

**5/1/79 [1]**

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTIONS
memo	From Brown to The President (2 pp.) re: Weekly Activities of the Sec. of Defense/enclosed in Hutcheson to Mondale et al. 5/1/79	4/27/79	A
briefing paper	From Moore to The President (one page) re: talking points for briefing of Sen. Stennis/enclosed in Moore to the President 5/1/79	5/1/79	A

FILE LOCATION

Carter Presidential Papers- Staff Offices, Office of the Staff Sec.- Pres. Handwriting File  
5/1/79 [1] BOX 128

RESTRICTION CODES

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THE PRESIDENT'S SCHEDULE

Tuesday - May 1, 1979

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7:15 Dr. Zbigniew Brzezinski - The Oval Office.

7:45 Mr. Frank Moore - The Oval Office.

8:00 Breakfast with Congressional Leaders.  
(60 min.) (Mr. Frank Moore) - First Floor Family  
Dining Room.

10:00 Meeting with House Group from the Govern-  
(15 min.) ment Operations Committee. (Mr. Frank  
Moore) - The Cabinet Room.

10:30 Mr. Jody Powell - The Oval Office.

12:00 Lunch with Senator John C. Stennis.  
(30 min.) The Oval Office.

1:30 Mr. James McIntyre - The Oval Office.  
(20 min.)

2:30 Drop-By Briefing for the Advertising Council.  
(10 min.) (Mr. Jerry Rafshoon - Room 450, EOB.

3:00 Drop-By Law Day Reception - The State Floor.  
(20 min.)

12:00

THE WHITE HOUSE  
WASHINGTON

C

May 1, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE

*F.M.*

SUBJECT:

ADDENDUM TO SEN. JOHN STENNIS BRIEFING  
PAPER

The Vice President suggests that you ask Stennis if he could compromise on <sup>the</sup> Saratoga in his Committee. There is a Harry Byrd-Warner amendment that came out of the Subcommittee on Defense Authorization. The Vice President would like Stennis to give the President authority to decide where the ships should be overhauled.

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UNCLASSIFIED

2563

TOP SECRET  
ATTACHMENTTHE WHITE HOUSE  
WASHINGTONMEETING WITH SENATOR JOHN STENNISTuesday, May 1, 1979  
12:00 p.m. (30 minutes)  
The Oval OfficeFrom: Frank Moore *F.M./BR*  
Zbigniew Brzezinski *ZB*I. PURPOSE

The primary purpose of your meeting with Stennis is to discuss SALT; however, we also recommend that you briefly mention your concern about the Panama Implementing Legislation. You might also want to thank him for helping us to acquire the Iranian ships. We want to keep working with him to make sure that we get two in 1979 and two in 1980. (FYI: His committee report on the FY 79 DOD supplemental has all four ships in it.)

II. BACKGROUND, PARTICIPANTS AND PRESS ARRANGEMENTSA. Background:1. SALT

As you are well aware, Senator Stennis will be a key actor in the ratification debate on the SALT II Treaty. In an earlier meeting in January, he told you that he hoped to support SALT.

In February, Stennis announced that when a SALT II Treaty is submitted to the Senate, hearings will be held by his full Committee. This is a definite plus as it means that Stennis, not Jackson, as head of the Arms Control Subcommittee, will be chairing. Stennis has also been helpful in deflecting premature debates on the Treaty during consideration of various defense systems in his DoD Authorization hearings.

In a meeting with George Seignious last December, Stennis expressed interest in the position of the Joint Chiefs and in the verification issue. With

UNCLASSIFIEDTOP SECRET  
ATTACHMENT

respect to the latter, it would be helpful for you to clarify the apparent differences between Admiral Turner and Secretary Brown with respect to recouping the monitoring capability we lost in Iran. Of particular interest to Senator Stennis, of course, are the military benefits of SALT II. Attached are some suggested talking points on these issues. (Tab A)

## 2. Panama

The Armed Services Committee has jurisdiction over the Panama Implementing Legislation in the Senate. On April 11 Secretaries Vance and Brown, in a conference phone call, urged Senator Stennis to move ahead on the bill. Stennis has now named Senator Carl Levin (D-Mich.) to shepherd it through the Committee. Levin has just returned from a visit to Panama and plans to begin hearings soon.

Attached are talking points you might wish to use during your meeting with Senator Stennis. (Tab B)

## 3. Nuclear Carrier

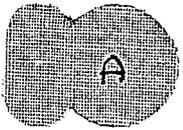
Harold Brown believes you should remind Stennis that you still do not want the nuclear carrier.

B. Participants: Senator John Stennis.

C. Press Arrangements: White House photographer.

## III. ISSUES FOR DISCUSSION

Attached.



SALT II

- SALT is an essential component of a stable strategic relationship between the United States and the Soviet Union. It is my strong view that a rational, comprehensive strategic program to meet the Soviet threat would be nearly impossible without the SALT II limits on systems and warheads.
- Limiting Soviet strategic systems makes the job of the United States military planner easier. We will know what the Soviets can test and deploy for the next five to six years.
- Also, as Secretary Brown pointed out, without the verification provisions contained in SALT, the monitoring of various Soviet programs would be considerably more difficult.
- SALT II allows all of our major programs, including MX and TRIDENT, to go forward as planned. Moreover, if a decision were taken to build a new strategic bomber, such a system would be allowed under SALT.
- SALT makes it possible to proceed with the development of defense systems in an orderly manner without the pressure of countering an unrestrained Soviet buildup.
- I have not yet decided on a basing mode for MX, but as I have examined this question, certain conclusions about the relationship to SALT are obvious. Without SALT a multiple aim-point basing mode for the MX missile would not be effective in lessening the vulnerability of MINUTEMAN. Even a system with 4,000 separate aim-points could be overwhelmed by a small Soviet deployment of additional missiles with 10 or more warheads.
- SALT also means that we will not have to spend some \$30 billion over the next 10 years that we might otherwise have to spend without SALT. This means that both defense monies and planning can be directed toward upgrading our conventional forces, particularly in the NATO theater.

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**WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)**

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
briefing paper	From Moore to The President (one page) re: talking points for briefing of Sen. Stennis/enclosed in Moore to the President 5/1/79	5/1/79	A

**FILE LOCATION**  
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PANAMA IMPLEMENTING LEGISLATION

- I am quite concerned about the Panama Implementing Legislation. We seem to have a good chance to get a bill passed by the House, but it will not be a very good one.
- Cy Vance and Harold Brown tell me that you have decided to move ahead swiftly with the bill in Committee. I realize that you opposed the treaties and, therefore, doubly appreciate your cooperation in expediting this legislation.
- At this point our main concern is to keep the Canal operating without a hitch, and good legislation will do this. A bad law or no law at all would be highly disruptive and would make cooperation with Panama--which is necessary to keep the Canal going smoothly--very difficult.
- Unfortunately, the House bill has a number of defects which will make a smooth transition more difficult. I hope the Senate will correct these flaws.

THE WHITE HOUSE  
WASHINGTON

5/1/79

The Vice President

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

Rick Hutcheson

cc: The First Lady  
Jerry Rafshoon

FOR ACTION

FYI

	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND
	NO DEADLINE
	LAST DAY FOR ACTION

X	VICE PRESIDENT
	JORDAN
	EIZENSTAT
	KRAFT
	LIPSHUTZ
	MOORE
	POWELL
X	RAFSHOON
	WATSON
	WEXLER
	BRZEZINSKI
	MCINTYRE
	SCHULTZE
	ADAMS
	ANDRUS
	BELL
	BERGLAND
	BLUMENTHAL
	BROWN
	CALIFANO
	HARRIS
	KREPS
	MARSHALL
	SCHLESINGER
	STRAUSS
	VANCE

	ARONSON
	BUTLER
	H. CARTER
	CLOUGH
	CRUIKSHANK
X	FIRST LADY
	HARDEN
	HERNANDEZ
	HUTCHESON
	KAHN
	LINDER
	MARTIN
	MILLER
	MOE
	PETERSON
	PETTIGREW
	PRESS
	SANDERS
	WARREN
	WEDDINGTON
	WISE
	VOORDE
	ADMIN. CONFIDEN.
	CONFIDENTIAL
	SECRET
	EYES ONLY

THE WHITE HOUSE  
WASHINGTON

5/1/79

rick/bill--

please send bcc ...  
informational copy  
to jerry rafshoon of  
all of attached.

thanks--!\_!

-- susan clough

(and a copy to first lady  
via madeline macbean...  
thanks--ssc)

May 1, 1979

Mr. President --

The First Lady asked that you receive directly attached request from Landrum Bolling urging your personal reconsideration of request for you to personally award the First International Architectural Prize. (Original incoming from Carleton Smith was given to RSC by Bill Milliken. Smith has been very helpful, and hopefully will continue to be, to Milliken's organization.)

Smith notes in his letter that this \$75,000 award is to be similar to the Nobel program, and that since those prizes are awarded personally by the Kings of Sweden and Norway, they would like you to present this one. He also notes that this is the first in a series of what they hope will be five prizes sponsored by Americans to compare to Nobel prizes. The prize money for this architectural award is being provided by the Pritzker family of Chicago (owners of Hyatt Regency hotels).

