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THE WHITE HOUSE

WASHINGTON

May 20, 1976

MEMORANDUM FOR: JIM CAVANAUGH
FROM: MIKE DUVAL 
SUBJECT: SAN DIEGO PRISON

In a meeting yesterday with the President, San Diego Mayor Pete Wilson raised the subject of the Terrasanta Prison. The Mayor thanked the President for his decision to sell this facility as surplus Federal property. However, he pointed out that the decision was not being implemented quickly and, in fact, it appeared that the agencies involved were dragging their feet.

The President directed that the Domestic Council look into this immediately and report back as quickly as possible. May we please have a response by Saturday, May 22.

Thank you.

cc: Jim Connor
Jim Cannon



THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

Duval

May 22, 1976

file
for info
late
D

MEMORANDUM FOR DICK CHENEY

THROUGH: Alan Greenspan *AG*
FROM : Paul W. MacAvoy *pm*

SUBJECT: Meeting of Truckers with the President
on Trucking Regulatory Reform
May 27, 1976 - 11:30 a.m.

The question the truckers will ask is whether the President will withdraw the regulatory reform bill. He could answer (a) no, (b) maybe, and (c) yes. The (a) answer will enrage the truckers, while (b) or (c) would bring forth about twenty editorials on how the President, after all, gave in to the special interests on anticompetitive regulation.

What is to be gained?



THE WHITE HOUSE
WASHINGTON

May 20, 1976

MEMORANDUM FOR: BILL GOROG
FROM: MIKE DUVAL *Mike*
SUBJECT: GENERAL AVIATION
MANUFACTURERS ASSOCIATION

My recommendation is that the President be involved in the export control decision concerning general aviation aircraft.

However, I do not think that the GAMA luncheon is an appropriate setting for a Presidential appearance.

My recommendation is that the President invite the GAMA representatives here to the White House for a Baroody-type briefing. They will probably have 80 to 100 people in town and could come over in the morning prior to their lunch (or, for that matter, immediately following) on Thursday, May 27. I would recommend a format of approximately an hour of briefings, leading off with Secretary Coleman and following up with someone like yourself on the economic side. You might also want to plug in someone on the energy side, such as Frank Zarb, and possibly a representative from the State Department. The President could then close the session and announce the decision on export controls.

Please let me know if this event is a go before advising GAMA.

Thanks.

cc: Cavanaugh, Jones, Nicholson



THE WHITE HOUSE

WASHINGTON

May 21, 1976

MEMORANDUM FOR:

JERRY JONES
DAVE GERGEN
MIKE DUVAL

FROM:

BILL GOROG *WFG*

SUBJECT:

Proposed Presidential Meeting with the
Company Representatives of the General
Aviation Manufacturers Association (GAMA)

As discussed at Wednesday's 9:30 meeting, I am proposing that the President meet with representatives of the 35 member companies of GAMA to announce a significant change in export control regulations related to general aviation aircraft.

GAMA is the trade organization that represents the companies that manufacture 99 percent of the aircraft, engines, avionics, and component parts used in general aviation. The industry employs over 250,000 workers, with production in excess of \$5 billion annually. Historically, about 25 percent of production has been exported.

The President was originally invited to the Annual GAMA Luncheon to be held on May 27 at the Regency Hyatt House. However, due to the fact that the luncheon audience will include members of Congress and Congressional staff, Mike Duval suggested that we hold a White House briefing here and invite the senior officers of the companies involved, as well as any press contingent they have convering the Annual Luncheon. We would have the group briefed on the economy by Bill Gorog, and on general aviation transportation policy by Secretary Coleman. The President would drop by the briefing for 10 minutes of remarks, at which time he would announce the change in export controls.

As indicated by the president of GAMA in his luncheon invitation, the corporate leadership in attendance at the luncheon represents a broad constituency of manufacturing facilities located in California, Ohio, and New Jersey, among other states.

This event should be played as a significant move by the President to reform the regulatory process to give American business greater opportunity to compete abroad.

Draft Remarks of the President for
a meeting with the Board of Directors of
the General Aviation Manufacturers Association
(GAMA)



The White House, May 27.

I understand that in conjunction with the quarterly meeting of the Board of Directors of GAMA, the General Aviation Manufacturers Association is hosting an appreciation luncheon today for government people. I should like to turn that around, and, on behalf of all Americans express the Nation's appreciation to you and the member companies of your association.

You produce over 99 percent of the nation's general aviation aircraft, engines, avionics, component parts, and pilot supplies.

Your efforts have made America number one in the world in terms of general aviation.

You have made possible the fine commuter airline system in this country a system that we believe will become an increasingly important and vital link in the nation's air transport system. Your products make possible frequent, efficient air transport at many small American cities and towns.

Your industry employs directly over a quarter million people. These productive job opportunities are important to the Nation's economy.

Your industry has a significant stake in promoting American products overseas. Your aircraft provide vital transportation links in many nations. So you should be recognized as being partners in America's efforts to assist developing countries.

My Administration has made the reform of government regulation one of its highest priorities. We have initiated a national debate on the role that government regulation should play in our economy. In the past year, we have achieved the most significant and comprehensive progress toward reform in three decades. At the same time we have moved toward a more open and vigorous free market in which consumers have available a wider range of goods and services to choose from and where businessmen have a greater opportunity to run their own businesses and to market their products.

We need a better understanding of the combined effects of all government regulatory activities on our economy and our lives. We need to eliminate contradictions and overlaps. We need to abolish outdated and unnecessary regulation.



