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EP 3/26/83
RGD
what Carter
did makes our
effort look silly!
CE → files



509



White House Grants: Carter's \$29 Billion Campaign Fund?

Jimmy Carter is hitching state and local officials to his campaign bandwagon with a classic carrot-and-stick routine.

Dangling before politicians is 29 billion dollars' worth of discretionary funds at the administration's disposal this year. To share the credit when this money comes to their communities, officials must get in harness with the President. Republicans and maverick Democrats are shooed away.

The dollars have been flooding into states just before each holds its caucus or primary—

■ Right before Pennsylvania's primary in April, the Commerce Department granted 2.2 million dollars to establish an American shoe center in Philadelphia.

■ Four days before New York's March primary, Carter granted 500 million dollars in new urban aid.

■ New Hampshire was awarded 45.2 million dollars in grants in the month before its February primary.

■ In the six weeks before last fall's state vote in Florida, Carter flooded the state with more than 1 billion dollars in federal funds. A local Dem-

ocratic congressman marveled: "One more grant and the state will sink under the weight of these projects."

■ A senior White House aide was dispatched to Ohio days before the June 3 primary to remind local and state officials of all the federal money they have received from the Carter administration.

Vote buying? Early in the presidential race, aides to Senator Edward Kennedy accused the administration of using federal aid to threaten or bribe officials into backing the President. Kennedy supporters filed suit charging vote buying, but the Supreme Court refused to hear the case.

"It's not true we're buying the states," asserts a top Carter strategist. "Most of these things have been in the pipeline a long time. All are defensible on the merits. It's not a matter of more money but of making sure the President is connected in public with what is done."

Indeed, the record seems to show that aid totals aren't being manipulated, just the timing of approvals. Maine, for instance, received 373 million dollars in the year before its

primary, no marked increase over 1978. But in the month before its caucuses, 75 million dollars' worth of grants were unveiled for Maine—up from 23 million the previous month.

On the day the mayor of East St. Louis, Ill., endorsed Carter, he was visited by a White House aide who announced a new 7.8-million-dollar courthouse for the city.

By comparison, after Mayor Jane Byrne of Chicago endorsed Kennedy, newly appointed Transportation Secretary Neil Goldschmidt declared: "I am paying attention to where this money is being spent and who is getting it, and Jane Byrne is not at the top of my list."

When these remarks set off political fireworks, Goldschmidt backed down and promised that Chicago would not be punished.

Carter aides say they only want to make sure that federal aid doesn't flow through those who oppose the President.

Such tactics have worked well in the primaries. The President has had the support of 23 of the 31 Democratic governors and all but three of his party's big-city mayors.

But these maneuvers invite potshots from the GOP. "It's amazing," comments Representative Guy Vander Jugt, House Republican campaign chairman, "that the administration is so good at using the office for domestic politics but can't do a better job using that skill for solving our nation's problems."

Clippings regarding former President Carter's Administration

White Paper on Incumbency Abuse by the Carter Administration also attached

Carter Plays Santa Claus For His Reelection Campaign

805

#6

Doling out federal grants to his supporters is only one of the ways in which the President has mobilized the resources of the government to get himself reelected.

"A President must be judged on his record. Not on promises, not on personality. But, rather, on clear, recognized accomplishments.

That is a judgment President Carter is eager for the American people to make. For his record is one of nearly unparalleled achievement.

Not since the beginning of the New Deal has any President compiled, in just 33 months, so comprehensive and enduring a record in both domestic and foreign policy. . . ."

BY TIMOTHY B. CLARK

These are the opening paragraphs of a 57-page book entitled *The Record of President Jimmy Carter*, written by Carter's Domestic Policy Staff and printed by the Defense Department last October. The White House staff distributed hundreds of copies to people they hoped would be Carter's friends in 1980.

Then White House lawyers intervened. Finding that the book had a distinctly political ring, they advised that printing and distributing it at government expense might violate laws barring the use of government funds for political purposes. So the booklet was withdrawn from circulation, adulatory language was excised and a new edition was printed with a new title, *The Record of President Carter's Administration*. The White House is now distributing the revised version.

By itself, the Pentagon's printing of a tract extolling the presidential record would not outrage those who believe Carter is using the power of his office in unethical and perhaps illegal ways to ensure his renomination. But it is merely one of many indications that Carter has learned how to use his incumbency to improve his political prospects.

Other examples abound:

- Members of the Carter Cabinet have traveled extensively in recent months to spread the message of the Administration's accomplishments.

- Grants flowed to Florida, New Hampshire and Maine in advance of Democratic contests in those states. While the Administration says the grants likely would have gone there anyway, they concede that announcements of the grants were timed for maximum political effect.

- A Cabinet officer has publicly warned that state and local politicians who endorse Carter's chief rival for the nomination, Sen. Edward M. Kennedy, D-Mass., will not receive favorable treatment at the hands of grant-giving agencies. There is some evidence of such retribution, and in the meantime, Carter has gained the endorsements of many more governors and mayors than has Kennedy.

- Though Carter has confined himself to the White House for the past four months, to deal, he says, with the Iranian crisis, that has not kept him from personal contact with large numbers of political and civic leaders from all over the country. Flattered by invitations to East Room briefings by high Administration officials, including the President, thousands of community leaders have paid their own way to Washington to attend these sessions. Carter has also made extensive use of the White House switchboard to reach voters by telephone.

- The Administration has established White House offices to deal with the affairs of blacks, women, Hispanics, Jews and, most recently, white ethnics, all of whom constitute important voting blocs.

No one can measure the direct and indirect effects of Carter's mobilization of governmental resources on his own behalf. But the President must be doing

something right: until the New York and Connecticut primaries on March 25, he had soundly defeated Kennedy in every contest in which they met except in Kennedy's home state of Massachusetts.

ON BEING IN OFFICE

For as long as Presidents have sought reelection, they have used the advantages of their incumbency. The pomp and circumstance attaching to the office, the ability to dominate the news, the large corps of federal workers handing out benefits—all these give a sitting President an inherent advantage over his challengers.

In adopting his Rose Garden strategy—remaining in the White House while his opponents campaign—Carter is following the path of recent predecessors. Insisting that work is so important that there is no time for campaigning is a time-tested method of dealing with challengers. Richard M. Nixon, supposedly preoccupied with foreign policy, wrote the modern textbook in 1972.

Carter is only the second President in more than a generation to employ the powers of the presidency against members of his own party. The first was Republican Gerald R. Ford four years ago. As Ford found out, incumbency is more powerful during the primaries than in a general election for a simple reason: the President has more influence with members of his own party.

"You can only get away with this kind of thing in a renomination fight," said Joseph L. Rauh Jr., a founder of Americans for Democratic Action, who filed suit on behalf of the International Association of Machinists alleging illegal use of federal funds in the campaign. "That's the only time you can buy people. You can't very easily buy members of the opposite party."

Robert S. Strauss, chairman of the

Carier-Mondale Presidential Committee, offered a less sinister view of Carter's advantages as the incumbent.

"Of course the incumbency is more advantageous in a renomination fight," he said. "People of our party have a relationship with the White House. They had been here in the last three years for business and for social events. And people will stay with incumbents of their own party. They don't like apostates. They resent a challenge to the President they elected."

During an interview, Strauss seemed more inclined to talk about the other side of incumbency. "The biggest disadvantage is that you have to deal with issues of the day, whereas if you are not the incumbent you can just talk about them," he said.

"Of course, if you deal with the issues well, that helps you. But many are born losers. The energy legislation, for example, makes no one happy, not the producers and not the consumers."

Because a President "cannot avoid taking positions on major issues, he cannot escape the wrath of some part of the electorate. But by the same token, he can influence people—and particularly leaders of his own party—in many small ways, with favors invisible to most of the public and the press.

POWER OF THE PURSE

Among Carter's more controversial weapons as the incumbent is the federal grant. Rauh charged in his suit that the Administration had awarded grants to states and cities whose political leaders support the President and withheld them from those who do not back him.

The most celebrated public display of the Administration's willingness to reward its friends and punish its enemies came on Nov. 20, when Transportation Secretary Neil E. Goldschmidt, saying he represented "the political arm" of the Cabinet, told reporters he would look for ways to deny funds to Chicago. Goldschmidt said he had "lost confidence" in Mayor Jane M. Byrne, who had endorsed Kennedy on Oct. 31. He later modified his stand.

Other Administration officials deny that their policies are skewed in favor of their political supporters.

"From the time of the Florida straw poll last October, the press has accused the Administration of tilting the federal treasury to promote the President's reelection," said Eugene Eidenberg, deputy to Jack H. Watson Jr., Carter's Cabinet secretary and assistant for intergovernmental affairs. "But nothing like that has happened at all."

Without question, Carter has picked up the support of a great many state and local officials. Among Democratic governors, 23 of 32 have endorsed him; only Joseph E. Brennan of Maine has come out for Kennedy. Except for Byrne, most big-city mayors are also supporting the President.

Eidenberg attributed this success to the high priority that the Administration has placed on relations with states and cities, as evidenced by the establishment of Watson's office in the White House. Endorsements from state and local officials, he said, "come not from any infusion of last-minute federal aid or from threats of its withdrawal, but rather from three years of hard work."

Eidenberg conceded, however, that the White House has sought to get political mileage out of grants that the departments would have made regardless of Carter's reelection battle. A year ago, he said, Cabinet departments were ordered to inform the White House before announcing grants. "We have the ability to time the announcement of grants in such places as Iowa and New Hampshire, or give a routine grant very big play by having a Cabinet Secretary announce it," he said.

