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THE WHITE HOUSE
WASHINGTON

Original of
memo
approved

For filing with
Casper files:
Don Bishop
Jerry Jones.

sent to Jones
12/17/74

THE WHITE HOUSE

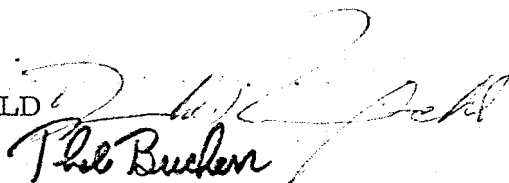
WASHINGTON

December 5, 1974

MEMORANDUM FOR THE PRESIDENT

FROM:

DONALD RUMSFELD
PHILIP BUCHEN



SUBJECT:

Gifts to the First Family from Representatives
of Foreign Governments

The Chief of Protocol has recently approved procedures (copy attached) which were developed through the joint efforts of the State Department, GSA and the White House to govern the acceptance, use and disposition of gifts to members of the First Family from representatives of foreign governments in conformity with applicable legal strictures.

Legal Restrictions

A. General. Art. I, Sec. 9, Cl. 8 of the Constitution prohibits the acceptance of any gift from any representative of a foreign government by any official of the United States government without the consent of Congress. The Foreign Gifts and Decorations Act of 1966 [Pub. L. 89-673] and supporting regulations [22 CFR Part 3] generally codify this constitutional bar, while at the same time providing Congressional consent to the acceptance of certain gifts as discussed below.

B. Coverage of the First Family. The 1966 Act and supporting regulations provide that the restrictions on the acceptance of gifts from representatives of foreign governments are equally applicable to the President, the First Lady and to those children who reside with them [Title 5, U.S.C. 7342 and 22 CFR §3.3(a)].

C. Gifts of minimal value. The statute and regulations authorize the personal acceptance of gifts which have a retail value not in excess of \$50 in the United States. In these instances, title to the gift passes directly from the foreign government to the donee and therefore there are no limits imposed upon the donee's use or disposition of the item. However, the burden of proof is upon the donee to establish minimal value. [22 CFR §§3.3 and 3.5]

D. Gifts of more than minimal value. Gifts valued in excess of \$50 may not be accepted on one's personal behalf. Such gifts may be accepted on behalf of the United States (public property) only when refusal would be likely to cause offense or embarrassment or otherwise adversely affect our foreign relations.

E. Use and ultimate disposition of gifts of more than minimal value. Members of the First Family are authorized to retain and use gifts which qualify as public property but only for "official uses" which are approved by the Chief of Protocol.

Governing Procedures

The attached procedures for the handling of foreign gifts fulfill four purposes as to gifts of more than minimal value. First, they are designed to indicate that such property will be treated as public property upon receipt, with full accountability for each gift and public access to records thereof at the Department of State. Secondly, they contain a general continuing authorization from the Chief of Protocol to use such gifts for:

- a. display or use within the White House complex or at any other location on Federal property in connection with Presidential activity;
- b. uses incident to official Presidential functions regardless of location; and
- c. temporary display in a museum, university or other institutional facility of general availability to the public.

Thirdly, in cases where a desired use of a gift does not fall within these express authorizations, a request can be made to the Chief of Protocol and his approval for that use obtained as required under present law. Finally, the procedures allow for these gifts to be placed in a future Presidential library.

Recommendations

1. Implement and announce these procedures immediately.

Approve

DA

Disapprove _____

2. It is clear that the legal restrictions on the acceptance, use and disposition of foreign gifts apply equally to yourself, the First Lady and Susan. However, they do not appear to apply to Michael, Jack or Steven so long as they do not reside in the White House. Nonetheless, our recommendation is that they be treated no differently from the remainder of the First Family because it is clear that any foreign gifts valued in excess of \$50 which they might receive would be solely as a result of your position.

Approve

DA

Disapprove _____

THE CHIEF OF PROTOCOL
DEPARTMENT OF STATE
WASHINGTON

December 2, 1974

The Honorable
Donald Rumsfeld
Assistant to the President
The White House

Dear Ambassador Rumsfeld:

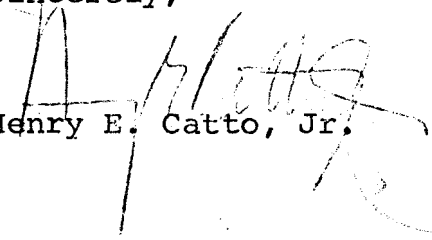
As you may know, my office has been working with representatives of the White House Gift Unit and Mr. Buchen's office, as well as with representatives of the General Services Administration, to develop improved procedures for handling gifts received by President Ford and members of his family.

I am pleased to inform you that we have developed new procedures which we hope to implement in the near future. For your information, I am enclosing an outline of the procedures and draft memoranda which will be used to implement these changes. I hope that we will be able to start these new procedures on Friday, December 6, when either I or a member of my staff will meet with the White House Gift Unit to review the Fords' gifts.

The officials who developed these new procedures believe that they will fully satisfy the statutory and regulatory obligations of the President and his family with respect to gifts from official foreign sources, but I would be interested in any comments you might care to make on these matters.

The Office of Protocol and I look forward to working with the White House on a continuing basis on these matters during the Ford Administration.

Sincerely,



Henry E. Catto, Jr.

Enclosure:

As stated.

Procedures for the Processing of Gifts Subject to the
Foreign Gifts and Decorations Act of 1966,
and other Gifts from Foreign Sources.

1. All gifts received by or on behalf of the President and his family are to be delivered to the White House Mail Room or the Gift Unit upon receipt.
2. The White House Mail Room will:
 - (a) Assign identity numbers to each item;
 - (b) For each gift from a foreign source, prepare a pink card in sextuplicate, containing all pertinent information about the gift;
 - (c) Affix identify number to gift item or its container, and original and all copies of the pink card;
 - (d) Send gift, along with original and three copies of the pink card, to the Gift Unit; and
 - (e) Retain two copies of the pink card for appropriate filing in the Mail Room.
3. Gifts received directly by the Gift Unit will be logged in coordination with the Mail Room, i.e., identity number assigned by the Mail Room, two copies for the Mail Room files, etc.
4. Gift Unit will segregate cards and gifts into the following categories:
 - (a) Gifts clearly worth less than \$50.00 (Smithsonian will make available appraisers where necessary to assist in this determination);
 - (b) Gifts over \$50.00;
 - (c) Gifts of jewelry and other items of great value, requiring special handling for safekeeping;
 - (d) Gifts of consumables and perishables.

Following this initial segregation, the Gift Unit will arrange for photographing all gifts falling into categories 4(b) and (c).