As a step in this direction, the Department of Commerce export controls over general aviation aircraft will be greatly liberalized, as of today. These changes, formulated after consultation with the General Aviation Manufacturers Association, will permit exporters to obtain large volume distribution licenses for non-military aircraft designed to carry no more than 25 persons, including crew, regardless of the communications or navigation equipment installed.

For foreign policy reasons, the distribution licenses will not be available for exports of general aviation aircraft to a certain few countries.

In a related action, all export license requirements will be eliminated for general aviation aircraft incorporating standard communications equipment. Again, Foreign policy reasons require that validated licenses be obtained for a certain few countries.

It is time the government minded its own business for a while, and let you run yours. The simple fact is that government has grown too large, too powerful, too costly, too remote, and yet too deeply involved in the daily lives of the American people.

With these new export provisions for general aviation aircraft, some three to four thousand license applications annually will be replaced by a dozen or so. These thousands of applications had to be completed by your employees at your expense, and then reviewed by dedicated civil servants at the Department of Commerce, and in many cases at the Departments of Defense and State, as well, at the American taxpayers' expense. With the costs and delays inherent in any paper flow of this magnitude, export sales opportunities have undoubtedly been lost. Thus in this one action, we can remove a hinderance to exports, expand employment levels as a result of greater export opportunity and reduce, at least in a small way, the cost of government.

I have asked my Council on International Economic Policy to continue working with you to facilitate the Flow of general aviation exports.

America appreciates the enterprising spirit that you have demonstrated in developing an unparalleled general aviation industry.

You possess the traits of individual initiative, self-reliance and and creativity that we prize so highly in America. These traits have always been indispensable -- indispensable as characteristics of a free and dynamic and forward-looking people. I believe these traits are still the dominant ones in America. If they are, then our third century can only be greater than the two glorious centuries that have gone before.

Thank you very much.





file

**General Aviation
Manufacturers Association**

Edward W. Stimpson
President

Suite 1215
1025 Connecticut Ave., N.W.
Washington, D. C. 20036
(202) 296-8848

21 May 1976

Mr. Michael Raoul-Duval
Special Counsel to the President
The White House
Washington, D.C. 20500



Dear Mike:

Thanks for your call, and your interest in President Ford attending our luncheon on May 27.

In addition to the Board of Directors of GAMA, there will be members of the aviation press, the Senate and the House, and Executive Agencies. There will be approximately three hundred people in attendance. We would, of course, regard it as a good forum for the President to make a strong statement on the role of general aviation, its contributions to the transportation system of the nation and the world, and the importance of world market. As you know, practically all recent proposed administration actions have been in the negative; new user charges, cost allocation, elimination of VA Flight Training, Trust Fund expenditures, etc.

Potentially, we view the world market to be as large or larger than the U.S. market. Last year, U.S. manufacturers exported 3,500 aircraft to 80-some nations. This year, our exports are running below the normal level of 25% to 30% of production. We have experienced serious difficulties with export regulations and processes of our government, which in part, hopefully, will be corrected. We have also experienced serious protectionistic policies on the part of foreign governments, and have been urging U.S. government assistance to effect remedial action through GATT.

General aviation manufacturing reaches into many communities of this nation. In addition to Kansas, major manufacturing facilities are located in Lock Haven, Williamsport, Fort Washington, and Pittsburgh, Pennsylvania; Albany, Savannah, and Marietta, Georgia; Vero Beach,

Mr. Michael Raoul-Duval
21 May 1976
Page Two

Fort Lauderdale, and Lakeland, Florida; Mobile, Alabama; Nashville, Tennessee; Cleveland, Dayton, Piqua, and Toledo, Ohio; Cedar Rapids, Iowa; Alexandria, Minnesota; Osceola, Wisconsin; Bethany, Oklahoma; Kerrville, San Antonio, and Dallas, Texas; Denver, Colorado; Phoenix, Arizona; Los Angeles and Santa Maria, California; Fairfield and Little Falls, New Jersey. This is supported by a dealer/distributor network, some 5,000 independent businesses, located throughout the United States. The total general aviation employment approximates 250,000 people. The pilot population is currently around 750,000.

If May 27 should work out, it would be great, and I would be glad to work with you further. The press coverage and aviation press will be extensive, and last through summer and fall issues of various aviation trade publications, i.e., Flying Magazine, Business & Commercial Aviation, etc.

I look forward to hearing from you.

Sincerely yours,



Edward W. Stimpson

EWS:sn





*The Board of Directors
of the
General Aviation Manufacturers
Association
cordially invites*

Mr. Michael Duval

to its

Fifth Annual Appreciation Luncheon

Regency Ballroom

Hyatt Regency Hotel

400 New Jersey Avenue, Northwest

Thursday, May twenty-seventh

at twelve o'clock

Reply card enclosed



General Aviation
Manufacturers Association
Suite 1215
1025 Connecticut Ave., N.W.
Washington, D. C. 20036

_____ I will attend the GAMA Luncheon
on Thursday, May twenty-seventh
at the Hyatt Regency Hotel.

_____ I will be unable to attend the
GAMA Luncheon on Thursday,
May twenty-seventh.

Name

Mr. Michael Dural
The White House
Washington, D.C.

May 26, 1976

Copy

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM F. GOROG *WFG*



SUBJECT: Briefing Paper for Drop-by Visit with
General Aviation Manufacturers Association,
Roosevelt Room, 3:00 p.m., Thursday,
May 27

PURPOSE

To allow you to announce to the Board Members of the General Aviation Manufacturers Association (GAMA) a significant liberalization of export control restrictions affecting their industry.

