

6/12/79 [1]

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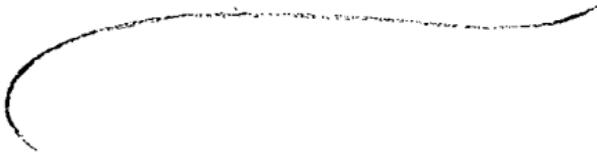
THE PRESIDENT'S SCHEDULE

Tuesday - June 12, 1979

- 8:15 Dr. Zbigniew Brzezinski - The Oval Office.
- 8:45 Rev. Leon Sullivan, Chairman of the Board,
(10 min.) Opportunities Industrialization Centers of America.
(Mr. Louis Martin) - The Oval Office.
- 9:00 Attorney General Griffin Bell - The Oval Office.
(10 min.)
- 9:45 Mr. Frank Moore - The Oval Office.
- 11:00 Health Insurance Announcement. (Mr. Stuart
(15 min.) Eizenstat) - Room 450, EOB.
- 11:45 Honorable Bill Green. (Mr. Jack Watson).
(5 min.) The Oval Office.
- 11:55 Meeting with His Excellency Odvar Nordli,
(15 min.) Prime Minister of Norway. (Dr. Zbigniew
Brzezinski) - The Cabinet Room.
- 12:15 Lunch with Honorable John McCloy. (Dr. Zbigniew
(45 min.) Brzezinski) - The Oval Office.
- 1:15 Greet the Winner of the International Architecture
(5 min.) Award. (Mr. Phil Wise) - The Oval Office.
- 2:30 Drop-By Briefing for Community Leaders (SALT).
(15 min.) (Ms. Anne Wexler) - The East Room.

THE WHITE HOUSE
WASHINGTON

Briefing Paper



8:45 AM

THE WHITE HOUSE

WASHINGTON

June 11, 1979

C
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MEMORANDUM FOR THE PRESIDENT

FROM: LOUIS MARTIN

SUBJECT: Meeting with Reverend Leon Sullivan,
Chairman of the Board, Opportunities
Industrialization Centers of America, Inc.
Oval Office, Tuesday, June, 12, 1979, 8:45 A.M.

I. PURPOSE

Reverend Sullivan is interested in informing the President of his findings in a four month tour of the nation. He is specifically concerned with the plight of unemployed Black and minority youth who need jobs and training.

II. BACKGROUND, PARTICIPANTS AND PRESS

A. Background: Reverend Leon Sullivan was born in Charleston, West Virginia in 1922. He has a M.A. in religion from Columbia and a D.D. from Union Theological Seminary. He is a Baptist minister in Philadelphia where fifteen years ago he lead a ministers boycott of businesses to secure employment opportunities for Blacks. He was successful in getting the jobs but found it was difficult to fill the jobs with persons with appropriate skills. This led him to organize what has become a national training and job placement organization, the Opportunities Industrialization Centers of America, Inc. OIC has branch operations in 150 cities in 48 states.

B. Participants: Reverend Leon Sullivan

White House Staff: Louis Martin

Talking Points: See attached

C. Press: White House Press Opportunity

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TALKING POINTS

FOR MEETING - TUESDAY, JUNE 12, 1979

OVAL OFFICE - 8:45 A.M.

1. While the problem remains extremely serious, the employment picture for Black and other minority teenagers has improved under the Carter Administration.

Since January of 1977

Black teenage employment is up by 127,000 jobs, or +27%

Unemployment is down from over 40 to 36.9%

Black teenage labor force participation is up from 35.4 to 42.1% reversing a 20 year downward slide.

2. This improvement in Black teenage employment is due in substantial part of the youth employment programs of the Carter Administration.

In 1979, we expect to serve nearly 2 million young people. One million will be in short term summer jobs. The rest will be in programs that vary from part-time after school jobs to full-time training and/or work for older young people, to the residential Job Corps camps.

For budget purpose we speak in terms of full-time year-round equivalent positions. The Carter programs have increased full-time equivalents by 250,000 to a total of 650,000 in fiscal year 1979.

The 1980 budget calls for a cut in the Summer Jobs program by 250,000 10 week job slots, but overall, the coming on line of private sector efforts including Targeted Jobs Tax Credit will further increase total positions.

In funding we have increased spending from less than \$2.5 billion to over \$4 billion.