Jerry Rafshoon regretted request from standpoint of precedent which may assume annual Presidential presentation of each award, in addition to what becomes Presidential endorsement, sanction and presentation of a prize which is not mandated by Congress. Jerry also asked for notification of winner so that written Presidential message of commendation/congratulations could be sent.

Attached letter from Landrum Bolling is self-explanatory.

You may want to consider:

- Presidential presentation of award.
- ✓ -- Vice Presidential presentation of award. *Let him decide*
- Congratulations photo session without actual Presidential presentation of award.
- Presidential message with no active personal participation.

-- ssc

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LANDRUM R. BOLLING

The President  
The White House  
Washington, D. C.

Dear Mr. President:

I am writing to you to express strong support for your consideration of the invitation, conveyed to you some time ago from Mr. Carleton Smith, asking you to take a few minutes some time in May to award the first International Architecture Prize. I understand the great burdens on your time and the hesitations your staff must feel about your fitting this into your schedule, but I still hope you may find this possible.

There is slowly unfolding a movement to bring about in America a series of annual prizes comparable in size and world recognition to the Nobel Prizes, but in fields not covered by the Nobel Program. One of these, The International Wildlife Conservation Prize, was funded by Mr. J. Paul Getty and was awarded in a brief ceremony at the White House by then President Gerald Ford about three years ago.

The International Architecture Prize, which has been in the planning stage for a couple of years, is about to be decided on by a distinguished international jury that includes Mr. Carter Brown, head of the National Gallery, and Lord Kenneth Clark, of Civilization fame. The prize money (\$75,000) as well as the administrative expenses are being provided by the Pritzker family of Chicago, who own the Hyatt Regency hotel chain and several other major businesses. They have always kept a very low profile, but are one of the wealthiest families in America. Their charities have hitherto been largely confined to Chicago, and they are not seeking public recognition through this prize. However, it would be a fine thing if you could take a few minutes to greet the prize winner, whoever he turns out to be, and to hand to him the award.

One "wild idea" I had was that, if you were willing, it might be done at intermission time at one of your White House Sunday afternoon concerts. That would be a highly appropriate setting and would fit beautifully within the framework of your efforts to give recognition to the best in the arts. However, a ten-minute interlude in your daily office schedule would also be equally valuable and equally appreciated, if it should be possible. Thank you for thinking about it.

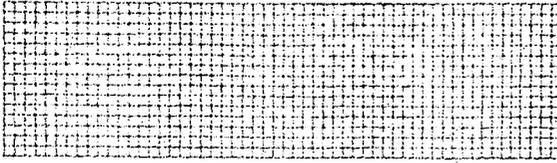
All good wishes.

Sincerely,

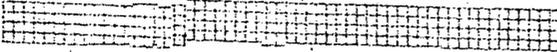


Chairman  
Council on Foundations

LRB:gh  
April 17, 1979



## The International Architecture Prize • Box 5757 • Chicago, Illinois • 60660



Carleton Smith  
Secretary of the Jury

March 6, 1979

Dear Mr. President,

Some years ago the grandfather of the present King of Sweden told me he believed there should be world prizes in fields of human activity not now rewarded by Nobel prizes.

I have organized a \$75,000 annual International Architecture Prize. It is the largest cash prize in the world for excellence in architecture. The International Communication Agency informed all United States Embassies and nearly 200 nominations have been received from over 40 countries. They were screened and documented by the Museum of Modern Art in New York and a jury of five are selecting the winner by secret ballot.

The jurors are:

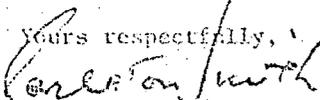
J. Carter Brown, Director, National Gallery of Art  
Dean Cesar Pelli, Yale School of Architecture  
Lord Kenneth Clark, author of "Civilization" television series  
J. Irwin Miller, architectural patron of Columbus, Indiana  
Arata Isozaki, architect of Tokyo, Japan

Since the Nobel prizes are awarded personally by the King of Sweden and the King of Norway, our judges and sponsors hope that you as President of the United States will present the first Architecture Prize in a brief ceremony in the White House or at the National Gallery of Art at any time during May convenient for you.

This is the first in a series of what I hope will be five prizes sponsored by Americans which over the decades should compare in prestige and distinction with the Nobel prizes. Our new architecture prize will give world recognition to the recipient and will show the concern of our people and our leaders for high achievement in one of the great and useful arts. We are deeply grateful for your consideration and participation.

May I add a personal word of gratitude for the wisdom and persistence of your efforts to create a stable and lasting peace. May God aid you during your forthcoming trip! We are all in your debt.

Yours respectfully,

  
Carleton Smith

The President  
The White House

Sponsored by the Hyatt Foundation

March 30, 1979

EXECUTIVE

LV/1979/FG/114

PP5-1

Dear Mr. Smith:

As a follow-up to Bill Milliken's conversation with you about the International Architecture Prize, I wanted to thank you on behalf of President Carter for your interest in having him participate in the award ceremonies to be held in Washington in May.

As I assume Bill explained to you, the President must decline with regret your kind invitation. President Carter is limiting his personal participation in award ceremonies to those mandated by the Congress.

The President has asked, however, that you do let us know when a decision has been made on the recipient of the first International Architecture Prize as he would like to give appropriate recognition to the winner.

Again, we appreciate your interest.

Sincerely,

Gerald M. Rafshoon  
Assistant to the President  
for Communications

Mr. Carleton X Smith  
International Architecture Prize  
Box 5757  
Chicago, IL 60680

bc to Bill Milliken ✓

bc to Susan Clough ✓

GMR/bh

RECEIVED  
MAR 31  
CENTRAL FILES

67-18  
to Central files -  
Milliken  
Smith  
pls  
M

THE WHITE HOUSE  
WASHINGTON

3/30/79

Susan--

Jerry talked on the phone with Bill Milliken yesterday and explained to him that the President would not be able to participate in the International Architecture Prize awarding ceremony. Milliken was to see Mr. Smith in Chicago either last evening or today and pass along the President's regrets. This letter is to confirm Bill's conversation with Smith and to get our position in writing.

I assume that we'll be hearing from Mr. Smith again and I'll let you know so an "appropriate recognition" can be made.

Becky Hendrix

**Biggest prize money ever announced by US**

# 'NOBEL PRIZE' FOR ARCHITECTURE

THE WORLD'S first "Nobel prize for architecture" was announced in London yesterday. The premier \$75 000 award — to be called the International Architecture Prize — will be made annually for "significant contributions to humanity or the environment through architecture".

The new award is the largest cash prize ever made in the field of architecture and is being sponsored by the Hyatt Foundation, funded by the American hotel chain which has built a number of spectacular hotels designed by John Portman.

Nominations for the award will be invited from about 200 prominent architectural advisors throughout the world. The assessing jury will be chaired by Lord Clark, an honorary fellow of the RIBA, and will include architects Kenzo Tange, Japan, Cesar Pelli from the US, and Louis

**By Ted Stevens**

Barragan from Mexico. J Carter Brown, director of the Washington National Gallery and J Erwin Miller, an American developer known for his architectural sponsorship, will also sit on the panel.

Secretary for the award will be Carleton Smith, who was in London this week to announce the new prize.

"The aim is to make people more conscious of their environment and the man-made things that surround them," he said.

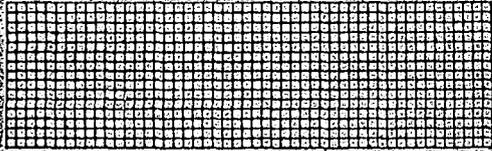
He explained that the award had developed because of the limitations of the Nobel scheme which only honours medicine, chemistry, physics, literature and peace work.

The International Architecture Prize is the first in a series of new awards being set up by the foundation, he said.

"Other prizes will cover music, the visual arts, law, photography and the performing arts. We don't expect it to immediately acquire the status of the Nobel prizes, but we hope it will build up a similar prestige over the years."



John Utzon receives the Gold Medal from Gordon Graham.



**The International Architecture Prize**



Box 5757 • Chicago, Illinois • 60680

*To Susan Clough*  

---

*Susan, I don't remember  
who gave me the but it  
could be any  
P*

The President  
The White House

THE WHITE HOUSE  
WASHINGTON

5-1-79

Jody & Jerry  
Set up a P.R. even  
re Solar heating for  
West Wing -

J.C.

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THE WHITE HOUSE  
WASHINGTON

5/1/79

Frank Moore

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

Rick Hutcheson



THE WHITE HOUSE

WASHINGTON

May 1, 1979

*Too late  
J*

CONGRESSIONAL TELEPHONE REQUEST

*F.M.*

The Committee is attempting to get a quorum in order to vote on rationing.

WE ARE ONE VOTE SHORT.

I recommend that you call Henry Waxman and John Murphy (D-N.Y.).

You should say that you need stand-by. In Waxman's case, you should tell him that plans are underway to take care of the California driving patterns he is concerned about.