BACKGROUND

Under the Export Administration Act of 1969, the President is authorized to control exports of U.S. commodities and technical data to all foreign destinations as necessitated by considerations of national security, foreign policy, or short domestic supply. Previously, the Department of Commerce required individual licensing for the export of general aviation aircraft. GAMA has objected to the expense, delays, and loss of export sales to foreign competitors as a result of the cumbersome licensing procedure. Commerce, in consultation with CIEP and GAMA, has revised its export regulations to liberalize greatly its licensing requirements. These revisions will allow 3,000 to 4,000 license applications annually to be replaced by a dozen or so. The revisions are consistent with your regulatory reform initiatives.

The Board of Directors of GAMA are in Washington for a quarterly meeting. They have been invited to the White House so that you may announce to them the change in export controls for general aviation aircraft. Commerce will release similar announcement for other products.

GAMA represents the 35 companies that manufacture 99 percent of the aircraft, engines, avionics, component parts, and pilot supplies used in general aviation. The industry employs about 250,000 people. Net billings in 1975 were \$1.03 billion (17,057 aircraft); historically, about 25 percent of production has been exported.

PARTICIPANTS

Attendees will include the GAMA Board of Directors who are the principal executives of the 35 member companies, as well as representatives of the Commerce Department and CIEP. Principal officers of GAMA are:

Chairman of the GAMA Board: Frank E. Hedrick
President, Beech Aircraft
Corporation
Wichita, Kansas

Vice-chairman of the GAMA Board: Charles B. Husick
President, Narco
Avionics
Fort Washington, Penn.

President of GAMA: Edward W. Stimpson

Others Invited:

Senator Robert Dole
Senator James Pearson
Congressman Garner Schriver

SCHEDULE

- 2:15 p.m. -- GAMA members greeted in Roosevelt Room by Bill Baroody
- 2:30 p.m. -- Briefing by Frederick Dent on trade matters
- 3:00 p.m. -- Announcement of export changes by the President
- 3:10 p.m. -- Followup briefing and Q & A session by Bill Gorog
- 3:40 p.m. -- Briefing on energy policy with respect to aviation by Frank Zarb
- 4:00 p.m. -- Briefings concluded

PRESS PLAN

Wednesday, May 26, 11:00 a.m.:
Embargoed briefing for aviation trade press by Commerce and CIEP staff members.

Thursday, May 27, 3:00 p.m., Roosevelt Room:

GAMA and White House photographer; GAMA writer and industry press writer. * (WHITE HOUSE PRESS POOL)

Press Office to release copies of President's text; 4,300 copies to be delivered to GAMA at 3:30 p.m. for distribution through GAMA press mailing list.

PRESIDENTIAL REMARKS

I understand that today GAMA hosted an appreciation luncheon for government people. Perhaps it would be more appropriate for our government to express its appreciation to your industry.

Over a quarter million Americans are employed by your industry in good, permanent productive jobs. And, you have made this Nation the world's leader in general aviation.

I recognize the important role that your industry plays in our economy, and particularly your contribution in the area of exports.

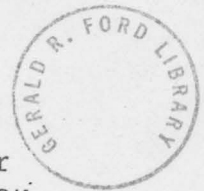
And in line with our broader regulatory reform efforts, we recognize the importance of abolishing outdated and unnecessary government regulations which have caused your industry additional expense, as well as the delay or loss of export sales.

Therefore, I am announcing today the elimination of all export license requirements for general aviation aircraft utilizing standard communications equipment. This will apply to exports to most nations.

In addition, exporters of aircraft with sophisticated equipment will no longer have to obtain an individual license for each aircraft exported. They will now be able to obtain a single distribution license, allowing products to be shipped freely to distributors in most nations.

With these changes, some three or four thousand annual license applications will be replaced by a dozen or so. This will remove unnecessary export barriers, allowing you to compete more effectively in foreign markets. It will also expand employment opportunities at home due to increased sales, and it will reduce the cost of government.

All of these results are in keeping with the broader objectives of my agenda for regulatory reform.



I might add that this specific change was made after consultations with GAMA, and in response to an appeal from Leonard Woodcock, asking that I actively seek ways to strengthen and vitalize the many sectors of the aerospace and aviation industries.

This change is an example of the progress we are making in regulatory reform. Having charted a bold course in that direction, we will continue to follow it.

I believe Bill Gorog will brief you further on this subject.

Thank you.



IMPORTANCE OF GENERAL AVIATION:

- * There are nearly 750,000 pilots in the United States.
- * There are at least 150,000 planes in service.
- * Of the 12,000 airports in the US only 400 are served by the airlines. The other 11,600 are used by general aviation.
- * General aviation provides a vital communication link for thousands of Americans and has contributed significantly to growing prosperity especially in the rural areas.



5/27



Mtg. w/ President + Independent Truckers

P → ICE is moribund
- must be shaken up.

→ U.P. of Trucking Industry — Admin.
Bill hurts GOP politically.

* if truckers certificates (from ICE)
were rendered valueless —
now value of ^{ICE} certificates can be
included in balance sheet
+ this is key in terms of
credit ratings.

* DOT bill itself would require
a "mountain of regulations".

P. we must keep momentum; will
continue to ~~etc~~ consult but
will keep going. Work w/ Bill C.

6/1 (11:30 AM)

President's mtg. w/ California Editors +
WASH. Bureau Chiefs

Call
DADP
6/4/77

✓ Calif. Predictions

- underdog
- have made considerable headway
- people working very hard
- push them a week; B.F. going out.
- We'll make more headway:
"Underdog making a lot of headway..." tradition in California... too close to call.

Why not again

- 1) Been there 2x in last 2 mos.
- 2) Family out there a lot.
- 3) Making all effort we can - need to spend some time in OHIO + NJ.
 - Also - Washington events, Juan Carlos coming etc
- 4) Expensive and we're facing problem of bumping ceiling - bigger Ad campaign better investment.