The efforts include:

- The Youth Employment and Demonstrations Project Act of 1977 authorizing a variety of new programs, including Senator Jackson's Young Adult Conservation Corps, and an experimental program to guarantee part-time jobs to poor young people staying in, or returning to high school now operating in 17 cities.

- Doubling enrollment in the Job Corps program, a great society initiative now universally recognized as a wise investment in remedial education and skill training for the most educationally disadvantaged (average reading level upon entry: 5th grade).
 - The passage of our Targeted Jobs Tax Credit, to provide \$3000 tax credit in the first year and 1,500 in the second to business employers who will hire disadvantaged youth or people from welfare, the handicapped, poor Vietnam era veterans.
3. The Vice President is heading a Task Force on Youth Employment which is examining the problem, evaluating present and past programs and preparing recommendations for you by October 15th. The Task Force includes 18 Federal departments and agencies. The youth legislation is up for reconsideration in 1980. The Task Force will develop legislative options for you.
 4. Reverend Sullivan's organization is receiving over \$3.1 million this fiscal year for technical assistance to his nation-wide network of programs.

At the local level, OIC's are receiving an estimated \$82 million from Governors, County Executives and Mayors who operate as prime sponsors for the Comprehensive Employment and Training Act (CETA) system.

In addition, Reverend Sullivan has received \$7.25 million for youth employment demonstration programs.

And the Department of Labor is expected to announce from DOL funds:

Direct to OIC	\$10.7 mil
Through Prime Sponsor	<u>82.0 mil</u>
TOTAL	\$92.7 mil

Reverend Sullivan may ask your commitment to support his "Cadet Intern Program." The DOL is currently funding a pilot program this summer for \$2.1 million and has agreed to help promote the project among prime sponsors.

His proposal will receive full consideration from the Vice President's Task Force as it develops proposals for the next steps in the fight against youth employment.

THE WHITE HOUSE
WASHINGTON

Mr. President:

This is a special interest announcement that touches a small community and is not the most productive way to use your time.

Phil

This is a project the VP has been most interested in. He should make the announcement.

9:00 AM

THE WHITE HOUSE

WASHINGTON

June 11, 1979

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MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT
FRANK WHITE

Stu

SUBJECT: FBI CHARTER LEGISLATION

Attached is a memorandum we sent you some time ago indicating that we were planning a press briefing on the FBI Charter and asking whether you wished to do it.

Rick Hutcheson returned the memo indicating that Phil and Jody believed that it should be done by either the Attorney General or the Vice President. The Attorney General will, we understand, be trying to see you to convince you to do it.

We think you should do it for two reasons. First, it is among the most important pieces of legislation this Administration has prepared. It has received widespread attention in the press and you will receive a great deal of credit for submitting it. You, and not merely the Attorney General, should be perceived as strongly believing in the need for a Charter. It is as worthy of your attention as Foreign Intelligence Wiretapping and Court Reform, both of which you conducted.

Second, whether the Charter will be enacted, depends, in the main, on whether conservative protectors of the FBI can be brought around to support it. The ACLU, the FBI, the Kennedy staff and the Attorney General believe that, given his key role in the Church committee, the task will be made more difficult were the Vice President to be the principal White House spokesman. We believe there may be some merit to this view.

We strongly recommend that you agree to do the press briefing.

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THE WHITE HOUSE

WASHINGTON

May 30, 1979

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
FRANK WHITE

SUBJECT: FBI Charter Legislation

The Attorney General has submitted for Administration clearance the Department of Justice's proposal for a legislative charter for the Federal Bureau of Investigation. Our expectation is that the Charter will be approved within the next few days. The Attorney General would like to have it introduced in the beginning of June.

Our submission of an FBI Charter to Congress is of major historical importance; it represents the first time that the authorities and responsibilities of the FBI have been brought together under one statute. It comes at a time when both the public is in need of a firm assurance that the FBI is acting properly under the law and the FBI of reassurance that it will be allowed to carry out its legal duties with certainty, confidence, and effectiveness. While the Charter itself cannot prevent the reoccurrence of past abuses, it should act as a significant deterrent.

Justice's bill reflects three fundamental objectives:

- o The Charter should be short. It should be a document of broad principles not procedure. It should enumerate the FBI's jurisdiction, functions and powers and the limitations thereon but should leave to the Attorney General the power to issue detailed procedures and guidelines.
- o The investigative power of the FBI should be limited, with few exceptions, (and even then only with significant procedural safeguards) to the detection, prevention, and prosecution of federal crimes. This will prevent unrestricted accumulation of information concerning individuals not suspected of criminal conduct.