No plan is perfect but we must have a plan.

It will look very bad if the Congress does not take this step toward conservation.

FYI, Waxman will be flying with you to California this weekend.

Submitted by Frank Moore

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THE WHITE HOUSE  
WASHINGTON

5/1/79

Anne Wexler  
Jerry Rafshoon

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

Rick Hutcheson

cc: Phil Wise

THE WHITE HOUSE

WASHINGTON

April 30, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: ANNE WEXLER <sup>AW</sup>  
JERRY RAFSHOON <sup>JR</sup>

SUBJECT: Your Appearance at Americans for Alaska Briefing,  
The East Room, May 3, 1979, 2:45 p.m.

You are scheduled to close the briefing on Alaskan lands legislation on May 3 in the East Room. Prior to your arrival, the group will have been briefed by Stu and Cecil Andrus.

As was mentioned in the first memorandum to you on this subject (copy attached), Americans for Alaska wishes to present you with the "Theodore Roosevelt Conservationist Award." This award will be presented by Theodore Roosevelt IV, a member of Americans for Alaska.

Anne's office has been approached indirectly by another group that wishes to make a presentation at the briefing. Three Tlingit Indian chiefs will be attending the briefing. They live on Admiralty Island, which you declared as a national monument, and they are very grateful to you. As a token of their gratitude, they have made a beaded vest that they wish to present to you, and they want to give you a Tlingit name in a tribal ceremony that should last about two minutes.

This ceremony, with the chiefs in full tribal dress, has obvious media potential. In addition, it will demonstrate that there are persons in Alaska who appreciate what you have done for the wilderness lands there. We recommend that you participate in the brief tribal ceremony.

✓ Approve \_\_\_\_\_ Disapprove



THE WHITE HOUSE

WASHINGTON

April 23, 1979

91

MEMORANDUM FOR THE PRESIDENT

FROM:

ANNE WEXLER *AW*  
STU EIZENSTAT *Stu*  
FRANK MOORE *FM*

SUBJECT:

Drop-by at Briefing on Alaskan Lands Legislation,  
May 3, 1979

Alaskan lands legislation will probably be considered on the floor of the House during the week of May 7, 1979. As you know, legislation that is unacceptable to the Administration was reported out of both the Interior and the Merchant Marine Committees, and we expect a major floor fight.

Americans for Alaska -- a group of prominent citizens who support strong protection for Alaskan lands -- has approached us about holding a White House briefing during the week before the vote. At the briefing, the group would like to present you with its first "Theodore Roosevelt Conservationist Award." This event would serve to bring a few hundred key supporters from around the country into Washington, where they would spend time lobbying on the Hill.

Among those on the Americans for Alaska National Organizing Committee are Walter Annenberg, Tom Bradley, Judy Collins, Cathy Douglas, Dan Evans, Doug Fraser, Vernon Jordan, Henry Cabot Lodge, Laurance Rockefeller, George Romney, and Theodore Roosevelt IV.

We believe that the proposed briefing would be helpful in getting more moderate supporters involved in the legislative fight, particularly if you were personally involved in the briefing. In addition, your personal involvement would be an important sign to supporters in Congress (some of whom might be invited to the briefing) and would help win over swing votes.

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Gretchen Poston's office advises that the Mansion is available on May 3 for a briefing to begin at 2 p.m. and end at 3 p.m. in the East Room, followed by a reception in the State Dining Room. Your appearance could be a 10-minute drop-by to open or close the briefing. Secretary Andrus will give the detailed presentation.

- Schedule drop-by for me.
- Do not schedule drop-by; ask Vice President if he will open or close briefing.
- Hold briefing without Presidential or Vice Presidential participation.

cc: Phil Wise  
Gretchen Poston

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THE WHITE HOUSE  
WASHINGTON

5/1/79

Richard Harden

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

The signed origina letter has been given to Stripping for mailing.

Rick Hutcheson

cc: Stripping

THE WHITE HOUSE  
WASHINGTON

*Swain*

---

THE WHITE HOUSE  
WASHINGTON

5/1/79

Mr. President:

The attached letter has  
been reviewed by the  
speechwriters' office.

Rick/Bill

THE WHITE HOUSE

WASHINGTON

April 27, 1979

MEMORANDUM FOR: THE PRESIDENT  
FROM: RICHARD HARDEN   
SUBJECT: Letter to Joseph E. Connor,  
Chairman of Price Waterhouse

Back in December, I met with Joe Connor, Chairman of Price Waterhouse & Company, and members of his staff to discuss their interest in improving accounting and internal controls in Government. They provided me with an overview of their approach which was similar to numerous other outlines I had seen on the subject. I indicated that if they really wanted to be useful, they should do a detailed study of the subject and develop a manual that would provide specific techniques for developing adequate internal controls and improving accountability.

They accepted this challenge and detailed in a booklet entitled Enhancing Government Accountability, a program for evaluating accounting controls and improving Government reporting. Jim McIntyre and his staff have indicated that they feel the booklet should be quite useful in developing the guidelines that will be issued to the newly appointed Inspectors General.

Attached for your signature is a letter to Joe Connor thanking him for Price Waterhouse's efforts.

Attachment

THE WHITE HOUSE

WASHINGTON

May 1, 1979

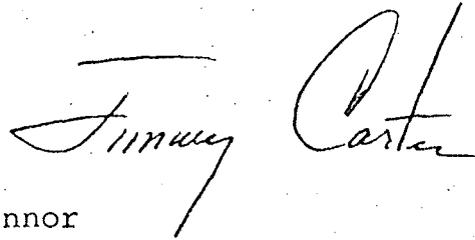
To Joe Connor

As you know, one of the main objectives of my Administration is to make Government more effective and efficient. The work you and your firm have done in developing the booklet, Enhancing Government Accountability, is a supporting effort which I very much appreciate.

I also understand that Jim McIntyre has asked you to work with his staff and representatives from GAO to explore ways the techniques you have developed can be instituted within the Federal Government.

You are to be commended for your dedication to public service, and my Administration and I look forward to working with you and your firm on other public service projects in the future.

Sincerely,

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

Mr. Joseph E. Connor  
Chairman  
Price Waterhouse & Company  
1801 K Street, N.W.  
Washington, D.C. 20006

ID 791699

THE WHITE HOUSE

WASHINGTON

DATE: 30 APR 79

FOR ACTION: BERNIE ARONSON

*W. Harder*

INFO ONLY:

SUBJECT: HARDEN MEMO RE LETTER TO JOSEPH E. CONNOR, CHAIRMAN  
OF PRICE WATERHOUSE

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: +  
+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE

WASHINGTON

April 27, 1979

To Joe Connor

As you know, one of the main objectives in my Administration is to make Government more effective and efficient. The work you and your firm have done in developing the booklet, Enhancing Government Accountability, is a supporting effort which I very much appreciate.

I also understand that Jim McIntyre has asked you to work with his staff and representatives from GAO to explore ways the techniques you have developed can be instituted within the Federal Government.

You are to be commended for your dedication to public service, and my Administration and I look forward to working with you and your firm on other public service projects in the future.

Sincerely,

Mr. Joseph E. Connor  
Chairman  
Price Waterhouse & Company  
1801 K Street, N. W.  
Washington, D. C. 20006

## THE WHITE HOUSE

WASHINGTON

May 1, 1979

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## MEMORANDUM FOR THE PRESIDENT

FROM: Greg Schneiders *GS*  
Jerry Rafshoon

SUBJECT: Advertising Council *Jerry*

You will be speaking for ten minutes to the 35th Annual Washington Conference of the Advertising Council.

SALUTATIONS

Chairman John Kelley, President Bob Keim, other Officers and Members of the Advertising Council and Invited Guests.

TALKING POINTS

- You appreciate all the good work that the Advertising Council has done. The Council is your partner in trying to enlighten the public on important issues before the Nation.
- The most critical domestic problem facing the country today is inflation. You know that the Council has been working with Jerry Rafshoon to develop a public awareness campaign on inflation. You are anxiously awaiting the results of these efforts.
- The Council is in a unique position to make a contribution in the fight against inflation. Inflation is not the kind of problem which can be solved by the individual actions of the President or the Congress, Business or Labor. All of us must be in this fight together. The collective actions of all Americans will determine whether we are successful or not. The Council, through its advertising, can influence those actions.
- We are in this fight for the long haul. We are not going to end inflation overnight. Once the Council's campaign is underway they must stick with it.

Changing the basic attitudes of Americans about our economic habits will not be done overnight.

- You are fully committed to this campaign and, through Jerry Rafshoon, you will make the necessary resources of your Administration available to insure its success.
- You hope that the Council will continue to press their efforts on other important issues facing the country and, most particularly, energy.
- Your recent action to phase in decontrol of oil prices and levy a windfall profits tax will help but in this area, as with inflation, public understanding and support is critical and the Advertising Council has an important role to play.
- You applaud the Council's thirty-seven years of patriotic service to the country and they can rely on your full support.