✓ low density crude differential
(anti-D.C.)

A - This is specific prob.;
in general satisfaction w/
economy + D.C. performance

✓ Opposition to Humphrey-Hawkins

A - increases inflation.

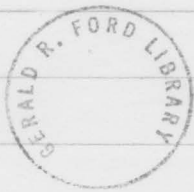
✓ Why is RR so strong?

A - skilful campaigner; well
financed; no other duties
- anti-Washington feeling.

✓ P cut Gen. Av. Mfg. sales
approvals from 4,000
to 13.

✓ What is P planning to do to
convince uncommitted delegates.

A - Comprehensive plan that
involves personal communications
w/ uncommitted delegates.



Q. Why haven't you made RR record as governor on issue?

A- I talk affirmatively on what I've done. Local city officials can talk about RR record.

V. P. in Frankfurt (Bicentennial Speech)
USSR expansionism.

I wouldn't agree w/ general thrust of that.

Angola; Soviet claim +
have 7 seas Navy.



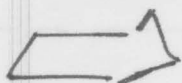
I read V. P. speech - I wouldn't go that far.

Need negotiation rather than confrontation.

→ Nuclear Safeguards

French sale to South Africa

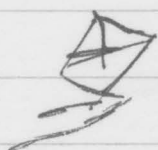
I would hope for international safeguards applicable



Tiawan: Policy since '72 predicated
on Shanghai Cominque;
Predicated on normalization.

mrd

- P grateful to VP for help
w/ N.Y. delegation.



Q What is future of Rocky + ~~Roger~~ ^{HAK}?

A. I haven't talked to them
except what I've said
publically.

A - Valid + right for me to go into
every primary.

Q Mrs. Porel quoted as saying Wayne
Hays fine gentleman.

* Off the Record: She didn't say
that !!

this matter w/in jurisdiction of
H.R. - no comment

I've known Wayne Hayes
Since 1st day sworn in -
no social contacts.

Q - Demos Watergate

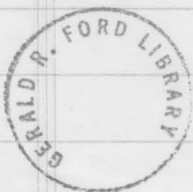
A - no comment on that - w/in H R
juris.

Q - will you bring more GOP to Congress
than RR?

A - yes. I will do far better
job. I'm told that while
RR Gov. GOP membership
in Calif Legist. decreased;
lost House seats + Senate seats.

Q - 1st Concernment Reauthorization on Budget
Will P veto tax cut extension?

A - Demos - add to spending
- more National Debt
- against further tax cut.



were going to try to reduce
their spending; get tax reduction;
no comment on extension
of current tax cut.

Q - will you renew your
commitment to veto
tax extension w/o
spending ceiling. ?

A - Sound principle - Congress
now going in right direction;
premature to make commitment
at this point.

Q - will outcome of Demos. Convention
have significant impact on GOP Conv.

A - I don't think so.

Q - what kind of U.P. candidate will
you need to win in Nov.

A - needs to be perceived as
potential President.



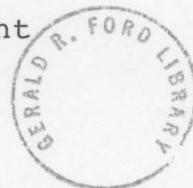
OUTLINE OF POINTS FOR THE PRESIDENT'S STATEMENT TO BE
ISSUED ON THURSDAY, JUNE 3, IN CONNECTION WITH HIS MEETING
WITH THE "NEW COALITION"

- One of my most important objectives as President is to improve the quality of performance of the federal government and reduce the burden it places on individual Americans.

In many respects, the federal government has become a burden to all of us by interfering in our daily decisions, both as individual citizens and participants in the free economic system, and also because of the burden it places on us as taxpayers. Too often, the right to choose a life style and make other individual decisions is being infringed upon by government regulation. Also, the burden we must shoulder as property and individual taxpayers is increasing without matching benefits.

- I have set out to make fundamental, comprehensive and structural changes in the federal government. As President, and one who has served in Congress for over twenty-five years, I cannot simply criticize the government, but rather I have taken actions to change it. I am improving the quality of the federal government by:

- Returning resources and decision-making authority to state and local government officials. [Insert description of revenue sharing and bloc grant programs]



- Reforming federal regulation, thereby saving the consumers money and reducing government interference in individual decision-making. [insert regulatory reform legislative package -- four-year plan -- plus specific independent regulatory agency reform bill]
- Streamlining the operation of the Executive Branch, thereby reducing cost of government, increasing efficiency and making government officials more responsive to people. [insert information on OMB management initiatives, review of regulations governing delivery of federal funds to state and local agencies, and our "strike force" idea.]
- These are some of the specific reforms that are currently underway and have already had a major impact in changing the federal government. This is consistent with my overall philosophy in approaching the role of government, which is to let individuals make decisions -- not bureaucrats. That is why my basic approach to economic recovery has been to support tax cuts as opposed to additional federal make-work programs. [pick up from President's recent speeches on tax cut versus federal programs.]
- I deeply believe that the government must cost less and be more responsive to the legitimate needs of the people. We have to remember that government does not govern this nation; the people do.



I have found that the further away decision-making gets from the people involved, the more unresponsive the decision-making becomes. People must be able to reach out and control the public employee who is making decisions which impact them. We must never insulate the government employee from the people we all serve.



