and military importance of increasing the population of Eastern Libya.

Would Palistinian refugees be the slightest bit interested in moving to Libya? Would they be welcomed in Libya? If a comparatively small area

ck.

of Eastern Libya, exclusive of Benghazi and inclusive of Tobruq, could be set aside for development by Palistinians both Libya and the Palistinians would be benefited. There would be a Mediterranean outlet which certainly would not exist on the West Bank.

Of course the fact that C90 (Chapter 90) of the Koran entitled "Lands" (or "Territories," (according to the translation preferred) calls for consideration of and help for fellow Muslims. If a carefully arranged approach by other Muslims can be made, Kaddafi might have a chance to test his orthodoxy!

Palestinian refugees have moved to Libya since the time of King Idris, who came to have great trust and confidence in a refugee named Mirwan Afifi who was used as an Arabic-English translator. Another group of Palistinians of uncertain size would undoubtedly feel very much at home among the Senussi (Sanusi).

Perhaps I can make some additions to these comments later.

May I hear from you?

Sincerely,

*Wallace H. Moore*

Wallace H. Moore

*PA, Merry Christmas and a  
joyful New Year.*

THE WHITE HOUSE  
WASHINGTON

December 27, 1977

Bob Lipshutz

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

Rick Hutcheson

RE: SALE OF SURPLUS PEANUT OIL

THE WHITE HOUSE  
WASHINGTON

to Lipscomb +  
copy of top page



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for Preservation Purposes

DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

December 9, 1977

Mr. Charles Kirbo  
Atlanta, Georgia

Dear Charlie:

On November 2, 1977, 78 million pounds of peanut oil were sold to Camilla Cotton Oil at \$.20251 per pound.

Paperwork to date shows 1,544,600 pounds delivered to Camilla. Paperwork is not reflective of actual deliveries to date, because of about a two week administrative lag. However, loading orders have been issued by Kansas City Commodity Office to all storing houses. The loading orders have a stop-storage date of December 2, 1977, for account of CCC. Purchaser will pay storage from stop-storage date to date of actual delivery. Final date for delivery is January 31, 1978.

Purchaser has 90 days from date of actual delivery to utilize oil domestically.

Purchaser has 120 days from date of actual delivery to submit documents showing proof of domestic utilization. It should be noted that subsequent purchases have been granted extensions for various acceptable reasons.

If purchaser takes delivery on January 31, 1978, the date for submission of proof of domestic utilization documents would be due on about May 31, 1978.

CCC received a wire transfer of funds in the amount of \$15,795,780.00 from the C and S National Bank of Atlanta on November 3, 1977, one day after date of contract.

Enclosed you will find some information concerning the sale.

Sincerely yours,

P. R. "Bobby" Smith

Enclosure

*P.S. If you need anything else just give me a call*

*To Bob Lipschutz.*

*This may be a problem. Coincidentally, the head of PepsiCo told me that they had bought all of surplus oil stock.*

*JC*

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

December 27, 1977

MEETING WITH SENATOR SAM NUNN

Tuesday, December 27, 1977

12:00 noon (30 minutes)

The Oval Office

From: Frank Moore

I. PURPOSE

To discuss SALT.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: The Senator requested this meeting.

B. Participants: The President  
Senator Sam Nunn

C. Press Plan: White House Photo

III. TALKING POINTS

Sam Nunn strongly feels that you need to touch base with several Senators on SALT before you leave on your foreign trip. He has some suggestions regarding talking points and the Senators you should talk to.

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for Preservation Purposes**

12-27/77

THE WHITE HOUSE  
WASHINGTON

*R*

*Ros-*

*You may wish  
to drop her a  
note*

RECEIVED

DEC 27 1977

SOCIAL FILES

*J*

*Mr. did we send  
Christmas card?  
If so, discard;  
don't write.  
R*

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for Preservation Purposes**

'We'll be here as long as the President wants us to stay'

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Mrs. Elkin Alston gets to work in the garden of the American Embassy.

# Ambassador's job a family 'two-fer'

Mrs. Elkin Alston, speaking in Canberra this week, described her husband's appointment as American Ambassador to Australia as a "two-fer"

This term, she explained, translates roughly as "two for the price of one" — or, in this case, a job which she is sharing with her husband, Mr. Phillip Alston.

The Alstons have already travelled extensively in Australia since their arrival in Canberra in May.

Mrs. Alston finds the country fascinating and intends to return to some of the places visited officially to "have a walk around and really get to know places".

She especially hopes to see Ayers Rock and the Ord River Valley area, and to return to the Great Barrier Reef.

Has anything about Australia surprised her?

Yes, something has. "I find it very male chauvinist," she said, and added that she wasn't a Women's Libber.

When asked in what way she found male chauvinism especially obvious in Australia, she said:

"Well, in almost every way, really."

Compared with her own country, Elkin Alston is not finding as many women as she had anticipated in top jobs, for instance.

"Australian women are educated and they're capable. And I think it's too bad they can't really achieve their potential.

"The clubs are funny to me, because they don't allow women here or there, or let them in at certain times."

CONNORS  
IN CANBERRA

LYNDSAY CONNORS

Mrs. Alston has gained the impression that Australians are very curious about President Jimmy Carter and his whole family, and are warmly disposed to them.

The Alstons are longtime friends and supporters of Jimmy Carter.

Mrs. Alston managed to recreate some of the excitement Carter supporters felt during the Presidential campaign as newspaper reports about Jimmy Carter moved up gradually from the back to the front pages.

She spoke of the work of the Peanut Brigade. This was a band of personal friends of Jimmy Carter from Georgia (including the Alstons' married daughter) who travelled all over America at their own expense campaigning for him door-to-door.

Both the Alstons were born in Atlanta, Georgia.

Mrs. Alston explained that in her view there are clear differences between the North and South in the United States, especially in the way people feel — southerners felt much closer to one another.

Northerners have somehow more or less looked down on us ... this was noticeable at times

during the Presidential campaign, she said.

The fact that Jimmy Carter is a southerner is an influence on the style of his administration, Mrs. Alston feels.

"He is not one for any of the pinky extras ... not one for the trappings of office that people rather resent.

"Americans like the President to be above everybody, but to be one of them. He is more able to do it than anyone I've seen. He's a very real person."

Elkin Alston speaks with equal enthusiasm about her friend Rosalynn Carter, wife of the President. "She is a remarkable person."

The problems of the mentally ill and the aged are two areas in which Rosalynn Carter has shown very active concern.

Mrs. Alston remarked that to help other people she used the muscle of her husband's position both as former Governor of Georgia and as President has brought her.

"People need not worry that she will be running the Presidency," Mrs. Alston said, "but she and the President are very close, and Jimmy will certainly ask for her ideas."

Elkin Alston herself has spent many years in active community work, including children's hospitals, schools and an arts foundation in Georgia providing support for local and regional artists.

Asked whether their appointment to Canberra was likely to be only the first of a number of postings, Mrs. Alston replied: "I haven't the vaguest idea. We'll be here as long as the President wants us to stay and we hope that's a good long time."