5. After segregation, the Gift Unit will send a copy of each pink card to the Chief of Protocol for review prior to the inspection required in 6(b), infra.
- 6 a. When immediate use of a gift is anticipated at the time of its receipt in the Gift Unit, the Gift Unit will prepare a request for that use which will be promptly sent to the Chief of Protocol (along with a copy of the pink card) for his approval. When there is insufficient time to request such approval in writing, telephonic approval may be sought from the Office of the Chief of Protocol. However, this is to be followed by a written request and response approving this use. As soon as practicable, the gift shall be photographed and a copy sent to the Office of the Chief of Protocol. These gifts shall be available for inspection by the Chief of Protocol or his designee. Once this particular official use has ceased, the Gift Unit shall notify the Office of the Chief of Protocol in order that the normal procedures for reporting the item to GSA can be completed (see 6b, infra).
- b. Every two weeks the Chief of Protocol or his designee will visit the Gift Unit to inspect all gifts from foreign sources (and the pink cards for these gifts) received since the last inspection (with exception for items described in 4(d), supra, for which the Gift Unit shall be given authority to dispose of on receipt (see Attachment A)). The Chief of Protocol or his designee will examine the gift and classification tentatively made by the Gift Unit and will determine and/or concur with the appropriate classification as to statutory or non-statutory gift, indicate such on the pink card, and initial and date all pink cards for gifts from foreign sources.
7. The Gift Unit will prepare a declaration card (furnished by the Chief of Protocol) on all items determined to fall under the Act and forward the card, with a photograph of the gift attached, to the Chief of Protocol within forty-eight (48) hours after inspection.
8. The Chief of Protocol will then prepare a Form 120 reporting gifts under the Act to the General Services Administration (GSA) with instructions that they be deposited in the National Archives for eventual inclusion in a Presidential Library or other appropriate location as determined by the Archivist, and authorizing their use, in the interim, for display and other uses consistent with instructions from the Chief of Protocol to GSA at the time of reporting (see Attachment B).

9. The Chief of Protocol shall forward to the Gift Unit a copy of the Form 120 which will serve as authorization for the Gift Unit to turn over those gifts listed thereon to GSA. GSA (National Archives) in cooperation with the Gift Unit will pack the gifts. Specific procedures will be developed between Archives and the Gift Unit for the following:
 - (a) inventory of boxes,
 - (b) standardization of box sizes,
 - (c) packing of boxes,
 - (d) segregation of items by value,
 - (e) continuing records maintenance, preparation of receipts for loaned items and availability for inspection by the Chief of Protocol, his designee or the public.

10. If at any time a request is made to utilize a gift under the Act in a manner not specified in Attachment B, the Archivist must forward the request to the Chief of Protocol and receive his written approval.

DRAFT

ATTACHMENT A

MEMORANDUM TO: Donald H. Rumsfeld
Assistant to the President

FROM: Henry E. Catto, Jr.
Chief of Protocol

SUBJECT: Disposal of Perishable and
Consumable Presidential Gifts
Falling Under the Foreign Gifts
and Decorations Act of 1966,
as amended.

Under the authority granted to me by Section 3.6, Title 22, Code of Federal Regulations, the White House Gift Unit is hereby authorized to:

1. Receive on behalf of the Chief of Protocol perishable gifts valued in excess of \$50 (flowers and food items).
2. Permit all flowers sent to the President or his family to be used:
 - a. in decorating the White House complex;
 - b. at official White House functions both within and without the White House complex; and
 - c. in military or tax-exempt hospitals;
 - d. in such other places as the President and his family may stay.
3. Consistent with the security regulations of the Secret Service, provide such perishable items for use at appropriate official government functions.
4. When use of perishables is not desired, forward the items in question to the office of the Chief of Protocol for disposition consistent with the provisions of 22 CFR, Sec. 3.6.
5. In instances not covered by this memo, the Gift Unit may contact the Chief of Protocol or his designee by telephone for additional instructions as to disposition. Such telephonic instructions will be confirmed in writing by the Office of the Chief of Protocol.
6. All above instructions are to be subject to the security regulations of the Secret Service.

MEMORANDUM TO: Arthur F. Sampson
Administrator, GSA

FROM: Henry E. Catto, Jr.
Chief of Protocol

SUBJECT: Disposition of Presidential Gifts

In accordance with the Foreign Gifts and Decorations Act of 1966, as amended (Act), and Section 3.6, Title 22, Code of Federal Regulations, the items listed on Standard Form 120, which are gifts received from foreign governments subject to the Act, are forwarded to the General Services Administration (GSA) for disposal.

The following instructions are furnished concerning the disposition of these items:

1. All items not otherwise designated for specific use are to be stored in safekeeping by the Archivist of the United States in a location under his control.
2. In accordance with the provisions of Chapter 21, title 44, United States Code, at such a time as there is established a Presidential archival depository for the permanent storage and display of the papers and historical materials of the Administration of President Gerald R. Ford, these items are to be transferred to this Presidential archival depository, or any Presidential archival (temporary) depository so designated by the Archivist.
3. In the absence of such a Presidential archival depository, the Archivist is to deposit these items in other appropriate museums with the approval of the Chief of Protocol.
4. In the meantime, the Archivist is authorized to make available, without further approval from the Chief of Protocol, at the request of the President or his designees, any of these items for the following purposes:
 - a. display or use within the White House complex or at any other location on Federal property in connection with Presidential activity;
 - b. uses incident to official Presidential functions regardless of location; and
 - c. temporary display in a museum, university or other institutional facility of general availability to the public.



5. In addition, the Archivist may make these items available for such other purposes as are requested by the President or his designees upon receipt of:
 - a. A written request from the President or his designee and
 - b. Written approval from the Chief of Protocol, Department of State.
 - c. When there is insufficient time to secure either a written request from the President or his designee or written approval from the Chief of Protocol, a telephonic request and/or telephonic approval of the Chief of Protocol or his designee may be obtained. However, this is to be promptly followed by a written request and/or response approving this request.
6. The Archivist is responsible for careful and complete documentation of all movements, loans and other Activities relating to these items, including obtaining and retaining receipts on all deliveries. All requests and instructions are to be in writing, consistent with the provisions of 5c., supra.
7. Any deviations from the procedures outlined herein are to be reported immediately in writing to the Chief of Protocol.

ATTACHMENT B

MEMORANDUM TO: Arthur F. Sampson
Administrator, GSA

FROM: Henry E. Catto, Jr.
Chief of Protocol

SUBJECT: Disposition of Presidential Gifts

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3. In the absence of such a Presidential archival depository, the Archivist is to deposit these items in other appropriate museums with the approval of the Chief of Protocol.
4. In the meantime, the Archivist is authorized to make available, without further approval from the Chief of Protocol, at the request of the President or his designees, any of these items for the following purposes:
 - a. Display within the White House complex or at any location on Federal property.
 - b. For uses incident to official White House functions within and without the White House complex.
 - c. For temporary public display at a museum, university, or other institution or facility of general availability to the public.

THE CHIEF OF PROTOCOL
DEPARTMENT OF STATE
WASHINGTON

December 2, 1974

The Honorable
Donald Rumsfeld
Assistant to the President
The White House

Dear Ambassador Rumsfeld:

As you may know, my office has been working with representatives of the White House Gift Unit and Mr. Buchen's office, as well as with representatives of the General Services Administration, to develop improved procedures for handling gifts received by President Ford and members of his family.

I am pleased to inform you that we have developed new procedures which we hope to implement in the near future. For your information, I am enclosing an outline of the procedures and draft memoranda which will be used to implement these changes. I hope that we will be able to start these new procedures on Friday, December 6, when either I or a member of my staff will meet with the White House Gift Unit to review the Fords' gifts.

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Enclosure:

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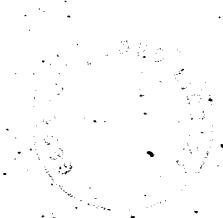
Policy Domestic Gifts.