THE WHITE HOUSE  
WASHINGTON

NOTE:

The Attorney General and  
Stu Eizenstat have approved  
these talking points.

THE WHITE HOUSE  
WASHINGTON

Kennedy and Rodino were both invited. Rodino has regretted; Kennedy has not regretted (but not confirmed attendance).

Suggestion is that instead of saying "members of congress...." you say --

"Chairman Kennedy and the Members of the Senate Judiciary Committee and Members of the House Judiciary Committee . . . "

Ln 3:00 p.m.

Salutation:

Chief Justice Burger, Attorney General Bell, Mr. (Shephard) Tate (president, ABA), Mr. Justice Douglas, members of the Supreme Court, members of Congress, members of the Cabinet and friends:

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REMARKS AT LAW DAY RECEPTION, MAY 1, 1979

(Salutations to follow).

It is fitting that representatives of all segments of our legal system are here today to celebrate Law Day.

Some of our finest judges are here, from distinguished members of state judicial systems to United States Supreme Court justices. I am proud to see the faces of so many of the men and women whom I have appointed as Federal judges. Present, as well, are many leading members of the bar. Some of you are attorneys in private practice representing our largest corporations, while others provide legal services to the poor. A number of you work for causes ranging from the protection of the environment to the elimination of the residues of discrimination from our legal system and our nation. And it is fitting that the Congress be represented today by the distinguished members of the House and Senate Judiciary Committees. It is an honor to welcome you to the White House.

I am not a lawyer, but throughout my entire life I have been concerned with justice -- the striving to eliminate inequity and unfairness and to guarantee that all citizens possess the rights to which they are entitled in a free society.

In the Federalist Papers, James Madison succinctly summarized the mission we all share. "Justice," he wrote, "is the end of government. It is the end of civil society. It ever has been and ever will be pursued until it can be obtained, or until liberty be lost in the pursuit."

For more than 200 years, our nation has been dedicated to fulfilling this promise of justice through the rule of law. Our Constitution -- and especially the Bill of Rights -- has served as an inspiration to men and women all over the world who strive for freedom.

Our legal system is predicated on an absolute faith

in freedom of speech, freedom of assembly, freedom of religion and freedom of the press. These are freedoms which we must always defend.

But the rule of law embodies far more than these essential liberties. It also provides an orderly and rational way to resolve the disputes which inevitably arise among people and between people and their government.

Domestic tranquility depends on a collective faith in the ability of our legal system to resolve controversies fairly, equitably and speedily.

Today, respect for the rule of law again flourishes in our land. Our nation is united. Our democratic institutions, as imperfect as they are, have earned the trust of our people. But we must never be complacent. The quest for justice is the responsibility of each generation.

It was about a year ago that I spoke about some problems

with our legal system and the way we seek to administer justice. I still am troubled by our capacity to turn so many differences and disputes into protracted legal struggles. I still am concerned that most lawyers serve the few and that few lawyers serve the many. I still am disturbed at the pace at which we resolve major disputes.

Shortly before he died, Thomas Jefferson wrote of the need for simplicity in our legal system. What he said then is still applicable today: "Laws are made for men of ordinary understanding and should therefore be construed by the ordinary rules of common sense."

I know that Jeffersonian simplicity is not fully attainable in a diverse nation of 220 million people. While our legal system has many virtues, it is nonetheless true that our laws sometimes defy ordinary understanding and are far too complex to be considered ordinary rules of common sense.

The Preamble of the Constitution states that the first object of our government is "to establish justice." This responsibility is absolute and unalterable. The President and the Congress must be concerned with the quality of justice at all levels of government -- local, state, and national.

As the President, I have the opportunity to contribute to the establishment of justice by nominating qualified judicial candidates to the courts of the United States. The recent statute which permits me to nominate over one third of the Federal bench has created a rare opportunity and there is no responsibility I take more seriously. In making these selections, I am guided by two principles.

One principle is that all nominees for the Federal bench should be individuals of exceptional quality -- people who have demonstrated intelligence, integrity, legal ability, good judgment and a commitment to the basic premises of the Constitution.

The second principle is that these judicial nominees should come from all segments of the population and the legal profession. I am firmly committed to increasing the number of blacks, women and Hispanics on the Federal bench. We must work together to make sure that judicial nominees not only are excellent, but also fully reflect the diversity of our nation.

As President, I also have the responsibility to work with the two other branches of government to improve the law and the administration of justice. One of our shared concerns must be to reduce the high costs and endless delays involved in litigation.

For the past two years, Attorney General Bell and the Department of Justice have worked diligently with the Congress to develop legislation that will lessen these problems.

Among the most important of the proposals are bills to broaden the authority of Federal magistrates, to expand the use of arbitration, to allow disputes between citizens

of different states to be settled in state courts and to assist state and local governments in developing new ways of resolving minor disputes.

Two other important proposals will improve the efficiency of the Federal judicial system. One would allow the Supreme Court to make better use of its discretionary jurisdiction and the other would improve the administration of the Federal courts, including the creation of a new U.S. Court of Appeals.

Today, Law Day, is a time to acknowledge our problems honestly. But it is also a time to celebrate our achievements.

Our ancestors have given us a legal system that has been honed and perfected during the two centuries that we have been a nation. This legal system reflects the history of our people and the experience of our democracy.

We must be worthy of this heritage and we must work to preserve it, as well. Justice Cardozo put it best when he wrote, "The process of justice is never finished, but reproduces itself, generation after generation, in ever-changing forms. Today, as in the past, it calls for the bravest and best."

We must revere the law and apply its principles to new challenges and situations. Our actions will affect our country and its liberties for years to come. Let us conduct ourselves so that future generations will say that we were worthy of this great responsibility.

# # #

2:30 PM

THE WHITE HOUSE

WASHINGTON

April 27, 1979

MEMORANDUM FOR THE PRESIDENT

FROM:

JERRY RAFSHOON



SUBJECT:

Advertising Council Washington Conference

On May 1 and 2, the Advertising Council, Inc. will be holding their 35th annual Washington Conference. Approximately 150 business, advertising and media executives and spouses will be hearing from a series of administration spokespeople on major domestic and foreign policy issues.

You will be making a brief appearance at the beginning of their May 1 afternoon session, at 2:30 in Room 450 EOB.

They will have just heard from George Seignious on SALT II at a State Department luncheon, and you will be followed by Ray Marshall, Bob Strauss and Charlie Schultze. On May 2, they are scheduled to hear from Bob Russell, Bo Cutter, Bob Bergland, and Stu Eizenstat.

The President of the Advertising Council is Bob Keim (Kime) and the Chairman of the Board of Directors is John P. Kelley, Vice President of Goodyear Tire and Rubber Company. The Council's Washington representative is Lew Shollenberger.

The Advertising Council is currently working with us on an anti-inflation public service campaign, which we hope to have underway within a month or so. It will include TV, radio, and print advertising and will offer a brochure on inflation which closely reflects the Administration's approach. The overriding themes will be the long-term and persistent nature of the problem, and the need for cooperation and restraint by all segments of society.

The attached report describes other public service campaigns the Council is presently undertaking.

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THE WHITE HOUSE

WASHINGTON

April 30, 1979

MEMORANDUM TO THE PRESIDENT

FROM: CAROL COLEMAN <sup>cc</sup>

SUBJECT: Advertising Council

The following talking points have been prepared for your brief appearance at the Advertising Council's May 1 afternoon session.

1. The Advertising Council has just heard from George Seignious on SALT II. You want them to know how important this treaty is to the safety and security of our Nation:
  - a. The SALT process, which has been carried forward by four Administrations since 1967, is the most fundamental of our arms control efforts.
  - b. The treaty will allow our country to maintain sufficient military forces to protect ourselves and our Allies. Any SALT II treaty that you sign will be adequately verifiable, and the treaty will specifically forbid any interference that would impede our ability to verify compliance.
  - c. You are determined to achieve passage of the treaty, even though it is already being challenged and debated. As President, you must meet your responsibility to prevent war and to redirect the resources of nations from arsenals of war to human needs.
2. Domestically, inflation and energy are our most serious problems. We are making progress, but these problems did not evolve overnight and will take time to resolve.
  - a. You appreciate the Advertising Council's current volunteer campaign, which is helping people to better understand the American economic system. The Council has contributed a wealth of creative talent and energy to the campaign, in addition to millions of dollars in free media space and time.

b. The new anti-inflation campaign, which the Council is now developing, should bring the public to an even better understanding of the causes of inflation and the need for cooperation and restraint by all segments of society.

c. By example, the Advertising Council has shown that responsible voluntary action can greatly affect public opinion. Some of the Council's long-term campaigns, such as forest fire prevention and "Keep America Beautiful" have resulted in positive action and broad public participation throughout the country.

d. We must achieve greater public responsiveness to our voluntary price and pay guidelines, if we are to bring inflation under control. We must have a partnership between the public and private sectors. Government can create incentives and penalize abuses, but private action is the key to final success.

e. The same premise holds true for our Nation's energy problems. No one should be exempt from sacrificing a little to achieve the greater goal of national conservation and economic security.

f. When you spoke to the Thirty-Third Advertising Council's Washington Conference almost two years ago, you urged the Council to educate the American people about our country's energy crisis. Now time is running out. But you have faith that the American people will act responsibly, if they are given the facts and not misled by special interest lobbying efforts.

g. Recently, you appeared on television to communicate your own deep concerns about our Nation's energy supplies and to present a comprehensive program to reduce our dependence on foreign oil.