- o The Charter should strike a proper balance between the true needs of law enforcement and important civil liberties guaranteed by our Constitution. The greater the potential level of intrusion of a particular investigative technique, the higher investigative standard and level of approval required.

Justice drafted the legislation in close cooperation with us, the Vice-President's and Senator Kennedy's staff.

Recommendation

The press has been very interested in the development of a charter for the FBI. When it was mistakenly rumored that the Attorney General was no longer interested in a charter, within days, several newspapers, including the Washington Post and the New York Times, issued editorials urging that the effort not be abandoned. Your submission of a charter will be viewed as a very positive step. In light of the importance of the issue and the media coverage which it will receive, we recommend that you issue a presidential message to accompany the bill, and that there be a White House press briefing to announce transmittal of the bill to Congress. Senator Kennedy and other sponsors would be invited to attend. If you chose not to do the press briefing, it could appropriately be done by the Vice President especially in light of his long term personal interest in this area and the important role he played in the drafting process. The Attorney General strongly supports these recommendation.

Decision

Message to Congress on Charter Legislation

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Approve

Disapprove

Press Briefing

Disapprove

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Approve -- for the Vice President

--Approve -- for you

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11:00 Am

THE WHITE HOUSE

WASHINGTON

ANNOUNCEMENT OF NATIONAL HEALTH PLAN

Tuesday, June 12, 1979

11:00 a.m.

Room 450 EOB

From: Stu Eizenstat

SEM

I. PURPOSE

To announce your National Health Plan.

II. PARTICIPANTS

House: Rangel, Corman, Staggers, and Foley.

Senate: Long, Ribicoff, Williams, Moynihan,
~~Bradley~~, and, perhaps, Nelson.

III. FORMAT

After your statement, you may wish to ask for comments from the Congressmen and Senators. The people you should ask first are Senator Long and Congressmen Rangel and Corman.

After you and the Congressmen and Senators leave, Secretary Califano and I will brief the press.

A proposed statement is ^{on your desk} attached. In a separate memo, I suggest that you delete the bracketed paragraphs on pages 4 and 5.

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11:45 AM

THE WHITE HOUSE
WASHINGTON

C

June 11, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: BRUCE KIRSCHENBAUM *TSK*
SUBJECT: Meeting with William Green, Tuesday,
June 12, 1979, 11:45 a.m. (10 minutes),
Oval Office -- White House Photographer

I. Purpose

Courtesy call by the Democratic candidate for Mayor of Philadelphia.

Bill Green has a meeting with the Vice President at 10:30 a.m., and with Hamilton Jordan at 10:45 a.m.

II. Background

A. Philadelphia Election

Bill Green won the nomination by a 39,000 vote margin over Charles Bowser, a black candidate. Many people feel the election was closer than it should have been. This can be attributed to Green's lackluster campaign, or Bowser's unusually strong showing.

Bowser has still not conceded the primary. In fact, he has a court hearing today on his call for a new election. Our information is that there are not enough grounds for such an order. Even if all the questioned ballots were voided, Green would still win by 10,000 votes.

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Bowser and his followers are very upset about the outcome. They feel this was the year for a black mayor in Philadelphia. Earlier, two leading white candidates dropped out of the race after polls showed they had no recognition. Many blacks are said to feel that this was a conspiracy to prevent a black from getting the nomination. (it is generally agreed that if either or both of these white candidates had stayed in the race, Bowser conceivably could have won.)

Green has quietly asked the DNC to have Coleman Young and other blacks talk to Bowser about uniting behind him. The DNC will not do so since it would probably be counterproductive.

The greatest fear at this time is that the blacks will field an independent candidate. This conceivably could throw the election to the Republican candidate, David Marston, although the overwhelming Democratic registration makes this unlikely.

B. Bill Green

He was elected in 1964 to fill his father's congressional seat. In fact, at the actual time of election, he was not yet the constitutional age of 26. He ran against Frank Rizzo for mayor in 1971 but declined to do so in 1975. He ran for United States Senate in 1976 and lost to John Heinz.

It is said that Green has been upset with this Administration over two issues. One, the supposed remarks you made in 1976 introducing then candidate John Heinz to an assemblage. At least, Heinz made it appear you were very friendly to him if not outright supportive. Second, Bill Green for a reason no one can explain, expected to receive appointment as the Special Trade Representative.