THE WHITE HOUSE
WASHINGTON
12-9-74

Phil:

You might want to review this
before our 2 p.m. meeting.

Ken



Proposed Guidelines
Governing Domestic Gifts to
The First Family

1. Ban on Solicitation. Gifts will not be solicited or otherwise encouraged by or on behalf of the President or any other member of the First Family.
2. Offers. All offers of gifts should be graciously refused subject only to the following exceptions:
 - (a) Gifts to the U. S. Any public offer of a gift which shall inure to the continuous benefit of the Presidency or to the First Family as an institution may be accepted with the concurrence of Congress.
 - (b) Presidential Library. The offer of a gift appropriate for eventual inclusion in a Presidential Library may be accepted on behalf of the people of the United States and thereafter shall be treated as public property.
 - (c) Charitables. The offer of a gift on behalf of the President or other member of the First Family to an organization qualifying under Section 501(c)(3) of the Internal Revenue Code of 1954, other than the payment of an honorarium offered in tribute to an appearance, may be accepted on behalf of such organization but the transfer shall be accomplished directly between the donor and the appropriate donee.
 - (d) Sentimental Gifts. The offer of a gift which (i) does not represent a liquid asset, and (ii) is of only minimal intrinsic value (under \$25) from an individual who (i) does not have and is not seeking any business dealings with the Executive Branch, and (ii) does not conduct any activities which are regulated by the Executive Branch, and (iii) is not employed or retained by the Federal government, may be accepted if the offer could not be reasonably construed to constitute the endorsement of a commercial item.



- (e) Awards. The offer of a non-liquid award for a meritorious public contribution or achievement given by a charitable, professional, religious, social fraternal, recreational, non-profit, educational, civic or similar organization may be accepted.
3. Presentations. Gifts to the President or other members of the First Family which are received should be returned to the donor, accompanied by a written explanation of the reasons for its necessary return, subject only to the following exceptions.
- (a) Acceptable offers. Items described in section (2), supra, may be retained and shall be handled in accordance with the provision of that section. As to charitable items described in (2)(c) supra., a transfer to the appropriate donee shall be made as soon as practicable.
 - (b) Items of unknown origin. Gifts of unknown origin may be retained and thereafter shall be turned over as soon as practicable to an organization qualifying under Section 501(c)(3) of the Internal Revenue Code of 1954.
 - (c) Personal gifts. Reasonable gifts (excluding any item qualifying as a liquid asset) from close personal friends or relatives, even though such individuals may have dealings with the government, may be retained when it is clear that the only motivation for the gift is the personal relationship.
 - (d) Miscellaneous items. Unsolicited advertising or promotional items of a nominal intrinsic value (under \$10) such as pens, calendars, etc., may be retained if the retention could not be reasonably construed to constitute the endorsement of a commercial item.
4. Honoraria. The President or any other member of the First Family will not accept an honorarium or compensation for speeches, lectures, teaching or writing which is related to his or her official position or to the operations or activities of the White House staff or the Executive Office of the President.

5. Upstream gifts. The President or any other member of the First Family will not accept any gift from any employee of the Federal government. However, this restriction does not preclude the acceptance of a gift of a non-liquid nature that would otherwise be acceptable under section (3)(c) supra. on traditional occasions of gift-giving.
6. Travel and accommodations. The President or any other member of the First Family will not accept payment or reimbursement for travel, lodging or related expenses from any person or non-governmental organization when traveling on official business. If the travel is not "official" but "political" in nature, payment will be made from appropriate and available political funds. If the travel is not "official" or "political" in nature, payment will be made from the personal funds of the First Family; provided, however, that the President or other member of the First Family may accept an invitation to stay at the private residence of a host if it is not likely to be construed as influencing the performance of official duties.
7. Loans. The President or any other member of the First Family will only accept loans from financial institutions on customary terms for use in financing the purchase of realty or personalty.
8. Procedures.
 1. As with foreign gifts, all gifts received by or on behalf of the President should be sent to the Gift Unit or to the Mail Room;
 2. The Mail Room will log all gifts on appropriate colored cards (pink for all foreign gifts, white for domestic gifts to the President, yellow for domestic gifts to the First Lady or the children);
 3. The responsibility for the acknowledgment or acceptance of gifts should be undertaken by the White House Gift Unit in accordance with the guidelines set forth in the preceding sections; and
 4. Any questions regarding the propriety or legality of a gift shall be referred to the Counsel to the President for his determination.

THE WHITE HOUSE

WASHINGTON

December 13, 1974

Phil:

Newsweek is working with Jerry Warren on a rush story that involves taking pictures of "typical" foreign gifts to the First Family and other government officials. If the President were to approve today our recommendations from the attached memorandum, there is a good possibility that we would achieve favorable play from Newsweek as well as Maxine Cheshire in terms of our treatment of these gifts as public property with full accountability, etc.

You may wish to mention this to Don Rumsfeld as well, but we recommend action today, if at all possible.

Ken

THE WHITE HOUSE

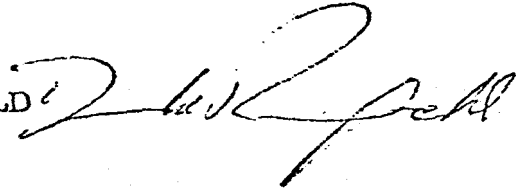
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SUBJECT:

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Legal Restrictions

A. General. Art. I, Sec. 9, Cl. 8 of the Constitution prohibits the acceptance of any gift from any representative of a foreign government by any official of the United States government without the consent of Congress. The Foreign Gifts and Decorations Act of 1966 [Pub. L. 89-673] and supporting regulations [22 CFR Part 3] generally codify this constitutional bar, while at the same time providing Congressional consent to the acceptance of certain gifts as discussed below.

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C. Gifts of minimal value. The statute and regulations authorize the personal acceptance of gifts which have a retail value not in excess of \$50 in the United States. In these instances, title to the gift passes directly from the foreign government to the donee and therefore there are no limits imposed upon the donee's use or disposition of the item. However, the burden of proof is upon the donee to establish minimal value. [22 CFR §§3.3 and 3.5]

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Thirdly, in cases where a desired use of a gift does not fall within these express authorizations, a request can be made to the Chief of Protocol and his approval for that use obtained as required under present law. Finally, the procedures allow for these gifts to be placed in a future Presidential library.

Recommendations

1. Implement and announce these procedures immediately.

Approve _____

Disapprove _____

2. It is clear that the legal restrictions on the acceptance, use and disposition of foreign gifts apply equally to yourself, the First Lady and Susan. However, they do not appear to apply to Michael, Jack or Steven so long as they do not reside in the White House. Nonetheless, our recommendation is that they be treated no differently from the remainder of the First Family because it is clear that any foreign gifts valued in excess of \$50 which they might receive would be solely as a result of your position.