3. You deeply appreciate the Advertising Council's willingness to help solve our national problems through communicating the need for voluntary citizen actions. The Council is your partner in enlightening the public in the very difficult and complex issues facing our Nation.



**35<sup>th</sup>**

**Annual  
Washington  
Conference**

**The Advertising Council Inc**

**May 1-2, 1979**

**Report to the American People**



**1977-1978**



THE WHITE HOUSE  
WASHINGTON  
5/1/79

Stu Eizenstat  
Jack Watson

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

Rick Hutcheson

1734

THE WHITE HOUSE  
WASHINGTON

April 30, 1979

*ok*  
*J*

MEMORANDUM TO: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
GENE EIDENBERG *Gene*  
SUBJECT: Governor Busbee's Memo on the  
Export Administration Act

This afternoon we convened an interagency group to review Busbee's complaint that the Administration's package of proposed amendments to the Export Administration Act of 1969 represents a backward step in our export policy. It was the unanimous view of those present that:

1. Busbee's memo overstates the differences between the Governor's position and what we are doing.
2. Your decision to reject certain changes recommended by the Governors was based on the need to maintain executive discretion in foreign policy matters. Certain of the suggested revisions would have compromised your ability to effectively pursue our human rights policy.
3. Our proposals represent a reasonable balance. Pressure from Busbee and his group must be weighed against pressure from those, such as Wolff and Miller, who seek tougher export control legislation.
4. Given our public position, it would be embarrassing to the Administration (and to those on the Hill who have espoused our proposals) to make an about face now.

Frank Weil has prepared the attached set of detailed responses to Busbee's points.

Governor Busbee's very negative testimony is scheduled to be sent to the Congress on May 2. We feel that Busbee's position is in some part based on misinformation and lack of knowledge of administrative actions we have already taken in direct response to his views. Jack Watson will try to reach Busbee, who is now in Europe, and convince him to withhold the testimony until we have the opportunity to present our side of the story. ✓



**UNITED STATES DEPARTMENT OF COMMERCE**  
**The Assistant Secretary for Industry and Trade**  
Washington, D.C. 20230

April 30, 1979

MEMORANDUM FOR: Stuart E. Eizenstat  
Assistant to the President  
for Domestic Affairs and Policy

FROM: Frank A. Weil  
Assistant Secretary for Industry and Trade

Stanley J. Marcuss  
Senior Deputy Assistant Secretary for  
Industry and Trade

SUBJECT: Governor Busbee's Memorandum to the President

Governor Busbee's memorandum to the President is wrong on both the facts and its assessment of the facts.

1. He states that "there is no effort (referring to the Administration's export administration bill) to simplify or shorten the licensing process.

The fact is that the Secretary of Commerce recently announced the institution of new procedures with detailed deadlines for the processing of export license applications. These procedures call for completion of the process within a maximum of 88 days for the most complex cases. For less complex cases, processing is to be completed within a maximum of 58 to 78 days. These target dates are well within the 90 day goal set by present law.

The Governors propose that all cases not approved or disapproved within 90 days be deemed approved. As Secretaries Vance, Blumenthal and Kreps point out in their March 26th memorandum to the President (Attachment A), it is impractical to mandate decisions on all cases on the 90th day. Moreover, it would be dangerous to the national security to mandate that cases under review for 90 days be deemed approved. Instead we have

established procedures setting a target for decision within 88 days but permitting the case to be considered further if further consideration offers promise of finding a way to approve a case rather than deny it. This management device should help reduce the time it takes to reach a decision to the absolute minimum while preserving our ability to work on difficult cases to find ways to approve them. This should help maximize approvals while minimizing delays.

In addition, as pointed out in the March 26th memorandum, the Secretary of Commerce is directing that all cases over 90 days be referred to her and to other appropriate Cabinet officers for action.

2. Governor Busbee states that applicants are given no reason for denial of a license.

That is wrong. In all cases, exporters are told whether a denial is based on national security or foreign policy grounds. In addition, for cases which take more than 90 days to process, the exporter is informed in writing as of the 75th day of processing of all objections to the granting of the license raised as of that date. Before any denial with respect to such cases is issued, the applicant is given a full opportunity to rebut the objections raised. Moreover, as a practical matter, many exporters are in constant touch with the Department of Commerce and the Department of Defense as a license is being processed and are kept fully informed of problems as they develop. (You should know that less than 1% of the 70,000-80,000 cases we receive each year are denied.)

3. Governor Busbee states that the Administration's proposal deletes all requirements in the existing Act that the Secretary of Commerce report to business.

That is wrong. The Administration proposal deletes no such requirements.

4. Governor Busbee states that the proposed new penalties are double those in the existing act.

In fact, what the Administration proposed was the elimination of an unwarranted distinction between first and second offenses and the bringing of penalties under the Export Administration Act into conformity with those under the Arms Export Control Act. This did result in some increases in penalties, but only for the purposes described.

5. Governor Busbee states that though the bill "supposedly emphasizes the need to encourage exports, in actuality it further opens the door for the exporting licensing process to be used for foreign policy purposes."

Untrue. In fact, the Administration's proposal, pursuant to Presidential decision based on the March 26th memorandum, requires that foreign availability be taken into account when applying export controls for foreign policy purposes.

6. Governor Busbee expresses doubt that the Governors' suggestions were ever seriously considered.

That is untrue. They were considered in whole or in part by, among others, the Secretaries of Commerce, Treasury and State personally. The March 26th memorandum to the President also contains references to the Governors' proposals and speaks for itself. The Administration's bill is the product of extensive interagency consultation at all levels.

7. We are aware that many of the Governors' proposals (e.g., majority voting on export license applications) were not accepted by the Administration. We would be happy to discuss these in detail if you wish.

Attachment

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THE SECRETARY OF STATE

WASHINGTON

March 26, 1979

MEMORANDUM FOR: THE PRESIDENT

From: *JMK* *WMB* Cyrus Vance, Secretary of State *act*  
Juanita Kreps, Secretary of Commerce  
W. Michael Blumenthal, Secretary of  
the Treasury

Subject: Export Control Procedures

As you instructed at the February 26 Cabinet meeting, we have reviewed the points on export policy raised by the National Governors' Association.

The Governors argue that export controls are significantly interfering with export opportunities because of (a) the excessive time it sometimes takes to reach an export licensing decision, (b) uncertainty about the policies they are intended to achieve, and (c) foreign availability of the things that we bar U.S. companies from exporting.

Questioning in recent Senate and House hearings indicates that this view is widespread. Particular attention was devoted to the regulations of last August on the export of petroleum equipment to the USSR.

The magnitude of the export control workload has contributed to the problem.

In 1978 we processed approximately 65,000 export license applications. This was up from less than 55,000 the year before. And so far this year, we are receiving export licenses at a rate of 77,000 a year,

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an increase of almost 40% in a little more than a year. An important element of this increase is attributable to exports controlled for foreign policy purposes.\*

The Governors proposed inter-agency majority voting and a Cabinet council to hear appeals on export control decisions. Congressman Bingham has proposed judicial review of licensing decisions. We believe that these proposals would complicate rather than simplify the administration of export controls. However, we share the views of both the Governors and Mr. Bingham that processing delays are a problem, that advance notice before new controls take effect would be desirable, and that export controls should be as predictable as possible.

A. We are taking the following action on delays and advance notice.

1. Time Limits for Processing Export Applications

*Ch...*  
The Export Administration Act now provides that all export license applications still pending after 90 days shall be deemed approved unless Commerce finds that additional time is required and notifies the applicant. The Governors propose that any case neither approved nor disapproved after 90 days shall be deemed approved. Several industry groups have recommended automatic denial on the 90th day to instill more predictability into the system and to give the applicant a decision to appeal if he wishes to do so. Congressman Bingham proposes that, after 90 days, cases be referred to you.

About 600 cases over 90 days old are now pending. Some improvement is possible. But it is impractical to mandate decisions on all cases on the 90th day or to refer to you all cases not resolved within that period.

Instead, for cases where completion of careful review will take more than 90 days, we have instructed

\* Foreign policy export controls are for such purposes as human rights, nuclear non-proliferation, and anti-terrorism and apply to such countries as the Soviet Union, Cuba, Vietnam, Kampuchea, Rhodesia, South Africa, Uganda, Libya, Argentina, and Chile.

our staffs to inform applicants on the 75th day that we shall deny their applications on the 90th day unless they ask us to continue our review. This will be responsive to industry wishes and, in addition, permit continued review of complicated cases where time is less of an issue. We are also directing that all cases over 90 days be referred to the appropriate Cabinet secretary for action. We believe that these steps will expedite review at lower levels, both before and after 90 days, and might persuade the Congress that further legislation on this point is unnecessary.