FOR IMMEDIATE RELEASE

JUNE 3, 1976

OFFICE OF THE WHITE HOUSE PRESS SECRETARY

THE WHITE HOUSE

EXCHANGE OF REMARKS
BETWEEN THE PRESIDENT
AND
ROBERT D. RAY
GOVERNOR OF THE STATE OF IOWA
AND
QUESTION AND ANSWER SESSION

THE NORTH GROUNDS

4:15 P.M. EDT

THE PRESIDENT: I thought it would be helpful to give you a report in part on the meeting that we held this afternoon. Many of you were there at the outset. The meeting, of course, was called, as I indicated, at the request of the New Coalition, composed of the Governors, the city officials, county officials and others in order to convince the Members of the House of Representatives on both sides of the aisle the need and necessity for general revenue sharing.

The meeting did indicate that the legislation would be on the floor of the House most likely next week. There are some serious differences of opinion, differences that I hope can be worked out. The question was asked, would I support the bill that came out of the full committee of Government Operations, and I said it was drastically different than the legislation I had recommended, and I would have to reserve judgment as to whether or not I would sign it, depending of course on what the final version was.

It is a very serious matter that involves local services. It involves State taxation and local taxation. I was pleased to be on the side of those who have faith and trust in the Governors of our various States, the mayors of our cities and the county officials. Whether they are Democratic or Republican, I think they can do a good job.

It is my hope and trust that the Congress will respond with good legislation.

Bob, do you want to add anything?

MORE



GOVERNOR RAY: I might just add to what the President said, that we were very pleased that the President responded as he did at the White House and had the members of the New Coalition meet with him and the Members of the House of Representatives. I think again we found there is much more resistance to revenue sharing in Congress than we would ever dream possible coming from our States and/or local communities because there--in some 39,000 communities where revenue sharing is so important--we get the feeling that it is the right thing and we have great faith that the money is being used and would be used, continue to be used, in a wise fashion.

Then we come back here and we find Congress wants to add restrictions and limitations and all of the things that we are trying to get away from in this small amount of money that goes back to the local communities, so I think the meeting was worthwhile from the benefit of both us and Members of Congress.

I can't, of course, speak for them, but at least they know that we feel this is extremely important and we heard people say that undoubtedly taxes would have to be raised on the local level if we don't get revenue sharing. In most communities around this country, property taxes are very regressive and are a great burden, and that is very frightening, if they would have to raise property taxes, because revenue sharing would stop and cease to continue.

QUESTION: Governor, what kind of deadline do you have? When do you think you should know if there is going to be revenue sharing or not?

GOVERNOR RAY: Well, in a sense one deadline is almost past and that is that most legislatures now have adopted some kind of a budget. If we don't get it soon, of course, I think in some jurisdictions they are going to have to look to other ways to raise more taxes.

There is a deadline now, and this meeting is very timely because we understand if something does not happen and it doesn't come out soon, they will get into the appropriation bill and it will be very difficult for them to find a spot on the calendar.

QUESTION: Is there any assurance that both party platforms will include revenue sharing as it is now?

GOVERNOR RAY: I don't think there is any assurance that anything will appear in either party platform on any subject, but I think both parties are certainly in favor of revenue sharing, and I would expect them to deal with it, particularly if something happens that does not come through this Congress. We just deem it extremely important.

MORE

QUESTION: Mr. President, did your objections to the House Government Operations Committee bill go beyond the time element?

THE PRESIDENT: My objections are the short time. I think it ought to be extended for five and three-quarter years. I think the provision that existed in the present general revenue sharing legislation for the handling of the financing is the right approach. It was pointed out in a meeting by Governors as well as mayors that if we went through the regular appropriation process it would be very difficult for them to handle the prospect or the lack of prospect of money in the future.

In addition, it seems to me that I recommended the growth of \$150 million a year, which takes into account the inflationary aspects that we would anticipate each year for the next five and three-quarter years. The full committee bill does not provide for any growth. In fact, it freezes the amount at the present level, so there are other objections besides the two that you mentioned.

QUESTION: Mr. President, just as Jack Brooks got up to speak our microphones went dead down here. We did not hear what he had to tell you.

THE PRESIDENT: I think Congressman Brooks' views are well known. He has been against general revenue sharing. He was in 1972. He is opposed to it in 1976. I don't think you needed any amplification of Congressman Brooks' views. He holds them very strongly, and we respect them. We just think he is wrong.

QUESTION: Mr. President, how important was this meeting in your strategy to secure the revenue sharing bill that you think will be accepted?

THE PRESIDENT: I think it was very important because the request for the meeting came from the New Coalition, which indicates their concern, and it gave me an opportunity to put in the same room the people who are strongly urging the extension of the legislation as I recommended it, and some of the people in the Congress who either want to cripple it or defeat it altogether.

QUESTION: Mr. President, may I ask you a question? Are you displeased with what Mr. Reagan has purportedly said about publicly getting involved in Rhodesia, possibly sending troops to Rhodesia? How do you feel about that?

MORE



THE PRESIDENT: I feel that it was responsible for me to send the Secretary of State to Southern Africa to try and negotiate the settlement of those problems. They are serious, and it was far more responsible for me to send our Secretary of State there, as I said, to solve those problems by negotiation rather than to threaten or to indicate the possibility of sending American troops to settle the problem.

QUESTION: So, you disagree with Governor Reagan?

THE PRESIDENT: I would say yes, I do, if what I understand he has said is his personal viewpoint. I believe that the action that I took to send the Secretary of State to Southern Africa to settle those problems by negotiation is the responsible thing to do, and that is why I did it and any indication that a President might send troops to Southern Africa -- American troops -- I think is irresponsible.

QUESTION: How does that differ from your statement in the campaign that you would provide absolute guarantees to protect minority rights in Rhodesia?

THE PRESIDENT: I think we can take care of that by negotiation.

QUESTION: You weren't talking about sending troops, you were talking about absolute guarantees?

THE PRESIDENT: That is correct.