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Disapprove _____

THE CHIEF OF PROTOCOL
DEPARTMENT OF STATE
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December 2, 1974

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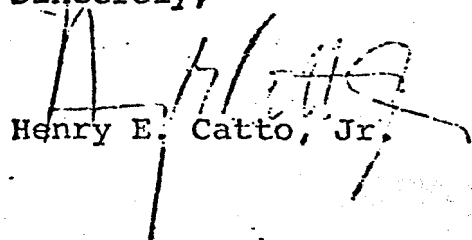
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 - (d) Send gift, along with original and three copies of the pink card, to the Gift Unit; and
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3. Gifts received directly by the Gift Unit will be logged in coordination with the Mail Room, i.e., identity number assigned by the Mail Room, two copies for the Mail Room files, etc.
4. Gift Unit will segregate cards and gifts into the following categories:
 - (a) Gifts clearly worth less than \$50.00 (Smithsonian will make available appraisers where necessary to assist in this determination);
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 - (c) Gifts of jewelry and other items of great value, requiring special handling for safekeeping;
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Following this initial segregation, the Gift Unit will arrange for photographing all gifts falling into categories 4(b) and (c).

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- b. Every two weeks the Chief of Protocol or his designee will visit the Gift Unit to inspect all gifts from foreign sources (and the pink cards for these gifts) received since the last inspection (with exception for items described in 4(d), supra, for which the Gift Unit shall be given authority to dispose of on receipt (see Attachment A)). The Chief of Protocol or his designee will examine the gift and classification tentatively made by the Gift Unit and will determine and/or concur with the appropriate classification as to statutory or non-statutory gift, indicate such on the pink card, and initial and date all pink cards for gifts from foreign sources.
7. The Gift Unit will prepare a declaration card (furnished by the Chief of Protocol) on all items determined to fall under the Act and forward the card, with a photograph of the gift attached, to the Chief of Protocol within forty-eight (48) hours after inspection.
8. The Chief of Protocol will then prepare a Form 120 reporting gifts under the Act to the General Services Administration (GSA) with instructions that they be deposited in the National Archives for eventual inclusion in a Presidential Library or other appropriate location as determined by the Archivist, and authorizing their use, in the interim, for display and other uses consistent with instructions from the Chief of Protocol to GSA at the time of reporting (see Attachment B).

9. The Chief of Protocol shall forward to the Gift Unit a copy of the Form 120 which will serve as authorization for the Gift Unit to turn over those gifts listed thereon to GSA. GSA (National Archives) in cooperation with the Gift Unit will pack the gifts. Specific procedures will be developed between Archives and the Gift Unit for the following:
 - (a) inventory of boxes,
 - (b) standardization of box sizes,
 - (c) packing of boxes,
 - (d) segregation of items by value,
 - (e) continuing records maintenance, preparation of receipts for loaned items and availability for inspection by the Chief of Protocol, his designee or the public.

10. If at any time a request is made to utilize a gift under the Act in a manner not specified in Attachment B, the Archivist must forward the request to the Chief of Protocol and receive his written approval.

ATTACHMENT A

MEMORANDUM TO: Donald H. Rumsfeld
Assistant to the President

FROM: Henry E. Catto, Jr.
Chief of Protocol

SUBJECT: Disposal of Perishable and
Consumable Presidential Gifts
Falling Under the Foreign Gifts
and Decorations Act of 1966,
as amended.

Under the authority granted to me by Section 3.6, Title 22, Code of Federal Regulations, the White House Gift Unit is here authorized to:

1. Receive on behalf of the Chief of Protocol perishable gifts valued in excess of \$50 (flowers and food items)
2. Permit all flowers sent to the President or his family to be used:
 - a. in decorating the White House complex;
 - b. at official White House functions both within and without the White House complex; and
 - c. in military or tax-exempt hospitals;
 - d. in such other places as the President and his family may stay.
3. Consistent with the security regulations of the Secret Service, provide such perishable items for use at appropriate official government functions.
4. When use of perishables is not desired, forward the items in question to the office of the Chief of Protocol for disposition consistent with the provisions of 22 CFR, Sec. 3.6.
5. In instances not covered by this memo, the Gift Unit may contact the Chief of Protocol or his designee by telephone for additional instructions as to disposition. Such telephonic instructions will be confirmed in writing by the Office of the Chief of Protocol.
6. All above instructions are to be subject to the security regulations of the Secret Service.



MEMORANDUM TO: Arthur F. Sampson
Administrator, GSA

FROM: Henry E. Catto, Jr.
Chief of Protocol

SUBJECT: Disposition of Presidential Gifts

In accordance with the Foreign Gifts and Decorations Act of 1966, as amended (Act), and Section 3.6, Title 22, Code of Federal Regulations, the items listed on Standard Form 120, which are gifts received from foreign governments subject to the Act, are forwarded to the General Services Administration (GSA) for disposal.

The following instructions are furnished concerning the disposition of these items:

1. All items not otherwise designated for specific use are to be stored in safekeeping by the Archivist of the United States in a location under his control.
2. In accordance with the provisions of Chapter 21, title 44, United States Code, at such a time as there is established a Presidential archival depository for the permanent storage and display of the papers and historical materials of the Administration of President Gerald R. Ford, these items are to be transferred to this Presidential archival depository, or any Presidential archival (temporary) depository so designated by the Archivist.
3. In the absence of such a Presidential archival depository, the Archivist is to deposit these items in other appropriate museums with the approval of the Chief of Protocol.
4. In the meantime, the Archivist is authorized to make available, without further approval from the Chief of Protocol, at the request of the President or his designees, any of these items for the following purposes:
 - a. display or use within the White House complex or at any other location on Federal property in connection with Presidential activity;
 - b. uses incident to official Presidential functions regardless of location; and
 - c. temporary display in a museum, university or other institutional facility of general availability.



5. In addition, the Archivist may make these items available for such other purposes as are requested by the President or his designees upon receipt of:
 - a. A written request from the President or his designee and
 - b. Written approval from the Chief of Protocol, Department of State.
 - c. When there is insufficient time to secure either a written request from the President or his designee or written approval from the Chief of Protocol, a telephonic request and/or telephonic approval of the Chief of Protocol or his designee may be obtained. However, this is to be promptly followed by a written request and/or response approving this request.
6. The Archivist is responsible for careful and complete documentation of all movements, loans and other Activities relating to these items, including obtaining and retaining receipts on all deliveries. All requests and instructions are to be in writing, consistent with the provisions of 5c., supra.
7. Any deviations from the procedures outlined herein are to be reported immediately in writing to the Chief of Protocol.

THE WHITE HOUSE

WASHINGTON

December 19, 1974

MEMORANDUM FOR THE WHITE HOUSE STAFF

FROM: PHILIP W. BUCHEN *P.W.B.*

SUBJECT: Acceptance of Christmas Gifts

With the Christmas season at hand, I would like to take this opportunity to bring to your attention the restrictions imposed by statute and regulations upon you, as a member of the White House Staff, regarding the acceptance of Christmas gifts.

Gifts between Staff Members

Federal statutes prohibit the acceptance of gifts from fellow employees of a lesser pay status. The solicitation of contributions for a Christmas gift for an employee in a superior official position is also prohibited by statute, as is the giving of such a gift or donation. However, these laws have not been interpreted to preclude the traditional exchange of gifts of nominal value between co-workers within an office.

Acceptance of Other Gifts

As a member of the White House Staff you are expressly prohibited from soliciting or accepting gifts from corporations or persons (1) who have or are seeking contractual agreements with any Executive department or agency, (2) who engage in activities regulated by Executive departments or agencies, or (3) who have any interests which may be substantially affected by the performance of your job. This latter group includes federal employees as well as persons in the private sector.