## 2. Advance Notice for New Export Controls

The Governors propose a requirement for advance notice for all new rules and regulations except for urgent military security circumstances. They would require six months notice for human rights export controls. Mr. Bingham proposes advance consultation with industry and with the Congress before imposing any export control for foreign policy purposes.

Imposition of regulations without advance notice (a) prevents business transactions negotiated in good faith under pre-existing regulations from going forward; (b) can result in controls of broader scope than intended; and (c) contributes significantly to perceptions that Government intervention is unpredictable. Furthermore, advance notice is good government practice. On the other hand, the Government should retain the option of imposing controls with immediate effect, for foreign policy as well as for security reasons.

Therefore, Commerce will henceforth publish changes in export control regulations in proposed form to provide an opportunity for public comment, unless there are extraordinary circumstances.

- B. In order to increase Government predictability we believe other steps should be taken.

1. Factors to be Considered in Applying Export Controls

Your September 26 National Export Policy statement directed us to take export consequences fully into account and to give weight to whether the goods in question are also available from countries other than the United States when applying export controls for foreign policy purposes. Congressman Bingham proposes that, prior to imposing export controls for foreign policy purposes, the following criteria be taken fully into account: effectiveness, availability from other countries of comparable items, and effect on our exports. We do not believe that all such criteria are relevant in every situation.

Instead, we recommend that the Administration propose the following statutory provision:

"It is the policy of the United States that weight will be given to factors such as the following in regulating exports and in making export licensing decisions:

- (a) effectiveness in achieving United States policy objectives;
- (b) reasonable efforts to achieve these objectives through alternative means;
- (c) impact on the certainty and predictability of government intervention in trade and on the development of long-term commercial relationships;
- (d) impact on domestic employment and on the United States balance of payments;
- (e) political and economic benefits from exports, including their positive effects on the national security and foreign policy of the United States; and

- (f) availability of comparable items from the indigenous capability of the importing country or from third countries."

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

2. Foreign Availability

With respect to the last factor above, Commerce and Treasury differ with State as to whether we should go beyond this formulation.

Existing law provides that export controls may not be imposed for national security purposes when alternative sources of supply exist unless the President determines that there are overriding reasons for imposing the control. Existing law is silent on the effect of foreign availability on foreign policy controls.

Option 1. Commerce and Treasury do not believe that simply stating that weight will be given to foreign availability in considering whether to use export controls for foreign policy purposes goes far enough in satisfying the concerns of the Governors, certain members of Congress, and the business community. Some of the most bitter complaints about export controls pertain to the denial of export licenses when comparable goods are available from foreign suppliers.

Commerce and Treasury recognize the futility of such denials and therefore recommend that the existing standard for security controls should be applied to foreign policy controls. However, in extraordinary circumstances, you may wish to impose such controls and you would have unlimited authority to do so.

Option 2. State recommends that we not go beyond the formulation of giving weight to foreign availability. This would reflect your September 26 National

Export Policy statement. We may wish to distance ourselves from extreme acts of other Governments, such as apartheid or the suspected development of a nuclear weapons capability, even if the only short-term trade effect of our controls might be to divert export sales to our competitors. Although the Commerce and Treasury option does not bar you from denying an export despite foreign availability, State believes it would establish a clear presumption in most circumstances against denial.

Option 1 \_\_\_\_\_ Option 2 \_\_\_\_\_

C. We intend to send you a separate memorandum recommending you rescind the controls on petroleum equipment to the Soviet Union.



Office of the Governor

Atlanta, Georgia 30334

4-25-78

George Busbee  
GOVERNOR

Charlie:

Attached is the Memo to the President and a proposed statement by me to the House Foreign Relations Committee concerning amendments to the Export Administration Act.

The testimony will not be filed with the Committee until May 2nd.

I would like for the President to talk to Dean Rusk and F.W. (Rick) Huszagh of the Rusk Center and Jack Burris and Glenn Davis ~~is~~ from my office in my absence.

I will not return from Europe until May 14th. The Committee hearings are May 1st and 2nd and Markup ~~is~~ begins May 3rd.

Thanks  
Ray

To Stan -  
advise to day  
J

April 25, 1979

MEMORANDUM TO: President Jimmy Carter

Governor Busbee had me over to his office this afternoon and gave me the enclosed note and attachments and was eager for you to take a look at this situation and turn it around. He states that the governors spent a great deal of time with you and were absolutely happy with your statement of policy with respect to amending the Act. Also, the secretaries of the various departments were agreeable.

Then, he says, the matter went to the Secretary of Commerce and from her to Frank Wild and that he passed it on to Stan Marcus. Thereupon they reviewed the views from all the department agencies and put them together and submitted a statement to the Congress of your administration policy which makes the bill worse than it was in the beginning.

He feels that you are going to be embarrassed by this and lose the great momentum that you gained at the announcement of the statement of your policy.

He says that Dean Rusk and George Ball agree with him, as do the other governors, and feels that the <sup>Gov. Gorman</sup> committee will unanimously oppose the administration policy.

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If it is sufficiently important, we can get him to delay filing his statement until some changes can be made.

If you are not inclined to get involved, or you are satisfied with the administration's position, we should let Busbee know and try to smooth it over.

I plan to talk to Jack Watson about this since it is his area.

CHK/b

Attachments



## Office of the Governor

Atlanta, Georgia 30334

George Busbee  
GOVERNOR

### MEMORANDUM :

TO: The President

FROM: George Busbee 

RE: The Administration's Bill "To amend the Export Administration Act of 1969, as Amended, and for other purposes."

DATE: April 25, 1979

Since assuming the chairmanship of the National Governors' Association Committee on International Trade and Foreign Relations, I have worked hard to try to provide the Governors with sound, accurate information so that collectively we could act promptly and responsibly in this sensitive and important area.

My staff and I have met continuously with business, industry and labor leaders representing every facet, small and large, of these sectors of the economy to identify their concerns and opinions on current impediments in our federal system which stifle American trade.

We carefully studied your Export Policy Statement of September 26, 1978, and drafted, with the able assistance of Dean Rusk and the Rusk Center, detailed recommendations for implementing your Export Policy. Paramount in this effort was my concern that our recommendations be totally consistent with your policy.

Because we sensed skepticism on the part of business over the sincerity of the executive branch agencies in moving aggressively to implement your policy, we selected the "Export Administration Act of 1969, as Amended" as the vehicle to use to demonstrate that significant reforms were possible if we worked together. Thus, we developed draft amendments to this Act which elevate the importance of trade dramatically, simplify the complex bureaucratic licensing maze, and yet still more than adequately protect legitimate national security and foreign policy interests. To ensure this last point, I sought the counsel of men like Dean Rusk, George Ball, and even Governor Bill Clements of Texas (former Deputy Secretary of Defense), all of whom have had practical and political experience in this area.

MEMO

Page Two

April 25

Before presenting our draft export policy suggestions and amendments to the Export Administration Act to the Governors, I met personally with Bob Strauss, Bob Bergland, Juanita Kreps, Judge Bell and John Shenefield at Justice, Warren Christopher and others at State, Mike Blumenthal, Jim McIntyre, Charles Duncan and others at Defense, and your National Security Council staff. At each of these meetings I went through each of our recommendations to ensure that we were consistent with your Export Policy. No one pointed out inconsistencies, and, in fact, I received encouragement and enthusiastic support for our efforts.

Since then I have told Jack Watson, Bob Strauss, and Juanita Kreps on repeated occasions how constructive changes to the licensing process under the Export Administration Act would serve as a dramatic signal to businesses, small and large, of your strength of commitment and determination to put teeth in our Export Policy.

I have just read the proposed amendments to the Export Administration Act of 1969, as Amended, sent to Congress by Juanita Kreps in the name of the Administration. In all candor, the package is a sham, a step backwards, and in my judgment, the product of mid-level bureaucrats out to protect their turfs.

There is no effort to simplify or shorten the licensing process which presently can delay an application more than 500 days and involves up to seven Cabinet agencies. In fact, the bill endorses additional delays by the bureaucracy beyond present time limits in the event individual applicants consent to the delay. Business representatives we have talked to consider this approach both "devious and sinister."

Presently, applicants are given no reasons for denial of a license, and this fact deters many businesses from ever applying. The Administration's new proposal not only fails to address this impediment, it deletes entirely all requirements in the existing Act that the Secretary report to business, thus further increasing the number of uncertainties to business.

Additionally, criminal penalties are double those of the existing Act, which certainly will deter companies already uncertain about the application of confusing and conflicting licensing rules.

Though the bill supposedly emphasizes the need to encourage exports, in actuality it further opens the door for the export licensing process to be used for foreign policy controls.

I do not see this package of amendments as a progressive step in the implementation of your overall Export Policy. In fact, I would prefer the existing system to the one this package would impose.

MEMO  
Page Three  
April 25

I seriously believed that our efforts, in what I perceived to be your behalf, would pave the way for you to make some significant gains in support from the business community, industry, and labor in this country. This is an issue on which business and labor are united.