"It's a matter of how you present" such announcements, Strauss added. "In an

election year, you add some trimmings, dress it up a little."

Some states keep running track of their federal grants, and they have found substantial increases during the political season. According to the federal funds office in New Hampshire, state and local governmental agencies in that state received \$45.2 million in January, the month before the primary, compared with \$11.4 million in November and \$10.2 million in December.

Maine, where Democrats went for Carter in their Feb. 10 caucuses, accumulated federal grants as that day approached. Although Gov. Brennan supported Kennedy, many of the state's other elected officials lined up behind Carter.

Allen Pease, director of the state planning office, said governmental units in Maine received \$75.3 million in January, up from \$15 million in November and \$23 million in December. While January has historically been a big month, the 1980 total was double the \$37.2 million received in January 1979.

Late last year, in a decision of great importance to Maine, Carter reversed a Pentagon plan to close down most operations at Loring Air Force Base in Limestone. The plan, which had been vigorously fought by the state's congressional delegation, would have cost 3,500 workers their jobs, with "devastating" consequences for Maine's economy, said Larry Spiegel, Brennan's press secretary.

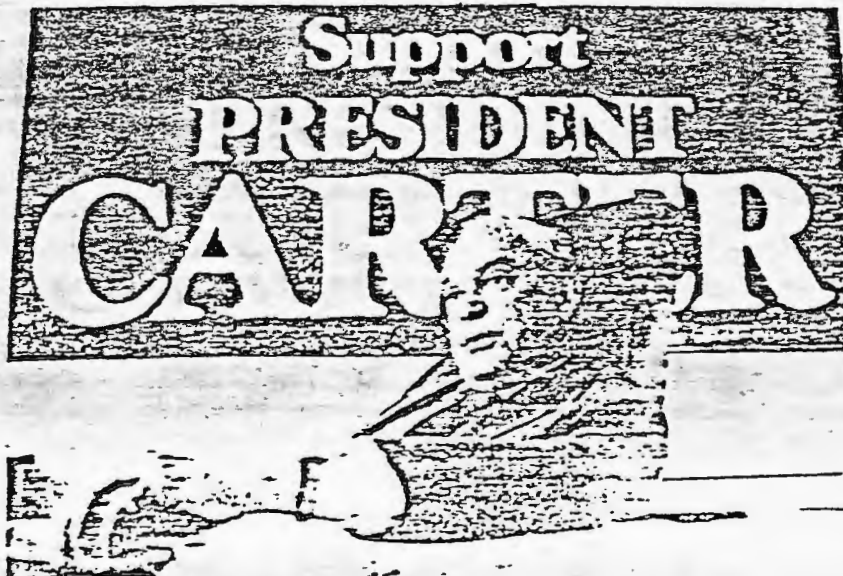
In Iowa, state officials said they could find no evidence that grants had flowed especially freely into the state before the Jan. 21 Democratic caucuses that gave

Carter his first victory over Kennedy. But in that state, the chief federal spending issue was farm policy.

When Carter reacted on Jan. 4 to the Russian invasion of Afghanistan by slapping an embargo on grain shipments to the Soviet Union, he seemed to be damaging his political interests in Iowa and other farm states. Strauss, who maintained that he has not been involved in the embargo or other Administration policy decisions, said, "If I had input on that one, I would have said, 'For God's sake, wait two weeks until after Iowa.'"

But within a week,

Robert S. Strauss, chairman of Carter's reelection committee: "The biggest disadvantage [of incumbency] is that you have to deal with issues of the day, whereas if you are not the incumbent you can just talk about them."



the White House announced a \$2.8 billion effort to prop up grain prices, which stabilized by the time of the caucuses. It also announced a 12-point plan to ensure that "the burden [of the embargo] would not fall unfairly on farmers." At the time, Carter promised to consider a scheme to pay farmers not to plant so much cropland in 1980; it was not until Feb. 29 that the Agriculture Department said that this plan would not be recommended to Congress. (See *NJ*, 3/8/80, p. 384.)

To get word of the \$2.8 billion grain reserve program out to farmers, the government used its network of county agents employed by the Agricultural Stabilization and Conservation Service. In mid-January, agents in each of Iowa's 99 counties placed telephone calls to farmers; in Hanson County, there were 414 calls.

"That is certainly an advantage of incumbency," said Iowa agricultural secretary Robert H. Lounsbury. "You have this network, and those people are very much part of the political process."

Florida, another state with an early primary, received a series of visits from gift-bearing Administration officials last summer and fall. In July, August and September, the Transportation Department announced airport, bus and subway grants for the state totaling more than \$25 million. On Sept. 19, Housing and Urban Development (HUD) Secretary Moon Landrieu was at the Little Havana Community Center in Miami to announce a \$1.2 million grant for 400 public housing units. During that same month, the Interior Department announced grants of \$1.1 million for parks in Miami and the Rural Electrification Administration announced a \$1.1 billion loan guarantee for the Seminole Electric Cooperative of Tampa.

One Member of Congress, who did not want to be identified, said an assistant secretary of a Cabinet department called recently to tell him of a grant for a project crucial to his district. "The White House wanted me to tell you that the President personally approved" the \$3 million item, the assistant secretary said. At the time, an important primary was approaching in the Member's state.

Carter's fiscal 1981 budget, released on Jan. 28, was apparently put together with an eye to grant-making possibilities. The Veterans Administration, for example, got a record \$660 million in construction authority, up from \$345 million in fiscal 1980. On the day the budget was released, the VA notified all Democrats in Congress (except those supporting Kennedy) of projects in their districts.

Then there is the case of East St. Louis, Ill., whose mayor, Carl Officer, endorsed

Presidential Grants: The Givers . . .



Neil E. Goldschmidt
Transportation Secretary



Moon Landrieu
HUD Secretary

Carter on Oct. 31. Watson flew in for the occasion with a few tokens of the President's gratitude, including \$7.8 million for a federal courthouse that had been stalled for three years. He said the city would regain some control over a federal jobs program that had been removed from local control a year earlier because of allegations of mismanagement. And he announced a \$100,000 grant for planning economic development projects in East St. Louis and four other area cities.

Some of the spending cuts Carter announced in March as part of an effort to balance the budget jeopardized his Administration's efforts to use the federal purse to win friends.

On March 14, just 11 days before the New York primary, Carter proposed cutting \$1.7 billion from the state share of general revenue sharing and the entire \$1 billion for a new program of anti-recession assistance for states and cities. When New York officials reacted with alarm, Carter gave interviews to five New York television stations in which he promised to ask Congress to put back \$500 million for hard-pressed cities.

TRANSPORTATION GRANTS

Two weeks before Chicago Mayor Byrne endorsed Kennedy, the Carter Administration courted her support. The President himself declared at a huge testimonial dinner for her that Chicago had received more urban development action grants than any other city. Calling Byrne a "tough negotiator," he an-

nounced that he had agreed to continue to support 1,300 city workers under the Comprehensive Employment and Training Act (CETA). And he said a 10-year struggle to relocate Air Force facilities at O'Hare International Airport had been resolved, permitting expansion and modernization of O'Hare.

The about-face signaled by Goldschmidt after Byrne's endorsement of Kennedy stirred such controversy that the Transportation Secretary said later that he did not intend to hurt Chicago by withholding grants but only to deny Byrne political credit for money the city received. On Dec. 4, he made his point by announcing a \$24.8 million highway construction grant in the office of Rep. Dan Rostenkowski, a Chicago Democrat who has not endorsed Kennedy.

Unlike most departments, whose grant programs are governed by formulas, the Transportation Department has considerable control over who receives its grants. Carter's is not the first Administration to recognize that fact.

In 1972, over the opposition of career departmental employees, Nixon's Transportation Department announced a \$5.8 million grant for preliminary engineering for mass transit improvements in downtown Chicago. In 1976, Miami, Buffalo, Detroit, and Baltimore got letters of commitment for subway systems worth billions of dollars.

For the past three years the department has been laboring to fulfill those commitments, and a rash of similar announcements is not likely this year. Still,

... And the Election Year Victims



Jane Byrne
Mayor of Chicago



Rep. Paul Simon
Illinois Democrat

according to Mortimer L. Downey, assistant Transportation secretary for budget and programs, the department may approve downtown transit projects in Los Angeles and St. Paul, Minn.

Congress has given the department a new pot of discretionary money since the last presidential election—\$125 million a year for major road improvement projects for which work is seriously behind schedule. In fiscal 1979, the first year of the program, Iowa, New Hampshire and South Carolina were not included in the program. This year, those states, all with early primaries or caucuses, are getting a combined total of about \$34 million.

New Hampshire, for example, received a visit from Goldschmidt on Jan. 17, six weeks before its primary. He announced what the press characterized as a \$34 million grant for a four-lane highway between Manchester and Portsmouth, although this year's first installment will be only \$4.6 million.

While in New Hampshire, Goldschmidt presided at the inauguration of regular commuter rail service between Concord and Boston, made possible by a \$2 million grant his department announced last fall. New Hampshire Gov. Hugh H. Gallen was an early supporter of Carter's renomination bid, and Michael Cornelius, an aide to Gallen, said "the fact that the primary was approaching and the governor's support of the President certainly were helpful" in getting the transportation grants.

Downey explained in an interview that

the department tries to distribute its funds according to suggestions by the congressional committees that authorized the program. In 1979, the committees listed the projects in New Hampshire, South Carolina and Iowa as "worthy."