The foregoing does not preclude your acceptance of unsolicited advertising or promotional items such as pens, note pads, calendars, etc., so long as they are of nominal value (\$10 or less). Similarly,

you are not prohibited from accepting reasonable gifts, promotional or otherwise, from close personal friends or relatives who have dealings with the government, when it is clear that the motivation for the gift is the personal relationship and acceptance would not give rise to the appearance of a conflict of interest.

Additionally, present law prohibits the acceptance of gifts in excess of \$50 (retail value in U. S.) from representatives of foreign governments except with the express consent of Congress. Any such gift which cannot appropriately be refused shall be submitted to the Counsel's office (Room 106, OEOB) for transmittal to the Department of State.

Procedures for Disposition of Prohibited Gifts

Any prohibited gift should be returned to the donor along with a letter, a copy of which should be retained for your files, stating the reasons for its return. If for any reason it is not possible to return the gift, please forward it to the Counsel's office (Room 106, OEOB) along with a letter of explanation. The gift will then be turned over to a public charity or charitable institution.

The rationale for the foregoing restrictions is two-fold. First, as between members of the Staff, they remove any appearance that a person is attempting to gain favor with a superior by the giving of a gift, and also resolve that no such gift is expected. Second, as to gifts that might be offered from those outside the White House, they protect you as a member of the Staff from being thrust into a position of conflict with your job, or more often, from being exposed to the appearance of such a conflict.

Thursday 12/19/74

4:40 Barry said on the Xmas memo:

1. It does track with everything we have released previously.
2. It is clearer in terms of Xmas gifts than if we had quoted from the regulations.
3. Rumsfeld's office called to say he has approved it.

Both Jerry Jones and Don Lowitz say it should be sent.

When we get it signed, either call Barry or have it taken to Bob Linder, who will get it out to the staff.



Gifts

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THE WHITE HOUSE
WASHINGTON

Gifts

December 16, 1974

MEMORANDUM FOR:

Jeanne Davis

FROM:

Bill Casselman *BC*

Attached is a draft report by GAO on "Gifts Given by U.S. Presidents since 1960." In order to prepare a response for Phil Buchen, I would appreciate any comments that you might have on behalf of the NSC by Monday, December 23.

Thank you.

Enclosure

cc: Phil Buchen ✓

THE WHITE HOUSE
WASHINGTON

*Foreign
Gifts*

January 29, 1975

Dear Mr. Hunter:

Thank you for the opportunity to review and comment on the draft GAO report entitled "Proposals to Strengthen the Foreign Gifts and Decorations Act of 1966." I have limited this review to the factual portions of the report, and will defer, for the present time, commenting on the legislative proposals that are made therein.

As a member of my staff has already related to your representatives, our only comment is with respect to the recording process for gifts that is described on page 7 of the report. Rather than the four cards discussed in the second full paragraph on this page, an original card and five copies are prepared for each gift received by the White House. Two copies are maintained in the mail room files, while the remainder are maintained as described in the report.

I trust that this information has been helpful to you. Please do not hesitate to call upon my office should further assistance be required.

Sincerely,

Philip W. Buchen

Philip W. Buchen
Counsel to the President

Mr. Louis W. Hunter
Associate Director of the
International Division
United States General Accounting Office
Washington, D. C. 20548





UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

GENERAL GOVERNMENT
DIVISION

Mr. Philip W. Buchen
Counsel to the President
The White House

Dear Mr. Buchen:

Enclosed are three copies of our draft report to the Congress on the administration of the Foreign Gifts and Decorations Act of 1966.

This is a draft of a proposed report of the General Accounting Office and is subject to revision. It should, therefore, not be released for unauthorized purposes, and it should be safeguarded to prevent any premature or unauthorized disclosure.

We would appreciate receiving your comments on this draft report within 10 days from the date of this letter. We will be glad to discuss this matter with you or your representatives if you so desire. Any inquiries concerning this report should be directed to Mr. Louis W. Hunter, Associate Director of the International Division (Code 129, Extension 5445).

We are also furnishing copies of this draft report to the General Services Administration, the Departments of State and Defense, and the Smithsonian Institution for review and comment.

Sincerely yours,

John D. Heller for
Victor L. Lowe
Director

Enclosures - 3



THE WHITE HOUSE

WASHINGTON

February 21, 1975

MEMORANDUM FOR THE PRESIDENT

THROUGH: PHIL AREEDA *PA*
FROM: BILL CASSELMAN *BC*
SUBJECT: Policy on Foreign Gift Giving

In view of increasing Congressional and media attention to the value of gifts being exchanged between U.S. and foreign officials, you may wish to consider the following options:

OPTION 1: Continue the present policy of exchanging gifts of varying and even significant value, as strongly favored by the Department of State.

Pro: Kissinger "feels that, given the deeply engrained traits of such peoples as the Arabs, the Chinese, etc., it would be very difficult to explain what we were doing and why if we should opt to end the practice. He feels that should Congress try to limit gift giving by law, we should oppose such a limit."

Con: There is some public concern over "large" gifts. Furthermore, State has refused GAO requests for cost data on specific gifts because this would invite comparison of the cost of gifts given to different heads of state. This lack of accountability has prompted serious efforts by Senator Proxmire to provide Congress with a full report of all gifts costing more than \$50.

OPTION 2: Limit gifts to items of moderate value, such as autographed pictures. (Queen Elizabeth gives only pictures. King Hussein gave you an autographed picture only last year when you

were Vice President. You presented framed pictures to President Giscard during your meeting in Martinique.)

Pro: Consistent with Congressional proposals to prohibit gifts in excess of \$50, and with public attitudes on gift giving. Does not encourage comparisons of gifts. Would have a reciprocal effect on the value of gifts given to you and other government officials.

Con: Would be difficult for some foreign governments to understand, and might be construed to reflect a change in foreign policy directed at those countries. Cost savings too small to justify a break in tradition.

OPTION 3: Submit legislation limiting official gifts to foreign dignitaries to items of moderate cost (e.g., less than \$50).

Pro: General legislative policy is less likely to be misinterpreted by any particular country.

Con: Unnecessary. Perhaps too inflexible.

Recommendation: I recommend Option #2, in the belief that the domestic policy advantages outweigh the foreign policy disadvantages, and that a new uniform policy could be satisfactorily explained to foreign governments.

Decision:

OPTION 1 -- Maintain the present policy

OPTION 2 -- Adopt a policy of limiting gifts to those of moderate or minimal value, primarily autographed pictures

OPTION 3 -- Submit legislation to Congress to limit foreign gift giving

Have a Meeting

480 LU

THE WHITE HOUSE
WASHINGTON

February 20, 1975

MEMORANDUM FOR THE PRESIDENT

THROUGH: PHIL BUCHEN
FROM: BILL CASSELMAN *BC*
SUBJECT: Policy on Foreign Gift Giving

The past year has brought increasing Congressional, media and public attention to the number, value, and type of gifts that are being exchanged between U.S. and foreign officials. Accordingly, the Counsel's office was asked to undertake a re-examination of Administration policy in this area. The following are the available options regarding the giving of foreign gifts purchased with appropriated funds:

OPTION 1 - MAINTAIN THE PRESENT POLICY

The continued exchange of gifts of varying value, including gifts of more than moderate value, is strongly favored by the Department of State. In response to an inquiry from Don Rumsfeld, Henry Catto states:

"The Secretary feels that, given the deeply engrained traits of such peoples as the Arabs, the Chinese, etc., it would be very difficult to explain what we were doing and why if we should opt to end the practice. He feels that should Congress try to limit gift giving by law, we should oppose such a limit."