Our suggestions were not adopted in any way, and, in fact, I find little evidence that they were even seriously considered.

I find it difficult to believe that you were fully apprised of the alternatives available to you with respect to amending this Act. The decision memorandum to you which I reviewed failed in my judgment to inform you adequately.

I regret that I will be on a trade mission by the time you receive this memorandum, but I do hope we have an opportunity to discuss the matter further.

In the meantime, I do not feel that the Governors will remain silent in our opposition to the Administration's Bill. Many Governors cannot remain silent because if the MTN package is adopted without the removal of unnecessary regulatory impediments, such as those involving export licensing, particular elements of individual state economies will be in serious jeopardy. Thus, we will devote our efforts to perfecting the Stevenson and Bingham bills, which have already incorporated many of our suggestions.

I wanted you to know this prior to anyone else.

GB:jbh

STATEMENT OF GOVERNOR GEORGE BUSBEE  
STATE OF GEORGIA

To the House Foreign Affairs Committee  
Concerning the proposed amendments to the "Export Administration Act of 1969"

April 25, 1979

In 1977, the Governors, the public, and the federal government recognized that our balance of trade position was eroding and that it would continue to do so unless systematic action was taken on the part of the nation's leaders. Congressional hearings in 1977 and early 1978 confirmed that much of this erosion was due to government disincentives and the lack of strategic incentives for export trade. Many of the disincentives were clearly attributable to lack of a coherent national export policy to which the various executive branch agencies could conform.

Despite clear evidence as to the need for coordinated agency action, the record is clear that each agency, including the Department of Commerce, Department of State, Department of Treasury, etc., has a different solution to the problem and that they are determined to defend their turf regarding these solutions despite its adverse impact on the nation's health in the world community.

In the face of escalating Congressional investigation and comment, as well as persistent complaints from the private sector, the executive branch established a task force in April 1978 to develop a coherent national export policy. In the succeeding months, the public record indicates that rather than setting aside departmental jurisdictional interests, the task force became a new forum for agencies to fight for turf while the nation's balance of trade continued to decline.

In September 1978, the President announced his national export policy. Although it sounded the need for concrete action and promised such action, the public and Congress were disappointed because it failed to contain the detailed changes necessary to convert prescriptions and promises into remedies of action.

At this time, the nation's Governors, because of the substantial impact the declining trade balance had on individual state economies and their economic development plans, decided to take collective action to seek the necessary reforms not forthcoming from the executive branch. We studied the matter dilligently, identifying critical logjams to a dynamic U.S. trade, and formulated practical solutions which both theory and practice suggest are essential to improving our balance of trade and are easily implemented. In this regard, the extensive work of many Congressional committees was of the greatest help.

More

After these studies and formulations were completed, I discussed these matters with six cabinet-level officials and sought their coordinated support, which I thought at the time was mandated by the President's national export policy statement of September. In addition, we held a major seminar involving the President and over forty Governors to explain the problems that face the nation regarding export impediments and to elicit the energies of the Governors to achieve reforms at all levels of government. In this connection, we specifically focused on export licensing and substantive, structural, and procedural changes which the public record revealed as necessary. We were assured at that time that the Administration intended to take dramatic steps to rectify their past dilatory action on concrete reforms.

To my surprise, the Administration introduced a proposal on export licensing which we regard as a real, as well as symbolic impediment to export trade that can be characterized as a step backward. Despite pleas from business and labor for openness in agency decision-making, the Administration proposes to shroud the process. In the face of Congressional and public demand for accountability, the Administration seeks to limit the flow of information to Congress, which is the very essence of accountability. Despite obvious ambiguities in enforcement policy and practice, and the concomitant uncertainties it creates for business decision-making, the Administration seeks to mask deficiencies with still more onerous criminal penalties, which can only produce more erratic business behavior. Although the Administration's bill mouths the need for export expansion and reduced use of controls, its bill expands the degree to which controls can be used. Clearly, the Administration is not to be counted upon to terminate by itself the squabbles over turf and to break the logjam of government regulations which now imperils our international trade.

Congressman Bingham's and Senator Stevenson's Subcommittees have investigated these matters in detail and have both fashioned constructive pieces of legislation which come to grips with the problems facing export trade and propose solutions which will be a marked improvement over the current situation and over what the Administration would propose through its bill. While the Bingham and Stevenson amendments do not embrace all of the matters of interest to the Governors, they will both facilitate an improved balance of trade position.

I personally feel as Chairman of the National Governors' Association Committee on International Trade and Foreign Relations that it is only by working with the Congress that we will achieve the reforms which economic circumstance demands. We as Governors realize that we must keep the people's confidence through both word and action if we are to remain leaders. Congressmen, by virtue of necessity, have similar understandings. Leaders of the various government bureaucracies obviously feel no such obligation to the public they represent. Therefore, I encourage Congress to ignore the diversionary actions proposed by the Administration, and I promise to work with the Congress in fashioning reforms which will both give us the benefits that the MTN liberalizations will provide and the public confidence that we know how to grapple with problems effectively and efficiently.

THE WHITE HOUSE  
WASHINGTON

Q  
/

May 1, 1979  
11:00 a.m.

MR. PRESIDENT:

We lost rationing 21-21  
with Waxman going  
against us.

It will go to the floor  
without a recommendation  
because of the tie.

Frank Moore

*F.M.*

/

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10:00 AM

THE WHITE HOUSE  
WASHINGTON

April 30, 1979

MEETING WITH MEMBERS OF  
THE GOVERNMENT OPERATIONS COMMITTEE

DATE: Tuesday, May 1, 10:00 a.m.  
30 minutes

PLACE: The Cabinet Room

PARTICIPANTS: The President  
Frank Moore  
Congressman Jack Brooks  
Congressman Dante Fascell  
Congressman Elliott Levitas  
Congressman Peter Kostmayer  
Terry Straub  
Jim McIntyre  
Pat Gwaltney

PRESS PLAN: White House Photographer only

BACKGROUND: The Senate will resume consideration of the Department of Education bill today. We expect to defeat all objectionable amendments and to secure passage by a large margin.

The House Government Operations Committee will mark up the Department of Education legislation on Wednesday, May 3. The vote for passage is considered a toss-up. The opposition feels that they can successfully defeat the measure and will probably move for a final vote on Wednesday.

You are scheduled to meet tomorrow with Congressmen Brooks and Fascell, both of whom support the bill, and with two other

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Democrats who will probably be the swing votes on the Committee: Congressmen Kostmayer and Levitas.

Kostmayer: voted against the bill last year and is opposed this year as well. He is concerned that the Department of Education will simply increase bureaucracy and that this proposal is simply the fulfillment of your campaign promise to the NEA.

Levitas: voted for the bill last year and is leaning in favor of this year's proposal. Levitas is also concerned that the creation of a Department of Education will increase bureaucracy. He also feels that this year's proposal is too narrow and that eventually the Department will lead to increased Federal control of education.

One of Levitas' problems is his strong feeling that as a fellow Georgian, he has not been included in the counsels of your Administration. While this is largely symbolic, Frank feels that you should turn to him during the meeting and in front of his peers state that he has been one of your best friends in the Congress and that as a friend you need his help on this. An option would be to do this as you are leaving the room, simply pulling him aside and mentioning it to him privately.

Levitas may be holding two proxies in addition to his vote. He is crucial on this vote and unfortunately he knows it.

Another problem is our opposition to his amendment that would allow a Congressional veto of Departmental regulations. While McIntyre has already spoken to Levitas about this, we have some fear that our opposition to the amendment could sour him on the entire bill. Our strategy is simply to say we are opposed and leave it at that. We can always strip it off on the floor or in the conference committee.

In your meeting, we suggest that you make the following points:

a. The Department of Education is one of your highest priorities. It is an essential step

in re-establishing education as a major domestic concern.

b. You feel more strongly now than before you were President that education needs full-time, accountable representation in the highest counsel of government.

c. You appreciate very much the leadership that Chairman Brooks and Congressman Fascell have taken in supporting your bill. This piece of legislation is very important to you personally.

d. The fundamental issue in the creation of the Department is that of improving the management of Federal education programs.

---A Department of Education will increase accountability of Federal education programs to you, to the Congress and to the public.

---The simple structure provided in our bill will allow the Secretary and program managers to respond faster and more effectively to local needs and concerns.

---The proposal will not create more bureaucracy; it will reduce bureaucracy. Savings of \$15-19 million will result in the first few years from personnel reductions; in the longer run we can save over \$100 million by improved management systems, and program administration.

---Separation of education programs from HEW provides an opportunity to improve the management of health and welfare programs as well.

e. The Administration's proposal last year was "broader" but the actions of the House and Senate have necessitated a "leaner" proposal this year. Nevertheless, the Department you have proposed is not too narrow. It includes a wide range of education and related programs. It is larger than five other Cabinet agencies. It will be a solid, viable base on which to build.

f. You will understand that one of the principal objections to the Department is that it will increase Federal control of education. This will not happen. The tradition of State and local control is so firmly rooted in this country that measures to erode this would receive careful, deliberate debate by the Congress. The Federal role in education is limited and supportive of local efforts. Only the Congress can pass legislation that will increase or change the Federal role. The Department of Education legislation includes specific language prohibiting increased Federal control of education.

g. Finally, you very much want their support on this legislation. It enjoys the endorsement of over 100 education and related organizations representing a wide range of education and related interests (parents, students, teachers, community colleges, school boards, State education officials); it is supported by the majority of the Senate, and has substantial support in the full House.