III. Issues

The major issue in Philadelphia is racial. With eight years of Frank Rizzo, there is serious polarization of blacks and whites. This presents profound political and social problems in a major city.

Bill Green campaigned on a theme that he knows Washington and can, therefore, solve the City's various problems--fiscal, economic and social. Yet, recent federal actions and requirements will present him with complex and difficult problems.

HUD. For many years the City and HUD have been at odds over the Whitman Park housing project. The local housing authority originally selected this location in a white neighborhood for a public housing project. It was rejected by the local city councilman and the Mayor. The Circuit Court of Appeals, six months ago, affirmed a lower court order that the City must build the project. The issue is now pending a request to the Supreme Court for a review.

Because of this housing "integration" dispute, the City's various Community Development Block Grants have contained conditions concerning housing production in non-impacted (non poor) areas. In general, these conditions have not been met by Philadelphia. HUD has recently declared the City ineligible for UDAG grants and conditioned the fifth year Community Development Block Grants in more restrictive terms. While the City is making some minimal attempts to adhere to these requirements, this same city councilman is trying to stop any low-income housing in his district. ?

HUD's position is that the City must build Whitman Park or any other project acceptable to the Court.

CETA. Like most large distressed cities, Philadelphia has significant numbers of city workers on the CETA payroll (approximately 3,300). Under the new statute, such workers will be ineligible to receive CETA payments starting October 1, 1979. The statute also includes "waiver" authority and Labor issued draft regulations last week on how it will be implementing this provision. Essentially, those that request waivers will have to submit an approvable plan which phase out 65% of "ineligibles" over twelve months, and the remaining 35% over another six months. The sponsor will be monitored as to their progress and will not be allowed to leave all the transitioning until the last minute. (DOL wants the White House to stand firm against exceptions to these proposed regulations in terms of political pressures for individual prime sponsors.)

Democratic Convention Site. Philadelphia is making a strong bid for the 1980 Democratic Convention. Their use of dormitories for delegate housing has recently been accepted by the Selection Committee. As you know, a decision is due on June 28th. Green is certain to raise this issue with you.

Saratoga. This Administration has decided to refit the carrier Saratoga in the Philadelphia Naval Shipyards. This has been a very controversial issue with the latest conflict on the Hill. Proponents of having the work done in Newport News were attempting to stop the Navy's decision to go to Philadelphia through various congressional amendments. That now seems to be over and the Saratoga will be coming to Philadelphia before the 1980 election. We understand hiring has actually started.

Talking Points

The major point to be made is your hope for a "new relationship" between the Federal government and the City of Philadelphia.

- There are a number of important and very difficult problems the City faces in terms of housing, race relations, CETA, and economic development.
- Resolving these will take a new spirit of cooperation between your Administration and the City.
- You want to help as much as possible on these issues within the bounds of federal policy, statutes, and what is best for the people of Philadelphia.
- It will be difficult to resolve these issues until Bill actually takes office since they require intensive work by local agencies.
- You pledge cooperation and flexibility in arriving at acceptable resolutions as soon as Bill takes office.

Participants

Bill Green

John White, Bill's Campaign Manager

Tim Kraft (If he returns from the Pittsburgh
Mayors' Conference in time.)

Bruce Kirschenbaum (Jack Watson is at the
Western Governors' Conference.)

1:15 PM

THE WHITE HOUSE

WASHINGTON

Meeting with Winner of Architecture Prize

Tuesday, June 12, 1979
1:15 p.m. (5 minutes)
Oval Office

From: Phil Wise *Phil*

I. PURPOSE

To congratulate Philip C. Johnson, 72-year-old American architect who is the winner of the First Annual Pritzker Prize for Architecture.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: The Pritzker Prize for Architecture is the first in a series of annual world prizes to be offered for services to humanity. The prizes will be presented by an American organization called the International Awards Foundation. They will be given in fields not now awarded by comparable world prizes, e.g. the Nobel Prizes.

The award winners are chosen by an international jury. Mr. Johnson will receive his award at Dumbarton Oaks on Tuesday evening, June 12.

B. Participants:

Rosalynn Carter
Philip C. Johnson, award recipient
Mr. and Mrs. Jay Pritzker and Mr. A.N. Pritzker - donors of the Pritzker Prize and officers of the Pritzker and Hyatt Foundations
Mr. Caesar Pelli - Dean of the Yale School of Architecture and member of the Prize Jury
Dr. Landrum Bolling - Chairman of the Council on Foundations
Mr. Carlton Smith - Secretary of the Prize Jury and organizer of the Prize
Mr. Raphael Smith - 12-year-old son of Mr. Carlton Smith

C. Press Plan: White House Photographer only

III. TALKING POINTS

Submitted separately.