PUNISH THINE ENEMIES

By contrast, Illinois, which got \$55 million from this highway program last year, is slated for only \$14 million in 1980. The result: a slowdown in work on the North-South Freeway in the north-central part of the state, which is so dangerous that truckers drive hundreds of miles out of their way to avoid it.

What Goldschmidt had taken away from Illinois late last year he suggested just six days before the state's March 18 primary that he might return. He told Rockford Mayor Robert McGaw, who endorsed Carter in November, that he would favorably consider reprogramming money for the freeway if other states cannot use all the money allotted to them.

On the whole, there is less evidence of the withholding of federal funds from political opponents than of the granting of funds to political allies. But there is some, and Illinois provides another possible example.

Shortly after Rep. Paul Simon, D-Ill., endorsed Kennedy, the city of Carbondale, which is in Simon's district, was denied a \$150,000 HUD grant; it had expected to receive. City manager Carol Fry would not be surprised if the two events were connected. "Draw your own conclusions," he said.

Whether or not agencies are administering a political litmus test to grant applicants, however, Goldschmidt's threat against Chicago has been taken to heart by some state and local officials. Asked if New York and Chicago politicians believed that failure to endorse Carter might hurt their chances of getting federal grants, Eidenberg said, "Yes, that perception is there."

It must have been enhanced when Watson, Eidenberg's boss, told a National League of Cities convention in Las Vegas in November, "When all things are considered, and everything else is equal, and it's a matter of discretion, one way or the other, the President will move in favor of his friends."

At the same convention, Mayor Richard Fulton of Nashville, Tenn., who had endorsed Kennedy, was quoted as saying that more mayors would have publicly supported the Massachusetts Senator if they had not feared for their prospects of federal aid. "There is uneasiness for some to speak out at this time," he said.

Charles Holcomb, communications director for New York Gov. Hugh L. Carey, was more blunt. You can't tell me Goldschmidt wasn't conveying a message," he said. "If you're an upstate Democratic mayor, the message is conveyed that if you want your endorsement to be worth anything, you better do it now." Carey reportedly was among the politicians who urged Kennedy last year to challenge Carter. But he has refused to endorse Kennedy publicly, instead remaining officially neutral.

CENSUS POLITICS

Carter has been more overt in his use of the census to curry political favor and deny benefits to political enemies.

The 1980 census, the first in a year in which a President has sought reelection since 1940, offers Carter and his supporters an immense source of patronage: more than 275,000 temporary jobs. The 1978 Civil Service Reform Act made census workers subject to bureaucratic tests that would have severely constrained the political criteria usually used in hiring them, but Carter used the power granted him by the act to exempt census employees from merit system requirements. Shortly thereafter, the Census Bureau said it would "give preference to persons recommended by the political party of the incumbent Administration."

By tradition, House Members of the President's party recommend census workers. But this year, only some Democratic House Members were granted that privilege. The reason: an incumbent President is being challenged by a member of his own party.

In an interview last October, Mikel Miller, in charge of census recruiting, strongly suggested that Democrats who did not support Carter would be excluded from census patronage privileges. That is precisely what has happened. (See *NJ*, 10/13/79, p. 1681.)

Simon, for example, has made recommendations for census employees, but not one has been hired. Also in Illinois, Morgan County Democratic chairman Leonard Kramp was told by the regional census director shortly after he endorsed Kennedy that he was being dropped as the local contact for recommending census workers.

"This is politics, and you understand politics," he said he was told. In neighboring counties too, Kramp said, "they're making it known that they haven't any use for anybody that doesn't support Carter."

Rep. Richard M. Nolan, D-Minn., who has endorsed Kennedy, likewise has been denied census patronage. "The Administration has made it pretty clear that a recommendation by Nolan might just as well not have been submitted," said his press secretary, Steve Johnson.

On the other hand, workers recommended by Rep. Fortney H. (Pete) Stark, D-Calif., a Kennedy supporter, have been hired, his office said.

SURROGATE CAMPAIGNERS

During a buffet dinner at the White House on Nov. 1, Carter told Vice President Walter F. Mondale, the Cabinet and senior members of his staff that they should be prepared to campaign actively in his behalf, according to an account in *The New York Times*.

The President told Cabinet members they should check the political "dependability" of their subordinates, implying that those who weren't willing to campaign for him should be dismissed, the *Times* said. "Presidents have found it increasingly difficult to get reelected in recent years, but I intend to reverse that, and I intend to win," Carter was quoted as saying.

Three days after that dinner, terrorists took over the American embassy in Tehran, seizing the hostages whom they still hold. Since then, Carter has avoided campaigning, leaving that job to his family, Cabinet and staff.

The White House began preparing for the use of surrogate campaigners more than a year ago. On March 2, 1979, Robert J. Lipshutz, then counsel to the President, advised the White House staff in a memo of "the legal limits on your individual political activity."

Complicated election laws provide that presidential appointees must keep track of the share of time they devote to

campaigning during their trips out of town and bill the campaign committee accordingly. Officials at the sub-Cabinet level say this has discouraged their own political activity, since the committee is often unwilling to bear the expense and the paperwork burden of their travel.

But that is not the case with Cabinet Members. The Carter-Mondale Presidential Committee reported that three Cabinet officers—Agriculture Secretary Bob Bergland, Labor Secretary Ray Marshall and Education Secretary Shirley M. Hufstедler—spent a total of 10 days in Iowa during January. In addition, Mondale spent eight days in the state, Rosalynn Carter spent four days and sons Chip and Jack visited Iowa for twelve days and four days.

The approaching Iowa caucuses took



Joseph L. Rauh Jr. filed suit alleging the Administration illegally used federal grants for campaign purposes. He lost in U.S. District Court.

Cabinet members to spots they probably will never see again. Marshall, for example, drove for more than an hour on Jan. 13 to reach Dirty Nelly's Deli in Fort Dodge to speak to a group of about 60 labor unionists.

Hufstедler was sent to Iowa to rally the support of teachers, including members of the National Education Association, which endorsed Carter in return for his successful drive to create the Education Department.

The campaign committee's list does not include supposedly nonpolitical appearances by Administration officials, including one by James T. McIntyre Jr., director of the Office of Management and Budget, before the Business and Industry Association of New Hampshire on Nov.

14 in which he praised the Administration's "tough, pragmatic, yet humane leadership."

Nor does the list include two trips by Goldschmidt in January, both apparently to announce the new commuter rail service between Boston and Concord. Transportation Department records show that Goldschmidt announced the service in Manchester, N.H., on Jan. 17, and then attended a reception given by the New Hampshire Associated General Contractors and addressed a gathering at the local Jewish Community Center.

On Jan. 25, Goldschmidt flew on a Federal Aviation Administration aircraft to Boston, where he announced the commuter service. He then traveled by train to Concord, making the same announcement along the way in Nashua and Manchester. He attended a reception given by Gov. Gallen, spent the night in Keene and returned to Washington the next morning. Both trips were paid for by the government.

From October through February, Goldschmidt made 21 out-of-town trips, Marshall made 23 and Landrieu 25. Many of these trips lasted for several days; Landrieu's travel records show he spent 64 days out of town between Oct. 1 and Feb. 29.

STAYING IN TOUCH

Although Carter himself has remained in Washington during the campaign, he has found other ways to reach voters personally.

For one, he has brought an important segment of the electorate to him by calling meetings of "community leaders" at the White House. Since April 3, 1978, there have been 23 of these gatherings of local politicians for a full day of briefings in the East Room, climaxed by an appearance by the President.

The events, arranged by the office of special assistant to the President Sarah R. Weddington, are timed to the political calendar. The Florida gathering, for example, was held on Sept. 14, less than a month before the state's straw vote. The Iowa event took place on Oct. 9. New England states were grouped together in two briefings: Nov. 27 and Feb. 14. New York politicians were at the White House on March 11.

White House lawyers have recommended that the Democratic National Committee pay for the luncheon or reception after the briefings. The Carter-Mondale Presidential Committee has been picking up the tab.

Half the day is devoted to domestic policy, with briefings by Stuart E. Eizenstat, the President's chief domestic policy aide, and a Cabinet member. The afternoon covers foreign policy, with

national security adviser Zbigniew Brzezinski usually presiding.

Though Carter ordinarily tries to keep politics out of his remarks, he slipped during a Sept. 14 gathering of Florida politicians. Asked by a member of the audience what Floridians could do to help meet his program, he replied, "I understand there are going to be some caucuses in Florida October 13," according to a front-page account in *The Miami Herald* on Sept. 15. Carter quickly added, "I'm not going to tell you how to vote but I hope you'll participate," the *Herald* reported.

Sometimes the White House organizers get their signals crossed. For a community leaders' meeting in early March, they intended to invite St. Louis publisher Edward Finkelstein. Instead, they invited a 275-pound gasoline station operator, also named Edward Finkelstein, who reported afterward, "I enjoyed every minute of it."

In addition to the community leader meetings, Wexler's office has arranged dozens of meetings of groups interested in specific issues. At one recent gathering, 250 environmental leaders heard from the Secretaries of Interior and Agriculture, the administrators of the Environmental Protection Agency and the National Oceanic and Atmospheric Administration and the chairman of the Council on Environmental Quality—as well as Carter himself.

Recent meetings also have been staged for about 250 student leaders (Carter posed for pictures with each), women's groups (three meetings since the beginning of January), ethnic leaders (only 43 attended), Hispanic ministers, evangelical leaders, and officials and players of the National Basketball Association.

Nor has Carter been shy about using the telephone in his campaign. Probably his most celebrated call was to the locker room of the Olympic team just after it had won the gold medal.