QUESTION: Is Mr. Reagan's rhetoric dangerous?

THE PRESIDENT: I would not want to comment on his rhetoric, I simply wanted to indicate my view was different from his.

QUESTION: He said something about using American troops as a possible peacekeeping force in the Middle East. How do you feel about that?

THE PRESIDENT: I haven't seen that comment by him, but I don't believe that it is necessary to involve U.S. troops in Southern Africa. I think we can accomplish the necessary solutions of those problems by skillful diplomacy, and that was the purpose of my sending the Secretary of State to Southern Africa.

QUESTION: Has there been any result of his mission there?

THE PRESIDENT: I think they have been very constructive.

THE PRESS: Thank you, gentlemen.

END (AT 4:27 P.M. EDT)



THE WHITE HOUSE

WASHINGTON

June 9, 1976

MEMORANDUM FOR:

RON NESSEN
BILL GOROG
MARGITA WHITE
BILL NICHOLSON

FROM:

MIKE DUVAL *Mike*

SUBJECT:

GENERAL AVIATION MEETING

I heard from Ed Stimpson, President of the General Aviation Manufacturers Association, as a follow-up to the meeting the President had with them. This had been set up and coordinated by Bill Gorog.

They are getting excellent coverage in the trade press of the President's meeting and actions he took. They distributed 4,200 copies of the President's statement to the aviation press.

I think this meeting is an example of how a minimum investment of the President's time can produce excellent results in terms of explaining the Administration's position on key issues.

cc: Jerry Jones
Jim Cavanaugh
Dave Gergen





**General Aviation
Manufacturers Association**

Edward W. Stimpson
President

Suite 1215
1025 Connecticut Ave., N.W.
Washington, D. C. 20036
(202) 296-8848

3 June 1976

Mr. Michael Raoul-Duval
Special Counsel to the President
The White House
Washington, D.C. 20500

Dear Mike:

Our Board of Directors hardly needed airplanes to get out of town last Thursday. They left the White House most exhilarated, and with a great deal of admiration for the President.

I know that your fine hand was very much in the background in arranging the meeting. Thanks so much for your great cooperation and help.

The results of the meeting have gotten excellent coverage in the trade press, as well as Wichita and other newspapers. I expect that further coverage will be given in the forthcoming months throughout the aviation media. We distributed 4,200 copies of the President's statement to our press lists.

Best regards,

EWS:sn



6/10

Cabinet Rm - Questionable Payments Abroad
President, et al.

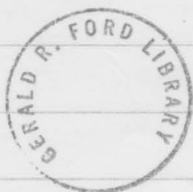
Issue: Should there be Admin initiative.

Simon - consider using Puerto Rico
Summit to get international
agreement. (e.g. OECD guidelines)

if legislation, should be criminal
+ only on bilateral basis

Richardson - erosion of public
confidence in business
institutions - unprecedented -
our philosophy predicated
on assumption this
is way to go.

∴ Q is how do we check
this slide of public confidence.
We need to contribute
to rebuilding process.



this does NOT involve
 significant ~~portion~~
 & burden to competitiveness
 of U.S. Companies.

P- ~~the~~ Did Companies claim
 payments necessary for
 business purposes?

R- SEC found NO



Simon - Dishonesty is inefficient
 in business sense.

- if we put legislation out
 today we admit our
 prt. corporations are
 corrupt.

Robinson → should be able to make progress
 at Paris this. But long-term
 - nothing will be done
 quickly; legislation may present
 diplomatic problems.

State - opposes legislation at
this time but if
legislation it could be
helpful !



THE WHITE HOUSE

WASHINGTON

June 9, 1976



MEETING WITH TASK FORCE ON QUESTIONABLE CORPORATE PAYMENTS ABROAD
June 10, 1976
9:00 a.m.
Cabinet Room

From: L. William Seidman *LWS*

I. PURPOSE

To discuss the first interim report of the Task Force and to consider three issues related to potential Administration legislative initiatives on the problem of questionable corporate payments abroad.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background: On March 31, you established a Cabinet-level Task Force on Questionable Corporate Payments Abroad and instructed the Task Force to provide you with interim reports and a final report by the end of the calendar year.

The Task Force has submitted to you its first interim report which presents three issues for your decision. The Task Force report is attached.

Secretary Richardson has promised to provide Senator Proxmire with specific views concerning pending "questionable payments" legislation by June 10. The Senate Banking and Urban Affairs Committee has scheduled a June 22 mark-up on "questionable payments" legislation.

B. Participants: Elliott L. Richardson, William E. Simon, Edward H. Levi, James T. Lynn, L. William Seidman, Brent Scowcroft, Charles W. Robinson, Edward Schmults, John O. Marsh, Max Friedersdorf, James M. Cannon.

C. Press Plan: David H. Kennerley.

III. AGENDA

A. Review of First Interim Report of the Task Force

Secretary Richardson will review the three issues for

your decision outlined in the first interim report
of the Task Force.



6/15 10:35 Oval Office

President, Nassen, Snowcroft,
Morton, Cheney, Max,
Marsh, Morton, Carlson,
Dony Smith.

* ~~Discussion~~
discussion of Beirut Ambassador
Kidnapping.

12:30 mtg of

- UP
- + AK
- Clarets
- Buck
- Cheney
- Snowcroft

Morton possibility of cancelling IOWA



6/24 - Private Study 1040

The President, Nixon, Morton, Max, Scovett,
Ding Smith, Jack Marsh.

P- routine decision by JCS
based on Nov '74 study
+ JCS decision in March '75

NO change in status
of ~~US~~ US military
personnel in Taiwan

NO policy implications
in this move.

→ Congress has mandated
~~the~~ MAG reductions.