Funds used by the Department for the purchase of gifts are not subject to audit. State has refused requests from GAO for cost data on specific gifts on the basis that this would invite comparison of the cost of gifts given to different heads of state. This lack of accountability has prompted serious efforts by Senator Proxmire to provide Congress with a full report of all gifts costing more than \$50.

Advantages: Solely from a foreign policy standpoint, this option offers maximum flexibility and should be favored.

Disadvantages: (1) This position does not reflect the present political and economic climate evidenced by the views of the Congress, the media and the public.

(2) To the extent that the giving of a gift encourages a gift in return, the present policy is inconsistent with the provisions of the Foreign Gifts and Decorations Act of 1966 and the constitutional prohibition against the acceptance of foreign gifts.

OPTION 2 - LIMIT GIFTS TO ITEMS OF MODERATE VALUE

While maintaining some flexibility to give more expensive gifts, it is expected that this would generally limit Presidential gifts paid from appropriated funds to autographed pictures. Any public statements justifying such a change could be based upon the need to limit excessive Federal expenditures in light of the current economic situation. The exchange of pictures is not unprecedented. Queen Elizabeth gives only pictures. King Hussein gave you an autographed picture only last year when you were Vice President. You presented framed pictures to President Giscard during your meeting in Martinique.

While gifts given to U.S. officials by recent Arab visitors have included some of more than moderate value, they have not approached the level of earlier gifts. There was little, if any, unfavorable foreign reaction last July when State reminded foreign missions to the United States that U.S. officials could not personally accept gifts in excess of \$50, and that such gifts were discouraged.

Advantages: (1) This policy is more in line with Congressional proposals to prohibit gifts in excess of \$50, and is in keeping with the prevailing public attitude on the practice of gift giving.

(2) By adopting a policy that retains some flexibility, the Administration would be in a far better position to oppose more restrictive Congressional proposals on the basis that they are unnecessary.

(3) By giving a gift that is of minimal value and of a particularly personal nature, you would be treating foreign dignitaries in a manner that would not encourage the comparison of costs of these gifts.

(4) Limiting the value of gifts given should have a reciprocal effect on the value of gifts given to you and other government officials.

(5) Presidential action would clearly indicate your desire to limit overall federal expenditures to those that are absolutely necessary.

Disadvantages: (1) The sudden limitation on exchange of gifts could be difficult for some foreign governments to understand, and might be construed to reflect a change in foreign policy directed at those countries.

(2) The relatively small cost savings that would result would not justify a break in long-standing practice and tradition.

OPTION 3 - SUBMIT LEGISLATION TO CONGRESS

In 1966, Congress acted to limit the acceptance of foreign gifts. GAO has recommended that Congress amend this law to further restrict the receipt of gifts by U.S. officials. It is highly probable that Congress will consider a limitation on official gift giving at the same time. Therefore, an available alternative would be to submit legislation to limit official gifts to foreign dignitaries to items of moderate cost (e.g., less than \$50).

Advantages: (1) By the use of legislation, the Government would clearly establish a general policy in this area that is less likely to be misinterpreted by any particular country.

(2) This approach further evidences your willingness to work with Congress in various policy areas.

Disadvantages: (1) There is no assurance that Congress will act favorably on such legislation.

(2) You will lose the advantage of taking immediate Executive action in the interest of Government economy.

(3) Enactment of legislation could be viewed as a further diminution of the President's power to conduct foreign relations.

Recommendation: In the belief that the domestic policy advantages substantially outweigh the foreign policy disadvantages, and that a new policy could be satisfactorily explained to foreign governments, if uniformly applied to all foreign dignitaries, OPTION 2 is recommended.

OPTION 1 -- Maintain the present policy

Approve _____ Disapprove _____ See Me _____

OPTION 2 -- Adopt a policy of limiting gifts to those of moderate or minimal value, primarily autographed pictures

Approve _____ Disapprove _____ See Me _____

OPTION 3 -- Submit legislation to Congress to limit foreign gift giving

Approve _____ Disapprove _____ See Me _____



THE WHITE HOUSE

WASHINGTON

February 13, 1975

MEMORANDUM FOR: WILLIAM CASSELMAN

FROM: JERRY JONES

Attached is the Chief of Protocol's memo concerning the Secretary of State's position on giving of official gifts to foreign heads of state and officials. Please prepare a Presidential decision memorandum outlining Presidential options for gift giving which would include as one option the Secretary of State's position. You should give the pros and cons for each option and recommend the option which you feel most appropriate. Could I have this paper by COB Wednesday, February 19.

Thank you.

Attachment



FEB 12 1975

4

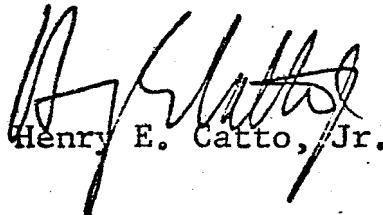
THE CHIEF OF PROTOCOL
DEPARTMENT OF STATE
WASHINGTON

February 11, 1975

MEMORANDUM FOR DONALD RUMSFELD

Subject: Your Request for a State Department
Position on the Giving of Official
Gifts

The Secretary feels that, given the deeply engrained traits of such peoples as the Arabs, the Chinese, etc., it would be very difficult to explain what we were doing and why if we should opt to end the practice. He feels that should Congress try to limit gift giving by law, we should oppose such a limit.


Henry E. Catto, Jr.

FEB 12 1975

MEETING RE FOREIGN GIFTS

Wednesday, March 19, 1975

5:30 p. m. (30 minutes)

The Oval Office

From: Bill Casselman *BC*

I. PURPOSE

To decide upon a uniform policy with respect to the exchange of gifts between U.S. and foreign officials, including heads of state.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: In response to the attached memorandum on foreign gift policy, you indicated that you wished to meet with staff to discuss various options.

B. Participants: Phil Buchen, Bill Casselman, Jack Marsh, Don Rumsfeld, Brent Scowcroft.

C. Press Plan: No press coverage.

III. TALKING POINTS

1. As I understand it, we have three basic options. Let's explore the pros and cons of each.

2. We could maintain the present policy of exchanging gifts of varying and even significant value, as strongly favored by the Department of State.

3. We could limit gifts to items of moderate value, such as autographed pictures, as recommended by Counsel to the President.

4. Finally, we could submit legislation limiting official gifts to foreign dignitaries to items of moderate cost (e. g. less than \$50). This approach has support on Capitol Hill from Senator Proxmire and others.

5. There is also a question as to what Government policy should be as to public disclosure of foreign gifts given and received.



THE WHITE HOUSE

WASHINGTON

March 18, 1975

MEMORANDUM FOR: PHIL BUCHEN

FROM: KEN LAZARUS *KL*

As you will recall, I prepared the attached draft memorandum about six weeks ago. The memorandum did not go forward since Dick Cheney wanted to discuss the matter with the President informally prior to submission of any memorandum. To date, nothing has occurred.

In tomorrow's meeting with the President on foreign gift-giving, I would suggest that you raise the subject matter treated in the attached memorandum if given the opportunity.