But people far less famous have been getting calls—small-town officials, housewives, students and others in the early primary and caucus states. Requests for presidential campaign phone calls are assembled by the campaign committee, which every day or two sends a packet of requests to the White House, including the names and numbers of the persons to be called and descriptions of their backgrounds and interests.

Deputy White House press secretary Ray Jenkins reported that the political calls have numbered 10 to 20 on weekdays and up to 40 on Saturdays and Sundays. Although placed by the White House switchboard, the calls are billed to the campaign committee's credit card.

Spiegel, Gov. Brennan's press secre-

tary, reported "dozens of calls" by the President to residents of Maine in the six weeks before the caucuses there. By mistake, the President apparently was asked to call an 18-year-old student with no involvement in the campaign. He also reached a man in Livermore Falls whose house was on fire.

USING THE MAIL

To make sure that the public views Carter's record in office in the most favorable light, the White House has undertaken a printing and mailing operation of unprecedented scope.

In addition to the revised publication on Carter's over-all record, there are also publications on his record on specific issues: defense and foreign policy, the aging, women, energy. Special



When asked if New York and Chicago politicians believed their failure to endorse Carter might hurt their chances of getting federal grants, White House aide Eugene Eidenberg replied, "Yes, that perception is there."

newsletters have been developed for Hispanics, for women, for blacks. A newsletter for ethnics is planned.

All of them are paid for by the government, though government lawyers have raised questions about them. Frank Greer, an aide to Labor Secretary Marshall, reported that the department had considered a publication on Carter's record on labor issues but had decided against it after department lawyers said it was an activity better suited for the campaign committee.

The White House's role as publisher of periodicals apparently began last spring, when Weddington's office began publishing "White House News on

Women," a monthly ranging from 6 to 12 pages. Not surprisingly, the publication is full of material praising Carter's record on women's issues. The newsletter is sent to 7,000 people free of charge.

Also last spring, the office of special assistant Louis E. Martin, the President's adviser on black affairs, began publishing what it calls a monthly "fact sheet" on blacks. Not to be outdone, Esteban Torres, who joined the White House staff last fall, on Jan. 1 put out the first edition of "The White House News on Hispanic Affairs," one page of which is printed in Spanish.

Another entry will come within two months, when the new White House Office of Ethnic Affairs begins publishing its own newsletter. Presidential assistant Stephen R. Aiello, who was recruited from New York politics to set up the office, said he hopes for a circulation of 25,000, primarily among Catholics.

Aiello said he hopes the activities of his office will bring alienated Catholic ethnics "back to the Democratic Party." His top goals include appointment of more ethnics to high government posts.

The White House offices dealing with special constituencies don't seem to miss many opportunities to get out special mailings as well.

On Dec. 6, Weddington mailed more than 6,000 copies of a glossy poster carrying photographs of 100 top female appointees in the Administration. An accompanying letter detailed Carter's record on women's issues.

On Dec. 12, Wexler mailed a reprint of the exchange of remarks between Carter and Pope John Paul II in October to a list that apparently went beyond those who had attended the White House festivities.

Even the Office of Management and Budget, by tradition a strictly non-political agency, has gotten into the act. This year, for the first time, the volume of special analyses that accompanied the budget in January included a section labeled "major accomplishments"—120 pages praising Carter's record.

Carter's opponents may object to such tactics, but there is little they can do about it. They have nothing to match the White House staff or the Cabinet. They do not have access to government aircraft. They cannot invite the Presidents of Egypt and Israel to Camp David.

On Feb. 7, U.S. District Court Judge June L. Green ruled that the plaintiffs in the suit filed by Rauh did not have standing to sue. Even if that ruling is overturned on appeal, it's hard to see what the courts could do for a remedy. His use of the powers of his office may not be the only reason, but Carter seems to be on his way to renomination by the Democratic Party. □

October 27, 1980

WHITE PAPER
ON
INCUMBENCY
ABUSES
BY
THE
CARTER ADMINISTRATION

Outline of White Paper on Incumbency Abuse

I. LEAKS OF CLASSIFIED INFORMATION

1. Stealth
2. Presidential Directive 59

II. "JIMMYING" FIGURES

1. Producer Price Index
2. Military Readiness Figures
3. Net Farm Income
4. Housing Starts
5. September 1980 Consumer Price Index

III. MISUSE OF FEDERAL EMPLOYEES

1. Health and Human Services
 - a) Detailees to White House
 - b) Harris Trip
 - c) Maloney's Remarks
2. HUD
3. Campbell's Press Conference
4. Muskie's Speechwriter
5. OMB Report
6. Government-wide Campaign Briefing Memo
7. White House "Media Plan"

IV. MISUSE OF CABINET-LEVEL POSTS AND THE FOREIGN SERVICE

1. Harris Speeches
2. Brown's Remarks
3. Muskie: The Self-Proclaimed Political Secretary of State
4. Woodcock in Peking
5. Goldschmidt's Attempted Solicitation of Railroad Executives

V. GRANTS

1. Primaries

a) Most evident in states with early primaries.

b) Neil Goldschmidt: The "Political Arm" Hits Chicago

c) VA

2. Timing Grants for the November Election

3. Grants to Key Electoral States in General Election

Michigan

New York

Illinois

Pennsylvania

Ohio

VI. USE OF TELEVISION

1. Wisconsin Primary

2. September 18 News Conference

3. Loan to Poland

STATEMENT ON INCUMBENCY ABUSES

The Carter administration's use of its powers of incumbency is one of the worst abuses of federal authority in history and marks the return of the spoils system to the national government.

In a desperate attempt to hold onto political power, this administration has jeopardized national security secrets, misused federal employees in contravention of Civil Service statutes and traditions, altered vital and formerly sacrosanct government statistical studies, politicized the Departments of State, Defense and even the foreign service and manipulated federal grant money to reward friends and punish political opponents in a manner never before seen in the United States government.

The remarkable aspect of this phenomenon is its steady but barely observable growth into a national scandal--a scandal that the media, public interest organizations and other government watchdog groups have been slow to recognize.

What follows is a series of incidents, many of them reported in obscure one-day press accounts, that show a pattern of lawlessness and disregard for proper conduct rarely seen in any administration.

Mr. Carter and his administration have revived the discredited practices of the courthouse politician and the ward-heeler--they threaten to make "spoils" politics once again the norm in the federal government.

INTRODUCTION

When campaigning for president in 1976 Jimmy Carter expressed outrage at President Ford's ability to use his incumbent powers in the presidential campaign.

"He can make the news. He can sign a bill, shake hands with a visitor who is distinguished, and that's it."

--New York Times, October 12, 1980

Now four years later, Jimmy Carter has abused the powers of his high office in a manner best summarized by Hugh Sidey of Time magazine:

"When the record is finally written of these years we may discover that Jimmy Carter has used the apparatus, the people, the secrets and the events of government for his political survival more than any of the modern presidents. Almost every act of this administration seems weighed for its campaign value and then orchestrated into the total effort of re-electing Jimmy Carter."

--Washington Star, September 14, 1980

This summary will briefly describe the Carter Administration's use of surrogates, misuse of federal employees, misuse of grants, and leaking of sensitive information for political purposes. This is not an exhaustive survey but a summary of the highlights of the incumbency abuse.

I. LEAKS OF CLASSIFIED INFORMATION

Never before in history has an administration contributed to serious breaches of national security by leaking or confirming leaks of highly classified information for strictly political purposes.

1. STEALTH

The recent episode over the Stealth bomber technology is an example of a Carter administration-- abuse of incumbency. The confirmation of this leak was obviously a political decision to diffuse criticism of Mr. Carter's weak defense policies.

In fact, in his Washington Post article of August 14, 1980, George Wilson noted that Mr. Carter was thinking of leaking news of a "new bomber" during his acceptance speech to the Democratic National Committee. Was this highly classified technology leaked to a speechwriter and campaign operatives so they could discern the political impact of its inclusion in the acceptance speech?

In testimony before the House Armed Services Committee on September 4, 1980, Secretary of Defense Brown admitted that he authorized the release of Stealth data over the objection of General R. H. Ellis, the Commander of Strategic Air Command. General Ellis sent Brown a telegram which said that giving the Soviets advance warning of the Stealth technology was tantamount

to sounding "The death knell of that system."

(Washington Star, September 4, 1980)

The Stealth leak was, in the words of Retired Admiral Elmo Zumwalt, "Unbelievably harmful to the national security" because it gave the Soviet Union "a five year head start" to begin developing a counter-technology.

The most difficult task before any foreign intelligence service is not so much to gather as to assess leaks of military secrets. (In WWII, for example, German intelligence had a complete set of plans for the Normandy invasion but failed to understand their importance.) Secretary Brown's confirmation of the Stealth technology eliminated this problem for Soviet intelligence.

2. PRESIDENTIAL DIRECTIVE 59

A second leak of classified information was the disclosure of highly sensitive nuclear targeting strategy in Presidential Directive 59.

In the words of Senator Daniel Moynihan:

"In response to the Republican platform, administration officials leaked the highly classified Presidential Directive 59 evidently hoping to show that the administration is developing a counterforce of the kind the Republicans call for. This was a contemptible act, and very possibly a criminal one. I have written to the Attorney General to inquire as to his views on this point."

--Washington Post, September 6, 1980

Senator Howard Baker wrote to the President to request that there be an investigation of these two breaches of national security. The President declined

to appoint a Republican monitor in this investigation.

Then President Carter finally agreed to direct the Attorney General to investigate the rash of "unauthorized" disclosures but declined to appoint a Republican monitor of the investigation sought by Senator Baker.