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THE WHITE HOUSE

WASHINGTON

June 11, 1979

MEMORANDUM FOR THE PRESIDENT

FROM: CAROL COLEMAN ^{cc}

SUBJECT: Talking Points for Meeting with Winner of
Architecture Prize 6/12/79

1. I want to congratulate Philip Johnson on winning the first Pritzker Prize ever awarded. You were chosen by a distinguished international jury, and I heartily applaud their selection. Your achievements in the field of architecture are world renown. You were instrumental in bringing modern architecture to America and you have shown great imagination and vision in your work.

2. I know that you have designed many impressive buildings, including the new AT&T building in New York.* I think that it is especially fitting that you are officially receiving your award tonight at Dumbarton Oaks here in Washington, since you designed Dumbarton Oaks' handsome art gallery.

3. It is commendable that the Pritzker Prizes recognize fields of activity that are different from other international competitions. There are many creative endeavors of man that leave their mark on civilization. Perhaps the most tangible and lasting are the physical structures we erect. The architects of the Twentieth Century have transformed landscapes and skylines around the world. The Pritzker Architecture Prize serves to make us all more aware of the artistry and practical craftsmanship that go into designing and constructing the great buildings of our age.

* Construction of the AT&T building is not yet completed. Other notable Philip Johnson designs include: The Art Museum of South Texas at Corpus Christi, Penzoil Place in Houston, the General American Life Insurance Company headquarters in St. Louis, and the addition to the Boston Public Library.

**THE PRITZKER
ARCHITECTURE
PRIZE**

1979

Presented to

PHILIP JOHNSON

Dumbarton Oaks

Washington, D.C.

2:30 PM

THE WHITE HOUSE
WASHINGTON

June 11, 1979

BRIEFING ON SALT FOR NATIONAL LEADERS

Tuesday, June 12, 1979
2:30 p.m. - 2:45 p.m.
The East Room

From: Anne Wexler *Anne*
Hamilton Jordan *H. J.*

I. PURPOSE

To educate a group of prominent opinion-makers on SALT in the overall context of U.S.-Soviet relations and global implications.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background

1. This will be the seventh and final group of national leaders to be briefed exclusively on SALT before the summit.

2. Prior to the opening of the briefing, the Vice President will meet briefly with eight former Senators in the Roosevelt Room and then escort them to the East Room. Mrs. Carter will attend the briefing. In addition, senior officials from State, ACDA, and Defense will be in the audience. The Vice President will make remarks at the beginning of the briefing and Zbigniew Brzezinski will be the principal briefer.

3. When you arrive, Zbig will be finishing his presentation and will not have taken any questions. We hope that you will have time to take some questions following your remarks. Depending on how long you can stay, Zbig will take additional questions after your departure.

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Following the question and answer period, there will be a reception in the State Dining Room. (See attached agenda.)

B. Participants

Among the national leaders (see attached list), there will be eight former Senators:

Edward Brooke, (MA); Clifford Case, (NJ);
Dick Clark, (IA); John Sherman Cooper, (KY);
William Fulbright, (AR); Frank Moss, (UT);
Stuart Symington, (MO); and John Pastore, (RI).
George Mahon, former Member of Congress, will
also be present.

C. Press Plan

White House photo and press pool will be present for the first five minutes of your remarks. The rest of the briefing is closed to the press.

III. TALKING POINTS

See attached.

AGENDA FOR JUNE 12, 1979 SALT BRIEFING

1:30p.m.	Meeting with former Senators Roosevelt Room	Vice President
1:45p.m.	Escort former Senators to East Room	Vice President
1:50p.m.	Opening of Briefing	Vice President
1:55 to 2:30p.m.	Briefing	Zbigniew Brzezinski
2:30p.m.	Remarks; Questions and Answers	The President Zbigniew Brzezinski

(NOTE: White House Press Pool will cover
first 5 minutes.)

Reception in State Dining Room at conclusion of briefing.

EXPECTED ATTENDEES
SALT BRIEFING FOR NATIONAL LEADERS
JUNE 12, 1979
THE EAST ROOM

The Reverend John Allin
Presiding Bishop
Episcopal Church in the U.S.