Attachment



THE WHITE HOUSE

WASHINGTON

DRAFT

January 30, 1975

MEMORANDUM FOR THE PRESIDENT

THROUGH: DONALD RUMSFELD
PHILIP BUCHEN

FROM: KENNETH LAZARUS

SUBJECT: Non-Statutory Gifts to Members
of the First Family

As you will recall, you recently approved guidelines governing the acceptance, use and disposition of gifts to members of the First Family from representatives of foreign governments which are subject to the constraints imposed by the Constitution, the Foreign Gifts and Decorations Act of 1966 and supporting regulations.

The purpose of this memorandum is to recommend guidelines governing non-statutory gifts (gifts from foreign sources not under the Foreign Gifts Act and all gifts from domestic sources) to members of the First Family.

Considerations

A. Legal. There are no direct legal restrictions on the acceptance of non-statutory gifts by the President or other members of the First Family. Nonetheless, certain conflict of interest provisions should be central to any analysis of policy alternatives in this area.

Executive Order 11222 of May 8, 1965 (not technically applicable to the President) prescribes comprehensive guidelines applicable to gifts to Executive branch officers and employees from private sources. Generally, these prohibit the solicitation or acceptance of any gift or any other thing of monetary value from any person, corporation or group which --

(1) has, or is seeking to obtain, contractual or other business or financial relationships with an employee's agency;

(2) conducts operations or activities which are regulated by an employee's agency;

(3) has interests which may be substantially affected by the performance of an employee's official duties; or

(4) presents even the appearance of misconduct by using public office for private gain.

This Executive Order and implementing regulations (3 CFR Part 100) effectively preclude the acceptance of almost any gift by any officer or employee of the Executive branch, including members of the White House staff.

It should also be noted with respect to the acceptance of honoraria, that the Federal Election Campaign Act Amendments of 1974 now make it illegal for any Federal officer or employee to accept an honorarium in excess of \$1,000 for a particular speech or appearance or more than \$15,000 cumulatively in any one year (18 U.S.C. 616). The acceptance of honoraria for charity would also fall within the purview of this section.

B. Political. As you will recall, at your first press conference upon assuming the Presidency, you indicated that you intended to set the example for ethical conduct within the Executive branch.

Notwithstanding the conclusion that neither Executive Order 11222 nor the regulations issued pursuant to it legally bind the President, it could give rise to political controversy for the President to engage in conduct proscribed by the Order or regulations, where no special reason exists for exemption from the generally applicable standards. Failure to observe these standards will furnish a simple basis for damaging criticism, whether or not they technically apply.



Recommendation

The attached proposed procedures for the handling of non-statutory gifts are generally consistent with the spirit of the restrictions placed on White House personnel in this area. They would authorize acceptance for personal use of only the following:

(1) Sentimental Gifts -- tangible gifts of reasonable value which represent a personal work product or other display of emotion or sentiment.

(2) Awards -- awards of reasonable value for meritorious achievement.

(3) Personal Gifts -- reasonable gifts from close personal friends.

(4) Miscellaneous Items -- unsolicited advertising or promotional items of a nominal value.

Permanent gifts to the White House or to a Presidential library would be permitted but the use of such gifts would be restricted to official purposes.

The proposed guidelines would also allow for the public disclosure of all non-statutory gifts.



ACTION

1. The proposed guidelines should be implemented.

Approve _____

Disapprove _____

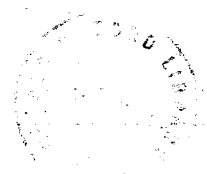
See me _____

2. Take such steps as are necessary to bring the First Family into compliance with the proposed guidelines but hold up announcement.

Approve _____

Disapprove _____

See me _____



GUIDELINES GOVERNING GIFTS TO THE
FIRST FAMILY THAT ARE NOT SUBJECT
TO THE CONSTITUTIONAL AND STATUTORY
RESTRICTIONS ON GIFTS FROM
FOREIGN HEADS OF STATE

1. Scope of Coverage. These guidelines shall be applicable to all gifts which are not subject to the Foreign Gifts and Decorations Act of 1966.
2. Ban on Solicitation. Gifts will not be solicited or otherwise encouraged by or on behalf of the President or any other member of the First Family.
3. Standards. Gifts to the President or other members of the First Family which are received should be returned to the donor, accompanied by a written explanation of the reasons for its necessary return, subject only to the following exceptions:
 - (a) Gifts to the White House. The offer of a gift which shall become a permanent addition to the White House may be accepted by the President or the First Family on behalf of the United States when no question arises as to the propriety of the gift. Such gifts shall thereafter be treated as public property. Some gifts that require expenditures of public funds for maintenance require Congressional approval. Counsel should therefore be advised of proposed acceptances in all cases.
 - (b) Presidential Library. Gifts appropriate for eventual inclusion in a Presidential Library or other similar museum due to their identification with the President may be accepted by the First Family when no question as to their propriety arises. Such gifts shall thereafter be treated as public property.
 - (c) Sentimental Gifts. The offer from an individual or group of a tangible gift of reasonable value which represents a personal work product, or other display of emotion

or sentiment, may be accepted if the offer does not appear to constitute the endorsement of a commercial item.

- (d) Awards. The offer of an award of reasonable value for a meritorious public contribution or achievement given by a charitable, professional, religious, social, fraternal, recreational, non-profit, educational, civic or similar organization may be accepted.
 - (e) Items of unknown origin. Gifts of unknown origin may be retained to be turned over anonymously and as soon as practicable to an organization qualifying under Section 501(c)(3) of the Internal Revenue Code of 1954. No tax deduction by the First Family will be claimed for any such gifts.
 - (f) Personal gifts. Gifts from close personal friends or relatives, when it is clear that the only motivation for the gift is the personal relationship, even though such individuals may have dealings with the government, may be retained.
 - (g) Miscellaneous items. Unsolicited advertising or promotional items of a nominal value such as pens, calendars, etc., may be retained if the retention could not be reasonably construed to constitute the endorsement of a commercial product.
4. Use of gifts treated as public property include, but are not necessarily limited to:
- (a) Display or use within the White House complex or at any other location on Federal property in connection with Presidential activity;
 - (b) Uses incident to official Presidential functions regardless of location; and
 - (c) Temporary display in a museum, university or other institutional facility of general availability to the public.

In instances not covered by the above situations, specific advance approval by the Office of the Counsel to the President shall be obtained by the Gift Unit. Additionally, the Gift Unit is responsible for assuring that all such items of public property are carefully accounted for at all times.

5. Honoraria. During his tenure in office, the President will not accept any honorarium or compensation for any appearance, speech, teaching or writing.

Other members of the First Family will not accept any honorarium or other compensation for speeches, lectures, teaching or writing which in any way relate to official activities on their part, or which were in any way assisted by other federal employees as part of their official activities.

6. Travel and accommodations. The President or any other member of the First Family will not accept payment or reimbursement for air travel, lodging or related expenses from any person or non-governmental organization when traveling on official business. If the trip is not "official" but "political" in nature, payment will be made from appropriate and available political funds. If the trip is not "official" or "political" in nature, payment will be made from the personal funds of the First Family.
7. Loans. The President or any other member of the First Family will only accept loans on customary terms for use in financing the purchase of realty or personalty.
8. Disclosure. Information relating to the acceptance of domestic gifts shall be available to the public.
9. Procedures.
 - (a) As with foreign gifts, all presentations of gifts received by or on behalf of the President should be sent to the Gift Unit or to the Mail Room. All offers of gifts shall also be referred to the Gift Unit.