II. "JIMMYING" FIGURES

The Carter administration's latest innovation in the abuse of the incumbency is the altering of the methodology used to calculate important government statistical studies. The statistical compilations of the Producer Price Index, military readiness, and net farm income have all been altered in the month of October--a phenomenon the administration is now asking the American people to believe is pure coincidence.

1. PRODUCER PRICE INDEX

The Producer Price index is one of the government's calculations designed to measure the inflationary rate. The September PPI declined by 0.2 percent, indicating an improvement in the economy.

The PPI decreased in September because auto rebates were included in the calculations for the first time. Otherwise, the PPI would have risen by 0.4 percent if the administration had not altered the price index formula. (Washington Post, October 7, 1980)

The Reagan-Bush campaign has made a Freedom of Information request with regard to the altering of these statistics. The request asks for documents regarding the \$10,000 bonus on September 9, 1980 to Associate Commissioner John Layng who has responsibility for compilation of the PPI.

2. MILITARY READINESS FIGURES

In September, 1980, there were many published reports which said that Army divisions, Navy aircraft carriers, and Air Force squadrons were not ready for

combat. This placed pressure on Defense Secretary Harold Brown to order military staff officers to distort military readiness reports to emphasize the positive rather than the negative in their assessments of unit readiness.

Brown's actions were disclosed in a September 23, 1980 internal memorandum from Major General James H. Johnson, Vice Director of the Joint Military Staff for Operations, in which Johnson said Brown:

"...has expressed concern that our current readiness report formats only emphasize the negative aspects of our military readiness... had asked that we re-examine our readiness reporting systems to develop a report format which places greater emphasis on the positive factors of our readiness."

--Associated Press, October 10, 1980

Brown has also decided to withhold a periodic report on military readiness from Congress, presumably until it can be altered. (Associated Press, October 10, 1980) Brown's action amounts to a desperate attempt to obfuscate the Carter administration's failure to keep our national defenses strong and resilient.

3. NET FARM INCOME

The Department of Agriculture has announced that it will publish two sets of figures on Net Farm Income instead of one. The old method would show a 1979-1980 decline in net farm income of more than 18%; the new method will show a net decline of about 10%. (Wall Street Journal, October 1, 1980)

4. HOUSING STARTS

On October 17, 1980, the Commerce Department announced that housing starts rose 9% in September, 1980, thus creating the impression of a recovery in the economically hard-hit housing industry.

This is because of "jimminyng" the method of reporting. Unlike previous years, government regulations (GNMA Sellers Guide, Section 925) were abruptly changed on August 29, 1980 to require that government subsidized (Section 8) multifamily housing starts be crammed into the month of September.

Actually, the increase in housing starts was due to a 32% increase in multi-family housing starts which increased because of the unprecedented change in government regulations.

Michael Sumichrist, the economist for the National Association of Home Builders, remarked:

"Only multi-family starts are up, and most of those are government assisted. Single family housing starts didn't go anywhere."

Washington Star, October 18, 1980

The change in the government regulations was done at the last minute for the deliberate political purpose of artificially inflating the September housing starts figures so that there would be a false impression that the depression in the housing industry was ending.

5. SEPTEMBER 1980 CONSUMER PRICE INDEX

The Federal Housing Administration mortgage rate is important because it is one of the few prices in the Consumer Price Index which is controlled directly by the government. The FHA rate also accounts for nearly 1% of the CPI, and because of the large percentage swings in interest rates, it has a disproportionate

impact on the CPI. It is therefore vulnerable to the kind of political manipulation Jimmy Carter uses.

Alan Greenspan, Reagan economic adviser, stated that The Department of Housing and Urban Development (HUD) delayed raising the Federal Housing Authority and Veteran's Administration loan rate to 13% from 12% until September 22, one week after the September Consumer Price Index had been computed from mortgage rates legally in effect on September 15. (Washington Post, October 25, 1980)

If the FHA/VA mortgage rate had been included in the September calculation then the rate of inflation would have risen to a 13.7% annual rate instead of the 12.7% annual rate announced on October 24, 1980.

Edwin Gray, Deputy Chief of Staff of the Reagan-Bush campaign said that Moon Landrieu, Secretary for Housing and Urban Development deliberately delayed the increase in mortgage rates:

"...to assure that a lower but very artificial FHA rate would be factored inot the September calculations."

New York Times, October 25, 1980

III . MISUSE OF FEDERAL EMPLOYEES

The following are among the most serious proscriptions against political activities by federal employees in history.

1. HEALTH AND HUMAN SERVICES

A) DETAILEES TO WHITE HOUSE

The Department of Health and Human Services has detailed 218 employees, many of which are federal career employees in salary brackets averaging \$50,000 a year, to the White House. These HHS employees have been assigned to various White House offices to relieve regular staff members so that they can participate in the Carter re-election campaign. Secretary of Health and Human Services, Patricia Roberts Harris, approved the assignments. (Federal Times, October 20, 1980)

B) HARRIS TRIP

The Federal Times, September 1, 1980, piece alleges that Secretary of Health and Human Services, Patricia Roberts Harris, used eleven federal employees and over \$10,000 in federal money for her partisan political speeches of August 5 and 6, 1980, in Dallas and Los Angeles.

C) MALONEY'S REMARKS

The trip to Denver, Colorado, and the alleged remarks of Grace Mickelson, second ranking official at HHS and Robert H. Maloney, a congressional liaison specialist at HHS, comprise one of the most egregious episodes in the abuse of the Hatch Act.

At the Denver office of HHS, Maloney allegedly told HHS officials:

"I understand that Senators Hart, McGovern, Representatives McKay, Schroeder, and Kogovsek are in trouble in this election. We want to do everything we can in this department to help re-elect them. I'm here to see how you can help."

--Federal Times, August 18, 1980

2. HUD

A serious problem exists at the Department of Housing and Urban Development involving Assistant Secretary Larry Simons and Nick Rizzo, Deputy National Fundraiser for the Carter/Mondale campaign, according to an investigative series by the Boston Herald American. Rizzo reportedly sets up appointments between Simons real estate developers who have applied for HUD financed projects. Rizzo is alleged to keep track of and expedite applications for HUD projects. Perhaps not coincidentally, the developers make contributions to the Carter/Mondale campaign, e.g., 70% of the contributions to the Carter/Mondale campaign in Massachusetts as of April 15, 1980, came from real estate developers. (Boston Herald American, June 27, 1980)

3. CAMPBELL'S PRESS CONFERENCE

Less than 24 hours after Governor Reagan accepted the Republican nomination for president, Alan K. Campbell, director of the Office of Personnel Management, called a press conference to attack Governor Reagan's plans for a hiring freeze. The press conference was held on federal property and federal employees were used to set it up. Ironically, the Carter

administration has cited Campbell as a civil service reformer who had the responsibility of maintaining the integrity of the civil service system. (Washington Star, July 19, 1980) Senator James McClure immediately called for an investigation. Senators Percy, Stevens and Representative Leach all wrote letters inquiring about this obvious breach of the Hatch Act.

4. MUSKIE'S SPEECHWRITER

The Washington Post, August 15, 1980, reported that Secretary of State Edmund S. Muskie summoned a State Department speechwriter to New York to prepare a political speech. Muskie defends himself by claiming that the speechwriter only prepared the "foreign policy" sections of the speech.

5. OMB REPORT

The Office of Management and Budget prepared a report on the Reagan economic proposals which was used as handout material in the Carter campaign in New Jersey. The report was prepared by government employees at government expense and contained misrepresentations and glossed over failures and mistakes of President Carter. (Rep. Eldon Rudd, Press Release, September 10, 1980)

6. GOVERNMENT-WIDE CAMPAIGN BRIEFING MEMO

The White House has sent a memorandum to all federal agencies requesting information regarding local issues in cities which President Carter plans to visit in campaign appearances. The memo complained of past failures to supply sufficient information and placed pressure on the respondents to produce positive results. Such government-wide requests for briefing materials for Carter's campaign appearances are improper because

they would involve work by government employees at government expense. (Baltimore Sun, October 18, 1980)

7. WHITE HOUSE "MEDIA PLAN"

The White House has ordered all political appointees on a government-wide basis to participate in a "media plan" in which Carter administration accomplishments are pressed upon print and broadcast media.

In an October 7, 1980 memorandum White House staffer Christopher Edley ordered all political appointees to make at least 10 media contacts per week. A record of these contacts is reported to the White House every week. The "media plan" is intended to concentrate upon local media in areas where the Carter/Mondale campaign is in trouble.

Significantly, the memorandum notes that the radio and television facilities located in each department will be available to "rebut the statements of the opposition." These facilities are intended for the convenience of working journalists, not for partisan political statements by government employees at government expense.

The "opposition" does not enjoy the advantage of unlimited use of media facilities on a government-wide basis. Moreover, there is no evidence that this significant media expense is reported as a Carter/Mondale campaign expenditure. Nor is there any evidence that the expense of paying the political appointees for the time they spend complying with the "media plan" is reported as a Carter/Mondale campaign expense.

The White House has ordered all political appointees to actively participate in the Carter/Mondale campaign. This is brazen abuse of the incumbency at taxpayer expense. (New York Times, October 20, 1980)

IV . MISUSE OF CABINET LEVEL-POSTS AND THE FOREIGN SERVICE

More than any other administration this administration has politicized cabinet level posts and jeopardized the non-partisan functions of the State and Defense Departments as well as the foreign service. Carter administration cabinet members and officials are travelling throughout the country to campaign and often announce federal grants in the areas they visit.