Mr. Earl L. Backman
North Carolina Coordinator
Great Decisions Program

Mr. K. K. Bigelow
Governmental Relations
Martin Marietta Corporation

Mr. Thomas Binford
Indiana National Bank

Mr. Peter Bonamarito
President
United Rubber Workers

Mr. Hyman Bookbinder
American Jewish Committee

The Honorable Edward Brooke
Former Senator

Mr. Jack Brown
Brown & Bain, P.A.

Mr. Richard Brown
National Housing Conference

Mr. Werner Brown
Chairman of the Board
Hercules, Inc.

Mr. N. Eugene Brunrige
President
Ohio Education Association

Mr. Jim Burton
Arkansas

Dr. Broadus N. Butler
Chairman
International Committee
NAACP

Ms. Elizabeth Bye
New York Coordinator
Great Decisions Program

Mr. Alex Carroll
Thomson McKinnon Securities, Inc.

Dr. Donald Carson
Vice President
Memphis State University

The Honorable Clifford Case
Former Senator

Mr. Dan Cavanaugh
Metropolitan Enterprises, Inc.

Ms. Jean C. Chance
Florida

Mr. John Chrystal
Iowa Savings Bank

Ambassador Dick Clark
Former Senator

Mr. David Cohen
Chairman
Common Cause

The Honorable John Sherman Cooper
Former Senator

General Benjamin O. Davis, Jr.

Mr. Louis de la Parte
Attorney

Mr. Byron Dorgan
State Tax Commissioner
North Dakota

Mr. William Earthman
Chairman of the Board
Tennessee Valley Bancorp

Mr. Everett Egginton
Kentucky Coordinator
Great Decisions Program

Ms. Frances Farenthold
President
Wells College

Mr. Edward F. Feighan
Commissioner
Cuyahoga County
Cleveland, Ohio

Mr. William Fine
Frances Denney, Inc.

Mr. Robert Froehlke
President
Health Insurance Association of America

The Honorable William Fulbright
Former Senator

Mr. Herman Gallegos
Chairman
Human Resources Corporation

General James M. Gavin

Mr. Richard L. Gelb
Chairman
Bristol-Meyers Corporation

Mr. Vondel Granlee
President
National Association of Home Builders

Dr. Charles Hamilton
Department of Political Sciences
Columbia University

Mr. Robert T. Handy
Texas Coordinator
Great Decisions Program

Mr. Aaron Henry
Chairman
National Black Veterans

Mr. Charles Kaman
President
Kaman Corporation

Mr. Thomas T. Knight
Pennsylvania Coordinator
Great Decisions Program

Mr. John L. Leban
Florida

Mr. Charles LeMaistre
President, Cancer Center
University of Texas System

Mr. Frank A. LePage
Executive Vice President
Firestone Tire & Rubber Company

Mr. John E. Leslie
Chairman of the Policy Committee
Bache Group, Inc.

The Honorable George Mahon
Former Member of Congress

Mr. Harvey Mallove
President
Mallove, Inc.

Mr. Milan Marsh
President
Ohio AFL-CIO

Ambassador George McGee

Mr. Robert H. Miller
Vice President
Tenneco, Inc.

Mr. Jim Moore
Attorney

The Honorable Frank E. Moss
Former Senator

The Honorable John O. Pastore
Former Senator

Mr. Donald Patterson
President/Publisher
Baltimore Sun

Mr. Arnold Pinkney
School Board President
Cleveland, Ohio

Mr. George Rapp
Vice President and General Manager
Anaconda Company

Mr. Charles A. Robinson
Chairman of the Board
Delaware Trust Company

Mr. Clarence Rogers
Attorney

Mr. Fred Rzepka
Ohio

Dr. Jonas Salk
The Salk Institute

Ms. Ruth B. Shack
Commissioner
Dade County, Florida

Mr. Robert Shapiro
Vice President and General Counsel
General Instrument Corporation

Mr. John Shepherd
American Bar Association

Ms. Tensi Shimley
Chairwoman
Orange County Democratic Party

Dr. Roger Shinn
Union Theological Seminary

Mr. Leon Sloss
Vice President
Stanford Research Institute

Mr. Chesterfield Smith
Attorney

Mr. John Spatuzzao
Director
National Italian American Foundation
National Fraternal Society - Sons of Italy

Mr. L. Stanton Williams
Chairman
Pittsburgh Plate Glass

Mr. Peter Ujvagi
Vice President
E and C Manufacturing Company

Mr. John Vitullo
Ohio

General John W. Vogt

Mr. Ralph A. Weller
Chairman
Otis Elevator Company

Vice Admiral Ralph Weymouth

The Most Reverend John F. Whealon
Archbishop of Hartford, Connecticut

Mr. M. A. Wright
Chairman
Cameron Iron Works, Inc.