- (b) The Mail Room will log all gifts on appropriate colored cards (pink for all foreign gifts, white for domestic gifts to the President, yellow for domestic gifts to the First Lady or the children).
- (c) Any questions regarding the propriety or legality of a gift or offer of a gift shall be referred to the Counsel to the President for his determination.
- (d) In instances involving offers of gifts to the White House the Gift Unit shall seek the guidance of the White House Historical Association, the National Park Foundation or other appropriate organization.
- (e) The responsibility for the acknowledgement or acceptance and appropriate use of gifts should be undertaken by the White House Gift Unit in accordance with the guidelines set forth in the preceding sections.

THE WHITE HOUSE

WASHINGTON

March 16, 1975

MEMORANDUM FOR: Phil Buchen

FROM: Bill Casselman *BC*

Attached per your request are the talking points for our meeting with the President on Wednesday. Also attached is a discussion outline for our use only.

Enclosures

DISCUSSION POINTS ON FOREIGN GIFT POLICY

OPTION 1 - Maintain the present policy on exchange of gifts.

Pro 1. Foreign governments would fail to understand any shift from present position, especially the Arabs and Chinese. (Kissinger urges that any Congressional efforts to limit gift giving be opposed).

2. Offers maximum flexibility in dealing with foreign affairs.

Con 1. Funds are not subject to audit, resulting in press and congressional criticism over "secret" government expenditures.

2. Proxmire and others in Congress are vigorously pursuing legislation to report gifts given in excess of \$50 and to limit or bar such gifts.

3. Public opinion is increasingly opposed to the exchange of gifts.

4. Encouraging a return gift is inconsistent with the Foreign Gifts and Decorations Act of 1966 and constitutional prohibition.

5. The U.S. Ambassador to Saudi Arabia (Aikens) is impounding all foreign gifts valued in excess of \$50 given to U.S. officials in Saudi Arabia, and returning them to the Saudis. This has worked without problems--the Saudis understand fully and there have been no negative diplomatic repercussions.

OPTION 2 Limit gifts to items of moderate value, primarily autographed pictures.

Pro 1. Does not require Congressional action.

2. You have received such pictures (Hussein, Emperor of Japan) and exchanged photos with other heads of state (Giscard). Queen Elizabeth only exchanges pictures.

3. Would allow the Administration to take credit.

4. Consistent with the prevailing public mood.

5. Would avoid comparisons of gifts given to various officials.



6. Would minimize the excess publicity.

7. Further indicates your desire to limit Federal expenditures and willingness to adopt new approaches when appropriate.

Con 1. Some foreign governments--particularly the Arabs--could be insulted if they construe this as directed towards themselves.

2. Cost savings are too small to justify a break in long-standing practice.

3. Congress may still change this policy.

4. It is reported that Nixon rejected this policy.

OPTION 3 Submit legislation to Congress.

Pro 1. Congress has already acted on the acceptance of foreign gifts by Federal officials and GAO has recommended that Congress consider this area anew.

2. Less likely to be misinterpreted by a particular country.

3. Evidences willingness to work with Congress.

4. Could divert foreign criticism away from the Executive.

Con 1. No assurance that Congress will act favorably or what legislation they might enact.

2. In the meanwhile, present policy will still be subject to criticism.

3. Will lose credit for taking immediate action in terms of the economy and for a strong position.

4. Could be considered as a diminution of Presidential power to conduct of foreign relations.

OPTION 4 Public disclosure.

Pro Minimize and/or end excessive press and public inquiries.

Con If present policy is maintained, encourages comparison of gifts given to different officials.

Monday 3/10/75

Meeting
3/19/75
5:30 p. m.

7:50 They don't usually give us this much advance notice on meetings with the President.

On the meeting with the President on Wednesday 3/19 at 5:30 p.m. on foreign gift giving, will you want Casselman to prepare the briefing paper?



THE WHITE HOUSE

WASHINGTON

March 8, 1975

MEMORANDUM FOR: MR. PHILIP BUCHEN
FROM: WARREN RUSTAND *WR*
SUBJECT: Approved Presidential Activity

Please take the necessary steps to implement the following and confirm with Mrs. Nell Yates, ext. 2699. The appropriate briefing paper should be submitted to Dr. David Hoopes by 4:00 p.m. of the preceding day.

Meeting: To discuss policy on Foreign Gift Giving

Date: Wed. March 19, 1975 Time: 5:30 p.m. Duration: 30 minutes

Location: The Oval Office

Press Coverage: White House Photographer

Purpose: With Buchen, Scowcroft, Marsh, Casselman and Rumsfeld

cc: Mr. Hartmann
Mr. Marsh
Mr. Cheney
Dr. Connor
Dr. Hoopes
Mr. Jones
Mr. Nessen
Mr. O'Donnell
Mrs. Yates
Miss Luther

THE WHITE HOUSE
WASHINGTON

February 21, 1975

MEMORANDUM FOR THE PRESIDENT

THROUGH: PHIL AREEDA *PA*
FROM: BILL CASSELMAN *BC*
SUBJECT: Policy on Foreign Gift Giving

In view of increasing Congressional and media attention to the value of gifts being exchanged between U.S. and foreign officials, you may wish to consider the following options:

OPTION 1: Continue the present policy of exchanging gifts of varying and even significant value, as strongly favored by the Department of State.

Pro: Kissinger "feels that, given the deeply engrained traits of such peoples as the Arabs, the Chinese, etc., it would be very difficult to explain what we were doing and why if we should opt to end the practice. He feels that should Congress try to limit gift giving by law, we should oppose such a limit."

Con: There is some public concern over "large" gifts. Furthermore, State has refused GAO requests for cost data on specific gifts because this would invite comparison of the cost of gifts given to different heads of state. This lack of accountability has prompted serious efforts by Senator Proxmire to provide Congress with a full report of all gifts costing more than \$50.

OPTION 2: Limit gifts to items of moderate value, such as autographed pictures. (Queen Elizabeth gives only pictures. King Hussein gave you an autographed picture only last year when you



were Vice President. You presented framed pictures to President Giscard during your meeting in Martinique.)

Pro: Consistent with Congressional proposals to prohibit gifts in excess of \$50, and with public attitudes on gift giving. Does not encourage comparisons of gifts. Would have a reciprocal effect on the value of gifts given to you and other government officials.

Con: Would be difficult for some foreign governments to understand, and might be construed to reflect a change in foreign policy directed at those countries. Cost savings too small to justify a break in tradition.

OPTION 3: Submit legislation limiting official gifts to foreign dignitaries to items of moderate cost (e.g., less than \$50).

Pro: General legislative policy is less likely to be misinterpreted by any particular country.

Con: Unnecessary. Perhaps too inflexible.

Recommendation: I recommend Option #2, in the belief that the domestic policy advantages outweigh the foreign policy disadvantages, and that a new uniform policy could be satisfactorily explained to foreign governments.

Decision:

OPTION 1 -- Maintain the present policy

OPTION 2 -- Adopt a policy of limiting gifts to those of moderate or minimal value, primarily autographed pictures

OPTION 3 -- Submit legislation to Congress to limit foreign gift giving

Have a Meeting