The Washington Post recently revealed Carter Cabinet officials have collectively reserved 110 days for campaigning during the next 30 days. Carter Cabinet members have chosen to campaign rather than tend to their official duties.

(Washington Post, October 5, 1980)

1. HARRIS SPEECHES

According to the Federal Times, September 1, 1980, Secretary of Health and Human Services, Patricia Harris, used eleven HHS employees and spent over \$10,000 of federal funds to make two blatantly political speeches containing inflammatory, racist and misleading statements in Dallas, Texas, and Los Angeles, California, on August 5 and 6, 1980. Harris in fact, equated Republicans with the Ku Klux Klan and added: "Many will see the specter (of a) white sheet ..." when she heard Ronald Reagan speak. (Newsweek, September 29, 1980)

2. BROWN'S REMARKS

Secretary of Defense Harold Brown's trip to Oakland, California, in which he made a highly political speech attacking the Republican platform was a rare departure from all

traditional noninvolvement of the Secretary of Defense in political campaigns.

The New York Times noted that:

"Secretaries of Defense have traditionally refrained from taking part in political campaigns even though they have subtly sought to protect the military policies of the administration in which they served."

--New York Times, July 29, 1980

Similarly, the Washington Star noted that:

"Defense secretaries have strayed before from the tradition of aloofness from political campaigns, but seldom as far as Mr. Brown did yesterday."

--Washington Star, July 29, 1980

3. MUSKIE: THE SELF-PROCLAIMED POLITICAL SECRETARY OF STATE

Secretary of State Edmund S. Muskie has been actively politicizing America's foreign policy in partisan political speeches paid for by the taxpayers. A perfect example of this was Muskie's August 7, 1980 speech to the United Steelworkers of America convention in Los Angeles, California, where Muskie proudly admitted, "I am the first political Secretary of State." (Washington Star, August 13, 1980) Ironically, the Carter administration unveiled its nuclear targeting strategy without briefing Muskie because he was away campaigning.

Ambassador George Bush, Republican nominee for Vice President noted that the speeches by Muskie and Brown were "partisan political speeches by cabinet members whose offices traditionally have been considered beyond partisan politics." (Washington Star, August 13, 1980)

4. WOODCOCK IN PEKING

In a completely unprecedented move U.S. Ambassador to China, Leonard Woodcock, called a press conference in the

American Embassy in Peking in which he attacked Governor Reagan's Taiwan policy. Woodcock said that it would be logical to assume that the Chinese would close the American embassy in Peking if Reagan was elected. (UPI), August 26, 1980).

The Wall Street Journal editorial "Woodcock Diplomacy" of August 28, 1980 noted:

"But even accepting Mr. Woodcock's protestations that he thought up the press conference on his own, the question still nags: Is this the kind of thing an American ambassador should be doing? The answer is a decided no. . . . But even in this era of no-holds-barred government, some principles are worth defending. We would put high on the list the principle that the foreign service should be employed to represent the U.S. interests abroad, not to help a sitting President with his political campaign."

5. GOLDSCHMIDT'S ATTEMPTED SOLICITATION OF RAILROAD EXECUTIVES

Secretary of Transportation Neil Goldschmidt attempted to solicit political contributions for the Democratic National Committee from railroad executives while the railroad deregulation bill was pending for signature. (Washington Star, September 27, 1980)

Goldschmidt had arranged for a Washington breakfast with executives of major railroads to meet with him and Robert Strauss, Carter campaign chairman, to discuss "the needs of the Democratic National Committee."

The House Republican Representatives Edward Madigan, James Broyhill, and Gene Taylor threatened to drop support for the legislation unless Goldschmidt promised to cancel the breakfast and refrain from raising funds from railroads during the 1980 campaign.

V. GRANTS

The National Journal April 5, 1980 disclosed in an extensive article how the Carter administration has missused its grant-making power to punish political foes and reward political allies.

The New York Times story of Oct 12, 1980 illustrated how the Carter administration has continued to missuse federal grants for strictly political purposes.

"Nonetheless, the Administration is making a point of announcing the formula grants in key states as if they were a result of the President's discretion. When Luther B. Hodges, Jr., the Under Sec. of Commerce, was in San Antonio late last month, he distributed to reporters a list of every Economic Development Administration grant to the City in the last four years."

New York Times, Oct 12, 1980

1. PRIMARIES

(a) The Carter administration use of this grant power was most evident in the states with early primaries.

For example, Maine received \$75 million in January 1980 which was double the usual amount. New Hampshire, a state with a very important primary, received \$45.2 million in grants in January 1980, which was four times the amount received in earlier months. Florida also received many grants prior to its primary as well as a loan of \$1.1 billion dollars. (National Journal, April 14, 1980)

The Carter administration abuse of incumbency is well illustrated in the arbitrary and vindictive way that it awarded and cut grants to its political friends and foes during the primary elections. This process is amply summed up by the statement of Jack Watson, White House Chief of Staff. When Watson addressed the National League of Cities Convention in Nov. 1979, he said:

"When all things are considered and everything else is equal, and it's a matter of discretion, one way or another, the President will move in favor of his friends. "

National Journal April 5, 1980

(b) NEIL GOLDSCHMIDT:THE "POLITICAL ARM" HITS CHICAGO

The manipulation of grants for political purposes is well illustrated by Secretary of Transportation Neil Goldschmidt's November 20, 1979 remark to reporters that he represented the "political arm" of the cabinet and that he would look for ways to deny funds to Chicago. This was in obvious retaliation for Mayor Jane Byrne's endorsement of Senator Kennedy. Although Goldschmidt later modified his remarks, it is interesting to note that Illinois only received \$14 million in highway funds in 1980 as compared to \$55 million in 1979.

Mysteriously, the Carter administration made \$106 million in grants to Chicago just before the Illinois State Democratic convention in Chicago in September, 1980. Perhaps not coincidentally, Mayor Byrne personally greeted Vice President Mondale and introduced him to the convention.

Mayor Byrne had these two remarks about the cycle of events: "I'm definitely going to have a role (in the Carter/Mondale campaign.) It will be whatever role they ask me to have." (Washington Star, September 10, 1980)
"Diamonds are a girl's best friend and federal grants are second." (Newsweek, September 29, 1980)

(c) VA

The Veterans Administration grants were also used by the Carter administration for political purposes. The VA budget for 1981 was increased from \$345 million to \$660 million. When this was announced on January 28, 1980, the VA notified all Democrats in Congress, except Kennedy supporters, of projects in their districts. (National Journal, April 5, 1980)

2. TIMING GRANTS FOR NOVEMBER ELECTION

The Carter administration has strategically timed the awarding of grants to coincide with the November 4th election. Grants are either postponed until near the election or announced earlier than usual by a cabinet level surrogate for maximum political impact.

The administration has recently or may well announce \$200 million for local transit buses to cities, \$300 million to 46 states for synthetic fuel projects, \$300 million in drought relief payments and \$2.6 billion in drought relief payments to farmers, \$50 million to Detroit, \$4 million to St. Louis, and \$100 million to Chicago according to a Wall Street Journal article of October 1, 1980.

The administration also quadrupled the amount of federal financed low income housing during the third quarter in a move designed to help the construction industry.

3. GRANTS TO KEY ELECTORAL STATES IN GENERAL ELECTION

Florida, Pennsylvania, Arkansas, and Wisconsin are states where Carter is in political trouble and where there are military bases full of Cuban refugees awaiting processing.

In an obvious political move, the Carter administration has decided to shift the Cubans to Ft. Allen in Puerto Rico. This move will cost \$18 million but be politically beneficial since Puerto Rico lacks electoral votes.

The entire matter is a purely political gesture designed to help Carter in Florida, Wisconsin, Arkansas and Pennsylvania. In other moves designed to bolster political support in Florida the administration announced \$15.3 million in federal aid for Miami's riot torn Liberty City and other impoverished areas of the city.
(Washington Post, October 12, 1980)

MICHIGAN

Michigan has been economically devastated by the downturn in the automobile industry. The high level of unemployment has jeopardized Carter's chances in this key state. Hence, Washington has given \$66 million in grants to the state: \$9.3 million for a gasohol plant; \$1 million for unemployed workers; \$29.8 million to Detroit; \$1.6 million to Flint; and \$25 million for housing in Detroit. (Washington Post, October 5, 1980)

NEW YORK

Mr. Carter travelled to New York to sign two bills to provide \$225 million to clean up a former nuclear fuel processing plant and to provide \$15 million to relocate families from the Love Canal area. (Washington Post, October 5, 1980)

ILLINOIS

As noted above, the Carter administration showered \$106 million in grants upon Chicago immediately prior to the Illinois State Democratic Party convention in September, 1980.

PENNSYLVANIA

In an attempt to win political support in Pennsylvania, a key state where Carter is having trouble, the administration recently shifted a refurbishing program for four naval aircraft carriers from Virginia to Philadelphia. The refurbishing cost for the first aircraft carrier is \$526 million and will provide employment for over 11,000 people. The estimated total cost of the ten year program is \$2 billion. (Washington Star, October 1, 1980)

OHIO

The Carter campaign is also in deep trouble in Ohio. The October 26, 1980 New York Times noted that " a squad of Federal Santa Clauses descended upon the Cleveland area today, awarding \$20 million in Federal grants."

The article did not completely detail the sources and recip-

ients of the \$20 million. to Cleveland but did state that there was \$2.7 million awarded in job funds to Cleveland.