Mr. Jerry Wurf
President
AFSCME

General Melvin Zais

Mr. James H. Zumberger
President
Southern Methodist University

ADDITIONAL EXPECTED ATTENDEES

Richard R. Allen
President
D.R. Allen & Son

Morrison Beach
Chairman and Chief
Executive Officer
Travelers Corporation

Norris E. Bradbury
Los Alamos

Robert Cleveland
President
Ohio Rural Electric Cooperative

W. Dale Compton
Vice President
Ford Motor Company

Joseph Crangle
Chief Administrative Staff
New York State Assembly

Edward David
President
Exxon Research & Engineering
Company

Ethan Galloway
President
Industrial Research Institute

John S. Gottschalk
Legislative Counsel
International Association
of Fish & Wildlife Agencies

Patricia Hauser
Assistant Dean
University of New Mexico

Robert D. Jones
Jewel Company, Inc.

Eugene Kusielewicz
President
Kosciuszko Foundation

George Kistiakowsky
Harvard University

Joshua Lederberg
President
Rockefeller University

William Lucy
International Secretary-Treasurer
American Federation of State,
County & Municipal Employees

Bettie Morgan
Coordinator Continuing Education
St. Petersburg College

J. Ralph Randolph
Tennessee State Coordinator
Great Decisions

Helene Smith
Executive Director
International Center
of Albany, New York

Robert L. Sproull
President
University of Rochester

Stuart Symington
Former Senator

J. C. Turner
International Union of Telephone
Operators

PRESIDENT'S TALKING POINTS
BRIEFING ON SALT FOR NATIONAL LEADERS
June 12, 1979
The East Room
2:30 - 2:45

1. The SALT II treaty was hammered out by the sustained work of three Administrations: President Nixon's, President Ford's, and yours. It builds on the work of every American President since the end of World War II.
2. SALT must be examined realistically. It is not a panacea. It will not end the arms race. It is a supplement -- not a substitute -- for a strong national defense. But it is a major step in the long, historic process of bringing nuclear weapons under rational control.
3. SALT II is based on self-interest, ours and the Soviet Union's. Although the competition between us will continue as far into the future as anyone can see, we share a mutual interest in survival and in steering our competition away from its most dangerous element, an uncontrolled strategic nuclear arms race.
4. SALT II is not based on trust. The treaty will be adequately verifiable by our own national technical means of verification. In addition, it is in the interest of the Soviet Union to abide by this treaty. Despite predictions to the contrary, the Soviets have observed the terms of the SALT I treaty.
5. Whether or not the treaty is ratified, we must be able to make accurate assessments of Soviet capabilities. But SALT II will make this task much easier -- not only because the treaty forbids concealment measures and interference with means of verification, but also because the treaty gives us basic standards with which we can compare the information we derive independently from our satellites and other methods.
6. The details of ICBMs and SLBMs, throwweight and yield and all the rest are important. It was largely because of these details that the treaty took seven years to negotiate. But these details should not blind us to the real significance of the treaty as a contribution to stability, security and peace.

7. The treaty must be judged on its merits, but we must consider the consequences of rejection:
 - radical departure from the process of arms control that began with the atmospheric test ban and SALT I and will continue with SALT III and a comprehensive test ban;
 - heightened possibility of confrontation in each local crisis;
 - triggering an expensive, dangerous race for a nuclear superiority that each side has the means and will to prevent the other from attaining, with a loss of security for both;
 - calling into question our ability to manage a stable East-West relationship, thus undermining our leadership of the Western alliance;
 - implications for nuclear proliferation;
 - gravely compromising our Nation's position as a leader in the search for peace.
8. Importance of the coming debate; solicitation of support.

7:00 PM

THE WHITE HOUSE

WASHINGTON

C

MEETING WITH CONGRESSMEN

Monday, June 11, 1979

7:00 p.m. (90 minutes)

East Room

From: Frank Moore *F.M./BR*
Zbigniew Brzezinski *ZB*

I. PURPOSE

To discuss the importance of the Panama Canal Implementing Legislation with about 100 House Members.