10 30

State should follow this
guidance



Carters Foreign Policy Speech

P - we're studying + trying to figure out how it differs from ours!

JFK ASSASSINATION

→ Dave Belin



I should call.

P → we must look at Senate Rpt. - no comment now.

P- women commission staff wanted us (commission) to find that there was no conspiracy - but we found that there was no evidence of a conspiracy.

P reads from
Warren Commission
Report →
no evidence that
Harris Oswald is part of
any
conspiracy.

LP3



The President [7/19/76]
Oval Office
Lynn, me



political help

- The book + mtg. will provide the P w/ useful data for future.
- shows P reforming govt.

MX-D → objectives

① Independent agency
Regulation Refm

② Refm of Ex (Strike Force)
Branch Regt

③ R/S

④ Black Grant

⑤ ~~State~~

① P ~~has~~ committed to making govt less arrogant + working better

② P is in control

③ P has plan and it is being implemented.

Downside: → tinkering w/ system - need fresh approach
→ triggers horror stories



For Friday meeting:

"Day in the Life of" - Growald

Set up for $\rightarrow 1 \frac{1}{2}$ hr.



7/20

Meeting of the President & PFIAB
A.G., Res Lee, Marsh, Burken
Buch, Seowcroft.

[Moss Subpoena]

Mark - overview

P - 1st heard 8³⁰ round at 9³⁰ NSK
& made decision.

P - the fact that the info Moss is after is
irrelevant to his Committee's inquiry
- raises Qs re: their motives.

~~EB. Williams~~

- I agree w/ your decision

- Foreign Intell Security Act 1976
pre-empto legislatio

- ^{Just} Agreement - outrageous example
of overreaching.

they can see FBI files
and then who pursue
subpoena





Williams proposal -

- ① if Moss accepts our agreement he gives up subpoena without prejudice
- ② Moss allowed only to look at sanitized materials.

P wants letter to Committee

→ Ask Jack + Phil to go up.

→ incorporate an offer to give sanitized plus offer for P + A.G. to certify.
(a la Pike)

~~to~~ get Extension of time

P - perhaps Moss come down?
to Moss may not want to come down - Jack explore

7/20/76

MEMORANDUM OF UNDERSTANDING

The purpose of this memorandum is to set forth the procedures and understandings reached between the Subcommittee on Oversight and Investigations of the House Committee on Interstate and Foreign Commerce and the Executive Branch acting through the Department of Justice for the furnishing of information and documents to the Subcommittee in connection with its current investigation of electronic surveillance without warrant or court order in or affecting interstate commerce. These understandings relate to the outstanding subpoena of the Subcommittee dated June 22, 1976, issued to AT&T for documents concerning electronic surveillances requested by the FBI and the representations of the Department of Justice that these surveillances may involve foreign as well as domestic security.

(1) AT&T has been requested to prepare and provide to the Subcommittee an inventory of the documents which emanated from the FBI requests for interception of the communications, listing only the dates. The Department of Justice will be furnished a copy of the inventory by the Subcommittee. The FBI will divide the inventoried items into two groups--domestic surveillances and foreign intelligence surveillances--using the following definition for the purpose of this agreement only:



Foreign intelligence surveillances are surveillances of the communications of foreign governments, established or generally recognized political parties or significant factions, military forces presumed to pose a threat to the security of the United States, agencies or enterprises controlled by such entities or organizations composed of such entities whether or not recognized by the United States, or foreign-based terrorist groups or persons knowingly collaborating with any of the foregoing; domestic surveillances include all other surveillances.



(2) The Subcommittee, at the request of the Department of Justice, has selected two years, 1972 and 1975, to be examined for initial research and the gathering of information. The Subcommittee reserves the right to examine documents from the remaining years covered by the subpoena in the same manner as will be accomplished for the years 1972 and 1975.

(3) As to any surveillances which are designated by the FBI as domestic as distinguished from foreign, the Subcommittee will be furnished with the memoranda upon which the Attorney General based authorization for the surveillance, including any renewal thereof, which were prepared by the FBI or other federal agencies explaining the basis upon which the surveillances were sought. The Subcommittee may require, in selected instances, the initiation and termination dates of designated surveillances. These memoranda will be furnished to the Subcommittee without any changes, deletions or additions other than certain mutually agreed upon minor deletions.¹ The

¹It is understood by the parties that "minor deletions" refers only to those deletions made necessary because of an ongoing investigation of particular sensitivity.

Subcommittee agrees to maintain security arrangements over the material so furnished and handle it in accordance with Rule XI of the House of Representatives. The documents will be returned to the FBI upon completion of the Subcommittee's investigation and issuance of a report by the Subcommittee. This procedure, however, will in no way restrict the privileges of the House of Representatives or the Members thereof under Rule XI.

(4) The Subcommittee will select sample items from those identified by the FBI as relating to foreign intelligence surveillances. Representatives of the Subcommittee will be given access at the FBI to copies of the memoranda upon which the Attorney General based authorization for the surveillance, including any renewal thereof, which were prepared by the FBI or other federal agencies and which explain the basis upon which the foreign surveillance was sought. This material will be edited only by deleting names, addresses, and telephone numbers of individuals who were targets and sources of information or deleting information which would disclose such targets or sources. Where such editing occurs, generic identification with a reasonable degree of specificity will be provided, including indication of whether the individual was a United States citizen. The Subcommittee may require, in selected instances, the initiation and termination dates of designated surveillances.



(5) From this sample group of memoranda relating to foreign intelligence surveillances, the Subcommittee will select a reasonable number as a sub-sample for verification purposes.