Robert T. Hall, director of the Economic Development Administration visited Toledo, Ohio to award \$3 million in funds to help retrain unemployed workers.

VI . USE OF TELEVISION

The President and Vice President both have managed to use their office and television time to the utmost political advantage and in some cases abused their privelege of national media exposure.

1. WISCONSIN PRIMARY

At 7:18 a.m. on the morning of the Wisconsin primary last spring, Mr. Carter called a press conference to announce a breakthrough on the hostage crisis in Iran. This media attention contributed to the defeat of Senator Kennedy in that primary. Of course, there was not any breakthrough in the hostage crisis.

2. SEPTEMBER 18 NEWS CONFERENCE

On September 18, 1980, Mr. Carter called a news conference and startled network executives with a plainly political pitch about the accomplishments of his administration. When the other candidates asked for 5 minutes of free network time to respond, their request was turned down.

CBS News President William Leonard said:

I thought his (Carter's) opening statement seemed, on the surface, to be pretty obviously self serving. I was a little bit shaken, frankly. It seemed to be 'see-what-a-good-boy-I-am.'"

--Washington Star, September 19, 1980

3. LOAN TO POLAND

On September 3, 1980, Mr. Carter went on television to announce the approval of \$670 million in government credit guarantees to Poland for the purchase of American agricultural products.

Such an announcement normally comes from the U.S. Department of Agriculture. When Carter personally announced the loan he

THE WHITE HOUSE

WASHINGTON

March 17, 1983

1517

134724

FG02-38

PR001

FG02-38

SCHEDULE PROPOSAL

TO: WILLIAM K. SADLEIR, Director
Presidential Appointments & Scheduling

FROM: WILLIAM P. CLARK *WPC*

REQUEST: Meeting with former President Carter
or a lunch

PURPOSE: To discuss President Carter's visit to
the Middle East.

BACKGROUND: President Carter is currently visiting the Middle East in a private capacity. He will visit Egypt, Israel, Jordan, Saudi Arabia, Syria and Morocco. In light of Carter's past role in the Middle East Peace Process, the fact that he will meet the head of State in each country he visits, and the possibility that he may be asked to carry special messages back to President Reagan, a 30 minute meeting could provide useful insights into the current situation for the President.

PREVIOUS PARTICIPATION: The President has met with President Carter previously for Middle East related activities.

DATE: After March 19, 1983. DURATION: 30 minutes.

LOCATION: The Oval Office.

PARTICIPANTS: The President
President ~~and Mrs.~~ Carter
The Vice President
William P. Clark
(Messrs. Meese, Baker, Deaver, at their discretion)

OUTLINE OF EVENTS: Former President Carter will brief the President on his trip.

REMARKS REQUIRED: Talking points for the President to be provided.

MEDIA COVERAGE: White House photo opportunity.

RECOMMENDED BY: State and NSC.

OPPOSED BY: None.

PROJECT OFFICER: Geoffrey Kemp, NSC.

NSC# 8301517

MW

MEMORANDUM

NATIONAL SECURITY COUNCIL

1517

March 8, 1983

ACTION

MEMORANDUM FOR WILLIAM P. CLARK

THROUGH: CHARLES P. TYSON *CT*

FROM: HOWARD J. TEICHER *HJT*

SUBJECT: Schedule Proposal for Meeting with President Carter

Attached at Tab I is a request for a meeting between the President and former President Carter. President Carter is now in the Middle East. We would ask President Carter to brief the President on his trip, with special emphasis on his impressions of the attitudes of Begin and Hussein.

Geoff Kemp ^{*HT F032*} concurs.

RECOMMENDATION

That you sign the memo at Tab I.

APPROVE DISAPPROVE

Attachment:
Tab I - Schedule Proposal

National Security Council
The White House

569

1700 P

Package # 1517

MAR 08 1983

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	1	X	
Bud McFarlane	2	M	A
Jacque Hill	3	g	
Judge Clark	4	✓	A
John Poindexter	5	X	
Staff Secretary	6		D
Sit Room			

I-Information A-Action R-Retain D-Dispatch N-No further Action

DISTRIBUTION

cc: VP Meese Baker Deaver Other

COMMENTS

Recommend 4 man
lunch (P, VP, You, Carter)

NSC/S PROFILE

UNCLASSIFIED

ID 8301517

RECEIVED 08 MAR 83 15

TO CLARK

FROM TEICHER

DOCDATE 08 MAR 83

TYSON

08 MAR 83

KEYWORDS: MIDDLE EAST

ISRAEL

CARTER, JIMMY

JORDAN

AP

SUBJECT: APPT REQUEST FOR PRES CARTER W/ PRES DURING MAR RE MIDDLE EAST VISIT

ACTION: FOR SIGNATURE

DUE: 14 MAR 83 STATUS X FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

KEMP

DUR

SIMS

WHEELER

COMMENTS

REF#

LOG

NSCIFID

(H /)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

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The Record of
President Jimmy Carter

A
SUMMARY

October 1979

THE RECORD OF PRESIDENT JIMMY CARTER

A President must be judged on his record. Not on promises, not on personality. But, rather, on clear recognized accomplishments.

That is a judgment President Carter is eager for the American people to make. For his record is one of nearly unparalleled achievement.

Not since the beginning of the New Deal has any President compiled, in just 33 months, so comprehensive and enduring a record in both domestic and foreign policy. Any reasoned comparison with the 33 month record of other Presidents makes that fact apparent.

President Carter has provided the nation with a clear record of leadership -- leadership which the country had not been receiving on so many difficult issues; leadership which has been effective and productive; leadership which has been appropriate for the new economic, social and political realities we face in the latter part of the 1970's and 1980's.

This record of leadership has been evident in the President's success in moving toward his basic goals of:

- o Ensuring our Economic Strength and Independence
- o Adapting Government to Meet the Changing Needs of our Society
- o Restoring Basic American Values
- o Preserving Peace Through A Strong Defense

The progress and the achievements made toward each of these goals are the direct result of the President's type of leadership:

- o tackling difficult, long-ignored problems and persisting in the effort to reach solutions;

- o placing the nation's interest first in every situation, and being willing to fight the special interests; regardless of political cost;
- o remaining steadfast, and refusing to let political pressure or expediency overcome principle;
- o adopting moderate, balanced approaches, avoiding unrealistic, extreme approaches;
- o providing the American people with candor and truth, however unpleasant that may be in some cases;
- o developing solutions which are effective, but also compassionate in their recognition of our citizen's basic needs and daily problems.

This type of calm, effective and persistent leadership by President Carter has produced an extraordinary record of accomplishment, which is briefly summarized in this pamphlet.

SUMMARY

President Carter's Key Achievements

(1) ENSURING AMERICA'S ECONOMIC STRENGTH AND INDEPENDENCE

The President has worked to achieve this goal by reducing taxes, reducing unemployment, and reducing the Federal budget deficit, and by fighting inflation through a program of government restraint and voluntary private sector cooperation. He has moved to ensure economic independence by developing a comprehensive national energy program which will significantly reduce America's future dependence on foreign oil.

ECONOMY

Tax Cuts

- \$28 billion in tax cuts in 1977-1978.
- These tax cuts will save Americans \$35 billion in 1979 and \$40 billion in 1980.

Employment

- \$21 billion economic stimulus package in 1977 (directed toward low income and unemployed).
- Nationwide unemployment rate reduction of 25% (for blacks a 14% unemployment reduction; for youth a 26% increase in employment; and for women 4.3 million additional jobs over 1976).
- 8.3 million jobs created (greatest 27-month employment growth in America's history).
- Employment of over 97.5 million Americans (highest level in history; highest percentage of the workforce in history).

Federal Budget

- Federal deficit spending reduction of \$36 billion (over 50% reduction in 3 years).
- Federal spending reduced from 22.6% to 21.5% of GNP.

Economic Growth

- 27-month consecutive real GNP growth.
- Personal savings increase of 35.5%.
- Real GNP increase of 10.4%.
- Corporate profits up 49.5%.
- Dividends up 30.8% to stockholders.
- Housing starts up 50% in first 2 years.
- Real business investment increased 19.1%.

Inflation

- The Council on Wage and Price Stability has been monitoring more than 1,000 businesses using the price guidelines and publicly identifying violators.
- More than one million union employees reached agreements which complied with the President's voluntary wage guidelines.
- The rate of price increases in the sectors of the economy covered by the wage price standards have been one-half of the overall inflation rate, and the rate of increase in hourly wages (during the first nine months of 1979) was actually lower than during the comparable period of 1978.
- The Consumer Price Index, excluding energy cost, was at about the same 8% growth level during July-September 1979 as it was for the same periods of 1977 and 1978. Thus the basic nonenergy inflation rate has been kept at an even level over the past several years.

- An historic accord with labor to participate fully in the Administration's voluntary anti-inflation program (representing the first time that the government and labor have reached a common understanding on economic principles to combat inflation), will substantially improve the anti-inflation program and ensure greater labor and business participation.

ENERGY

National Energy Policy

- First comprehensive National energy package proposed by a President; 65% of program enacted in 1978.
- Creation of the Department of Energy (consolidating energy programs of seven different agencies).
- Proposed energy program in July of 1979 which, when combined with program enacted in 1978, will reduce U.S. imports of oil by 67% by 1990.

Conservation

- Energy conservation programs and incentives (those enacted which will save 1.0 million barrels of oil per day by 1980; additional proposed measures will save another 1.5 million barrels per day by 1990).
- Enacted first residential energy conservation tax credits.
- Proposed \$6 billion residential conservation program.
- Mandated 5% reduction in annual energy use in Federal buildings.
- Mandatory automobile fuel efficiency standards for each model year through 1985.
- Proposed \$900 million grant program to provide 50% of cost for insulation and conservation measures in schools and hospitals.