THE WHITE HOUSE  
WASHINGTON

CONGRESSIONAL LEADERSHIP BREAKFAST

Tuesday, May 1, 1979  
8:00 a.m.  
Family Dining Room  
From: Frank Moore

I. INTRODUCTION

This meeting should focus primarily on domestic issues.

II. PRESS PLAN

White House photographer.

III. PARTICIPANTS

See attached list.

IV. AGENDA

1. Standby Rationing

The House Commerce Committee will reconsider standby rationing Tuesday. By our latest count we are one vote shy of winning. You should ask the Speaker and Congressman Wright to help with Santini and Murphy.

If would be better at this time to refrain from bringing up decontrol unless absolutely necessary.

2. Department of Education

You should thank Senator Byrd for his help in the Senate's passing (72-21 on Monday afternoon) of the Department of Education bill. I went to see the Speaker Monday afternoon. Among other things, I asked him to make calls to Moorehead, Kostmayer and Fountain on the Department of Education bill as it will be marked-up and voted on Wednesday in the Government Operations Committee. You should ask the Speaker about the outcomes of these calls and you should let the Leadership know that you would appreciate any support they can give you on the issue.

3. Alaska Lands

As indicated in the Weekly Report, the Alaska Lands legislation is tentatively scheduled for floor action Thursday and Friday. Chairman Udall has again asked for your help in soliciting the Speaker's aid on the floor.

4. Hospital Cost Containment

Chairman Ullman has agreed to mark-up the bill in full Committee on May 7, 8 and 9. The Leadership's interest in the bill will be heightened if we ask them to call specific Members. This will also most likely assist Chairman Ullman in moving the bill out of the Committee.

You should ask each Member of the Leadership to help you by calling the following Members:

O'Neill	-	Gephardt
Rostenkowski	-	Cotter
Wright	-	Pickle
Foley	-	Fowler, Gibbons
Brademas	-	Downey, Heftel

You should mention that the White House is working with the two Committee Members from Georgia.

5. Oil Swaps

Stu's Energy Task Force urges you to sensitize the Leadership to the importance you attach to having the authority to explore a possible oil swap with Japan and Mexico. A vote on this issue may come as early as Wednesday in the full House Foreign Relations Committee.

Currently, the McKinney amendment to the Export Administration Act forecloses a swap. The amendment expires this year and we oppose its extension. In addition, we are developing a fall-back position which would permit a swap for incremental production above 1.2 million barrels per day in Alaska. In addition, Stu's Task Force and CL are working to develop a strategy for the Senate, where our chances are better.

You should stress that while you have made no decision on a swap, it could have the following advantages:

- (a) It would help our balance of payments.
- (b) It would lead to increased production of Alaskan oil.
- (c) It would lead to a closer energy relationship with Mexico.

You should know, however, that both Bill Cable and I have talked with the Speaker about this issue and he can see no way that the House will vote to allow a swap of any kind. His view is that a swap is politically indefensible when the public is being warned about an oil shortage, merits of the issue notwithstanding.

CONGRESSIONAL LEADERSHIP BREAKFAST

Tuesday, May 1, 1979

PARTICIPANTS

The President  
The Vice President

Senator Robert C. Byrd  
Senator Alan Cranston  
Senator Warren Magnuson

Speaker Thomas P. O'Neill, Jr.  
Congressman James Wright  
Congressman John Brademas  
Congressman Thomas Foley  
Congresswoman Shirley Chisholm  
Congressman Dan Rostenkowski

Chairman John White  
Zbig Brzezinski  
Jody Powell  
Stu Eizenstat  
Jim McIntyre  
Frank Moore  
Dan Tate  
Bill Cable  
Terry Straub  
Bob Thomson  
Bill Smith

1702

THE WHITE HOUSE  
WASHINGTON

5/1/79

Jim McIntyre

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

The signed originals have been given to Bob Linder for appropriate handling.

Rick Hutcheson

cc: Bob Linder



EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF MANAGEMENT AND BUDGET

WASHINGTON, D.C. 20503

APR 30 1979

MEMORANDUM FOR: THE PRESIDENT  
FROM: James T. McIntyre, Jr. *JTM*  
SUBJECT: AID Personnel System

Included in the 1979 foreign aid authorizing legislation is the Obey Amendment, which requires you to present to the Congress by March 15, 1979, regulations to establish a unified personnel system for AID. The 1980 foreign aid bill recently passed by the House changes the due date to May 1. Those regulations would have the effect of law after a 90-day period during which the Congress could disapprove them by adopting a one-House resolution. Upon approving the measure, you stated that the legislative veto provision was constitutionally objectionable and that regulations would be implemented by the AID Administrator after the 90-day period unless a statute overturning them were enacted in the interim.

Governor Gilligan submitted on February 15 a proposed set of regulations to establish a truly unified system eliminating Civil Service employment in AID and making all appointments under the Foreign Service Act. Subsequent consultations with the State Department, with Scotty Campbell of OPM and with the congressional committees having jurisdiction over foreign affairs and civil service matters revealed widespread dissatisfaction with that proposal. The employee unions representing civil service and foreign service staffs in AID also objected strongly.

After extensive discussions with the concerned agencies and committees, which could not be completed in time to meet the original March 15 deadline, the attached revised proposed regulations have been prepared. They could, over time, increase substantially the proportion of AID staff in the Foreign Service personnel system, but leave in the Civil Service those employees in Washington whose jobs have no need for overseas field experience or require continuity of incumbency. The regulations will permit Civil Service employees whose jobs are redesignated as foreign service to remain in those jobs as civil servants indefinitely, but once the jobs are vacated they may be refilled only by foreign service personnel. This represents a compromise between the Committees on Foreign Affairs, who would have preferred a faster transition, and the Civil Service and Government Operations Committees, who were most interested in protecting the rights of domestic employees. It is acceptable to the State Department and to OPM. The one unknown quantity is Congressman Obey, the author of the amendment, who will be extremely

important in the foreign aid appropriation process this year. It is clear that he will not be fully satisfied by the compromise regulations, but his staff, which participated in the consultations with the different committees, has advised us to proceed with the regulations.

We believe that the compromise is the best approach at this time, in that it will show to the Congress progress toward the desired goal of a heavily foreign service AID agency while protecting the rights and keeping the talents of present civil servants. I recommend that you sign the attached message transmitting the regulations promptly, so that they may reach the Congress by the revised target date of May 1.

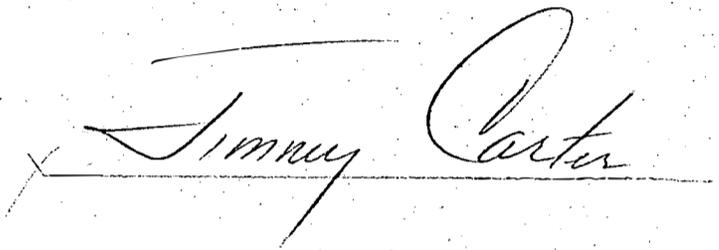
Attachments

TO THE CONGRESS OF THE UNITED STATES:

Pursuant to Title IV of the International Development and Food Assistance Act of 1978, I transmit herewith regulations affecting the personnel system of the Agency for International Development, together with explanatory information. The purpose of these regulations is to extend the Foreign Service personnel system to all employees of AID in the United States and abroad who are responsible for planning and implementing AID's overseas development program and activities.

These regulations provide that by October 1, 1979, all positions in AID shall be designated as to the personnel service in which the incumbent should serve. Positions will be designated as Foreign Service unless the position is in the United States and unless it is determined that the functions of the position are primarily of a support character and can be performed without significant overseas experience or understanding of the overseas development process, or that the position requires continuity of incumbency and specialized knowledge and skill so that it is impractical to assign the incumbent abroad. The regulations provide that, when positions so designated for Foreign Service incumbency become vacant, appointments to them will be made under the Foreign Service Act. In this manner, the Administrator will be able progressively to bring to bear important field experience in the development process to key policy positions in Washington, thereby strengthening policy development and management and providing more interesting and challenging careers. These regulations, which have been prepared after extensive consultations with the appropriate committees of the Congress, are designed to have no adverse effects upon the existing rights of employees of the Agency.

The personnel regulations I am presenting today are an important step in strengthening the administration of our foreign assistance programs. As you know, I am also proposing, under the Reorganization Act of 1977, an improved organizational structure for those programs. I urge the Congress to consider favorably both of these measures to enhance the efficiency and effectiveness of our economic assistance to developing countries.

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned above a horizontal line that spans the width of the signature.

THE WHITE HOUSE,