(6) The Subcommittee designates Stephen Sims, J. Thomas Greene, and Benjamin Smethurst to conduct the verification procedure referred to in paragraph (5). They will examine a reasonable number of unexpurgated memoranda to determine the authenticity of the sample and appropriate classification as foreign or domestic. They will report their findings to the Subcommittee Chairman. Subcommittee staff so designated agree not to disclose the names of targets or sources of foreign intelligence surveillance falling within the definition specified in paragraph (1) of this memorandum to any person other than the Subcommittee Chairman.

(7) Subcommittee staff participating in the verification procedure specified in paragraph (6) and in the sample procedure specified in paragraphs (4) and (5) may take and retain notes during such procedures. The FBI may confer with Subcommittee staff on those notes and may give appropriate advice to the Subcommittee Chairman concerning the sensitivity of information contained in those notes.



(8) The Subcommittee will give the Department of Justice advance notice as to the name of the person or persons who are to be given access to the documents at the FBI described in paragraphs (4) and (5), and appropriate access authorization will be issued by the Department of Justice, based on the designation of the Subcommittee Chairman. / It is the contemplation of the parties that any background checks on the person or persons named will not delay the Subcommittee's investigation and will not in any case lengthen the time periods specified. The complete background investigation will be made available to the Subcommittee Chairman.

(9) The search, gathering, and preparation for access to the necessary materials will commence immediately, based upon FBI records and supplemented by the AT&T inventory. The Subcommittee will be furnished the memoranda pertaining to the domestic surveillances, and given access to the foreign memoranda on a month-by-month basis as they are collected, but commencing no later than July 22, 1976, and concluding on or before August 3, 1976.

(10) During the process of furnishing information to the Subcommittee, the return date on the outstanding subpoena will be extended to August 4, 1976, with respect to the FBI request letters and the subpoena remains in full force and effect.

/ With regard to the verification procedures under paragraph 5, the only persons designated to conduct those procedures are the three individuals specified in paragraph 6.



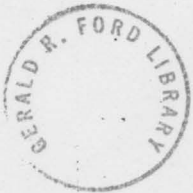
(11) Notwithstanding any of the foregoing, the Department of Justice agrees to immediately furnish to the Subcommittee, regardless of any designation as foreign or domestic surveillance, all memoranda, without deletion, pertaining to any individual with respect to whom a surveillance was authorized--

- (a) within the time period covered by the subpoena,
- (b) for which no warrant or other court order was issued, and
- (c) who was, at the time the surveillance was authorized, either a candidate or nominee for elective office, or an elected official, of the United States or a political subdivision thereof,

except that if the memoranda submitted to the Attorney General upon which the authorization was based contain no indication that the individual was seeking or held elected office and such information is not known by persons at the FBI having custody of the documents or ascertainable by reasonable inquiry, such surveillance is not subject to this paragraph.

(12) The Subcommittee Chairman and the Ranking Minority Member of the Subcommittee shall have access to all information made available to the Subcommittee at the FBI premises. Information in the possession of the Subcommittee will be subject to Rule XI of the Rules of the House of Representatives.

(13) All information acquired by the Subcommittee pursuant to this memorandum will be received in Executive Session and subject to Rule XI of the Rules of the House of Representatives. All interpretations of this agreement shall be consistent with such Rule and with the statutes and Constitution of the United States.



This Agreement is without prejudice to the rights of the Subcommittee to enforce the subpoena through appropriate means or of the Executive Branch to protect its interests in connection with the outstanding subpoena.

DEPARTMENT OF JUSTICE

CHAIRMAN,
SUBCOMMITTEE ON OVERSIGHT
AND INVESTIGATIONS

DATE: July 20, 1976



STATEMENT BY THE PRESIDENT

Today I have directed the Attorney General to take appropriate judicial action to prevent the unauthorized disclosure of highly sensitive foreign communications intelligence which has been subpoenaed by the House Interstate and Foreign Commerce Committee. These documents are in the possession of AT&T and its subsidiaries, as agent of the Executive Branch. Compliance with the subpoena by AT&T raises grave risks of disclosure of foreign information vital to the national security and for this reason I have instructed AT&T to maintain the confidentiality of this information.

The purpose of this action by the Executive Branch is not to frustrate the work of the Committee, but rather to safeguard sensitive foreign intelligence information which would be detrimental to the national interests if it were disclosed.

I am convinced there are ways that information adequate to meet the Subcommittee's needs within the scope of the Committee's jurisdiction can be furnished in such a way that it will not jeopardize national security and will enable the Committee to achieve the purpose of their hearing.

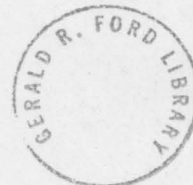


The nature of the Committee's request would require disclosures that I believe go far beyond the purpose of the Committee. It would require disclosures which go beyond usual safeguard procedures followed in furnishing information to Congress. The information requested falls clearly within the exclusive jurisdiction of the Executive Branch for the conduct of foreign affairs of the United States.

This position was taken after careful deliberations at the highest levels of the Executive Branch and upon the unanimous recommendation of the National Security Council.

The effect of the Committee's subpoena will make the data not only available to the Subcommittee but under the the rules of the House of Representatives to every House Member who might seek access to it. Such a procedure provides a proliferation and risk of exposure that is unacceptable and is fraught with grave danger to the national security even through inadvertent disclosure.

Even though we have not been able to resolve this matter after extended discussion between the Committee members and Executive Branch officials, I believe an accommodation can still be reached which will meet the Committee's needs without taking these security risks. I have instructed representatives of the Executive Branch to pursue this with the Congressional Leadership with the hope that a mutually satisfactory arrangement can be obtained.



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