- Mandatory nonresidential building temperature restrictions.

Increased Energy Development

- Energy Security Corporation (proposed to develop 2.5 million barrels of oil from alternate fuel sources).
- Energy Mobilization Board (proposed to eliminate red tape in construction of energy facilities).
- Phased decontrol of domestic crude oil (producing more than 800,000 barrels per day by 1985).
- Gradual decontrol of natural gas (assuring interstate gas supplies ending 30 years of congressional stalemate).
- Committed to a doubling of coal production by 1985 (will be aided by coal conversion initiatives enacted in 1978, and proposed conversion program to require utilities to reduce their oil use by 50% by 1990).

Solar and Renewable Resources

- Tripled funding for solar and renewable resource development.
- Committed to 20% of the nation's energy from solar and other renewable resources by the year 2000.
- Established the Solar Energy Research Institute; increased solar research and development funding by 40%.
- Proposed creation of Solar Bank to provide \$2 billion over next ten years to aid in the financing of solar homes.
- Enacted first solar tax credits.
- Enacted first gasohol tax credits; tripled Federal funding for gasohol.

Tax on Windfall Profits

- Tax to recover windfall profits (proposed to be used for energy-related purposes not otherwise being met).

- o Nation's most extensive commitment ever to alternative energy development (goal of producing equivalent of 2.5 million barrels of oil from alternate energy sources).
- o Additional \$16 billion for mass transit and auto fuel efficiency improvements over 10-year period.
- o \$24 billion over 10-year period to assist low-income households with increased energy cost.

International Energy Cooperation

- Tokyo Summit agreement (7 industrialized nations agreed to limit imports as a way of restraining world-wide consumption).
- Alaska natural gas pipeline agreement (Canada/U.S. agree on pipeline construction; pipeline to carry 5% of our total natural gas supplies).
- Mexican natural gas agreement (assures U.S. of additional natural gas at reasonable price).

(2) ADAPTING THE GOVERNMENT TO MEET THE CHANGING NEEDS OF OUR SOCIETY

The President campaigned on a pledge to reshape the government and make it more efficient; and through a series of initiatives over the past 33 months he has honored that commitment. Those initiatives have also helped the President in his effort to make certain that our citizens' essential human and social needs are met and that our natural resources are protected.

MORE EFFECTIVE GOVERNMENT

Reorganization

- Civil Service Reform (first overhaul since 1880's).
- Seven reorganization plans (proposed, approved and implemented).
- Creation of Department of Energy.

- Creation of Department of Education (giving education the voice it deserves in the Federal government).

Eliminating and Reducing Regulations

- Airline deregulation (annual consumer savings of \$2.5 billion; opens more routes and increases competition).
- Elimination of 1,000 OSHA regulations; exempted 40,000 small businesses from OSHA reporting requirements.
- Trucking deregulation (proposal will save consumers billions of dollars and increase competition).
- Railroad deregulation (proposal will rebuild a competitive, viable rail system nationwide).

Limit Government Bureaucracy

- Reduction of 20,000 Federal government employees.
- Reduction of paperwork by nearly 15% throughout the government; 25% reduction at HEW.

MEETING SOCIAL AND HUMAN NEEDS

Health Care

- National Health Care Plan (proposal will provide catastrophic coverage to all Americans and comprehensive care to 15 million low-income persons).
- Hospital Cost Containment (proposal will save consumers \$50 billion over a 5-year period).

Protection for Older Americans

- Saved Social Security System (averted certain bankruptcy to protect the 34.7 million Social Security beneficiaries).
- Age Discrimination Act (eliminated forced retirements for Federal workers; raised mandatory retirement age from 65 to 70 for private sector).

- Older Americans Act amendments (simplified and strengthened economic protection for older Americans).

Protection for the Poor

- Welfare Reform (proposal will create 660,000 jobs; provide nearly \$1 billion in fiscal relief).
- Food Stamp Reform (allows 2.2 million additional eligible low-income Americans to receive benefits).
- Humphrey-Hawkins Full Employment Act (expresses first commitment of Federal government to full employment).
- Minimum Wage increases each year from 1977 through 1980.

Education

- 60% funding increase for education programs.
- Created a Cabinet-level Department of Education.
- Middle Income Student Assistance Act (1.2 million additional students eligible for college aid).

Urban Policy

- Developed Nation's first comprehensive urban policy (13 of 19 proposals enacted in 1978).
- More than 100 administrative changes to improve urban focus and targeting of existing Federal programs.
- Creation of the Urban Development Action Grant Program (providing \$1.5 billion in grants to leverage private sector investment and create jobs in urban areas).
- Additional 1 million units of Federally-Assisted Housing for low and moderate income renters and homeowners.
- New York City assistance (providing loan guarantees to ensure fiscal recovery of New York).

- Proposed Countercyclical Fiscal Assistance Program (may provide up to \$1 billion for urban areas).
- \$2 billion expansion for elderly and handicapped housing.
- 1500% increase in Economic Development Grants.

Agricultural and Rural Policy

- Nation's first farmer controlled grain reserve established (ensures stable grain markets).
- Farm prices up 35% overall since 1977.
- Net income for farmers approaching highest level in history.
- Agricultural exports -- set records in 1977 and 1978; with another record year expected in 1979.
- Enacted Rural Health Clinics Act (providing 1.5 million Americans unique access to primary health care).
- Streamlined \$2.5 billion in water and sewer funds for rural areas.

NATURAL RESOURCES AND ENVIRONMENT

Protection

- Removed 115 million acres of Alaska from development by executive action.
- Strip Mining Act (first Federal standards).
- Clean Air and Clean Water Act amendments (strengthening the vital protections provided by those Acts).
- Omnibus National Parks Act (created 15 new national parks).
- Outer Continental Shelf Leasing Act (first reform in 25 years).
- Major initiatives to improve urban environments, including a new \$725 million program to upgrade urban parks.
- Proposed \$1.6 billion superfund to clean up oil and chemical and hazardous waste sites.

(3) RESTORING BASIC AMERICAN VALUES

President Carter has restored to the White House the basic values which Americans have a right to expect from their leaders. His commitment to these values has helped to reestablish the President's role as a leader of our society.

Human Rights

- Reassertion of America's traditional commitment to human rights (reversing image of U.S. abroad as a result).
- Negotiation of prisoner exchange with Soviet Union.
- Expanded protection and assistance to refugees (such as the Vietnamese boat people).

Integrity and Openness

- Enacted Ethics Act (required for the first time full financial disclosure by all high-ranking government officials).
- Inspectors General (placed in each Federal agency to oversee honesty and integrity of Federal spending and to root out fraud and abuse).

Equality and Equal Opportunity

- Equal Rights Amendment (worked to secure ratification deadline extension).
- D.C. Voting Rights Amendment (helped to pass effort to secure full voting representation for D.C.).
- Senior Management Appointments (more Blacks, Hispanics, and Women appointed to senior positions in the administration than by any previous President).
- Doubling of Federal purchases from minority businesses.
- Judges (appointed more Blacks, Hispanics, and Women to Federal courts than all previous Presidents combined).

Anti-Discrimination

- Increased funding and staffing for enforcement of civil rights laws to highest levels in history.
- Anti-foreign boycott law (led effort to enact).
- Affirmative Action (filed amicus briefs in Bakke and Weber cases on behalf of affirmative action).
- Handicapped Regulations issued (Section 504 Regulations issued to prohibit discrimination against the handicapped).

Civil Liberties

- FBI Charter (established charter for the Bureau for the first time in its 50-year history).
- Foreign Intelligence Surveillance Act (first legislative controls on foreign intelligence surveillance).
- Individual privacy protection (developed Federal government's first comprehensive program; reduced Federal files on individuals by almost 10%).

(4) PRESERVING PEACE THROUGH A STRONG DEFENSE

The President has succeeded in preserving peace through his tough, dispassionate handling of foreign problems and crisis. At the same time, he has taken steps to strengthen our nation's defense capabilities, making certain that America stands second to none.

National Security

- No American soldiers killed in combat (first time in over 40 years).
- SALT II negotiations completed after 7 years of negotiation (most comprehensive nuclear arms limitation ever negotiated).
- Pursued TRIDENT submarine and missile system, and the cruise missile program.

- Adoption of MX missile system to ensure strategic response capability.
- 3% real growth in defense spending (reversing declining defense commitments during the decade).

Resolving Regional Conflicts

- Middle East Peace Treaty (historic agreement ending 30 years of conflict between Israel and Egypt).
- Panama Canal Treaty negotiation (completed negotiation and obtained Senate ratification).
- Southern Africa (maintained commitment to majority rule; nonrecognition of Muzorewa Government in Zimbabwe-Rhodesia).

East-West

- Recognition of the People's Republic of China.

Cooperation with Allies

- Strengthening of NATO (revitalized the Alliance).
- Multi-national Trade Negotiations (completed negotiations and obtained Congressional approval).
- Improved relationship with Japan.

Global Issues

- Nuclear Non-Proliferation Act (first effective controls in the transfer and sale of nuclear materials).
- Establishment of Nation's first comprehensive conventional arms transfer policy (reduction of U.S. arms sales).

International Economy

- International Intervention to protect value of dollar (historic effort in 1978 to maintain viability of dollar abroad).
- Exports have hit record levels on most products.
- Development of country's first comprehensive trade policy.