II. SCENARIO, BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Scenario:

1. In order to get maximum impact, we thought it appropriate that in this briefing your opening remarks be given a full press photo opportunity. (Statement at Tab A).
2. After your opening statement, the press will leave. You may wish to make a few additional remarks and then introduce the other participants:
 - a. Secretary of the Army, Clifford Alexander, who represents the President as the single shareholder in the Panama Canal Company, will speak about the management aspects of the implementing legislation.
 - b. Lieutenant General Phil McAuliffe and Ambassador Ambler Moss, who have come up from Panama to give Members an assessment of the situation there and the importance of the legislation from their perspective.
3. Also available to answer questions are:
 - a. Major General Harold Parfitt, Governor of the Panama Canal Zone.

- b. Lieutenant General Welborn Dolvin, USA (Ret), who was a member of the Negotiating Team representing the DoD from October 1975 until the treaties were signed. Since that time he has been the DoD Representative for Panama Canal Treaty Affairs. He is also the co-Chairman of the Panama Canal Treaty Implementing Committee (PCTIC).
- c. David Popper, Secretary of State's special representative for Panama Treaty Affairs.

B. Background:

1. Though the Leadership and some strong advocates of the implementing legislation have been invited to this event, a majority will be comprised of Members with an ambiguous voting record on Panama issues. Most in this target group have serious political difficulties with this issue. The anti-Canal Treaty opposition has convinced many in their constituencies that the House can defeat the Treaty by voting against the implementing legislation. The first objective, therefore, is to convince these Members that the Treaties cannot be defeated in this manner--they will go into effect on October 1, and the Panama Canal Zone will become Panamanian territory.
2. The second objective is to convince these Members that it is in the national interest of the United States to assure that the legislation enacted by Congress permits our country to efficiently operate and defend the Panama Canal until the year 2000. If legislation is not adequate to this task, important American interests--the shipping industry, consumers, farmers, East Coast states dependent on Alaskan oil, and major Gulf and Eastern ports--will suffer. The legislation will provide appropriate benefits for the U.S. civilian Canal Zone workers, so important to the continued efficient operation of the Canal under the new system. It will also assure that our military forces in the Canal Zone have the equipment and facilities to perform their mission--guarding against any threat to the integrity of the Canal.

3. The third, and perhaps most important, objective is to demonstrate to these Members that this is an issue that can be handled politically. This requires explaining to the voters that a defeat of the Treaties is not possible. It is important to note that the Administration's strongest allies in the House were public opponents of the Treaties. At the last session, you handled this point so well we suggest you take the same approach and commend Jack Murphy, Ed Derwinski, and David Bowen. Jack Murphy, who as the Chairman of the Merchant Marine Committee will manage the implementing legislation, was a vocal opponent. Murphy should be commended for the courageous role he played. We do not agree with all aspects of his bill, but we are supporting its passage. Ed Derwinski of Illinois and David Bowen of Mississippi both come from districts which strongly oppose the Treaties, but they have handled the issue masterfully. They have turned back on the opponents the responsibility for causing the Canal to shut down should the absence of good legislation lead to labor troubles or other disturbances which bring that to pass. These two Congressmen should be cited as the prime examples of Members who know how to deal with the issue politically.
4. Despite flaws, the Murphy bill is almost surely the best we can hope for in the House. Jack Murphy sells his version as stronger on defense of the Canal, less expensive to the taxpayer, and more beneficial to the Canal employees than our bill. Since a large number of Members, particularly freshmen, are publicly committed to vote against any Treaty implementing legislation, this approach has considerable merit in terms of getting a bill through the House. Because most of the prospective amendments would make the bill worse rather than better, we have adopted the strategy of supporting the Murphy bill without substantive amendment. We are explaining that we hope to get a better bill in the Senate and to eliminate less desirable provisions in conference. It is important to stress that we are getting behind Jack Murphy's bill, though we do not agree with all its provisions. Murphy's bill gives Congress more control than we think is necessary and is truly a Congressional product. We share its objective, if not its methodology.

5. The Murphy/Hubbard hearings which are looking into the connection between the Sandinistas and Panama received quite a lot of attention last week and will probably continue to do so. Administration witnesses have tried to separate Panama's foreign policy from the implementing legislation, as well as to make the point that there is no conclusive evidence that the Panamanian government has been helping the Sandinistas. Because we have reason to believe that some CIA and DoD officials have privately informed individual Congressmen that, in their opinion, the evidence of Panamanian official help is conclusive, we recommend that you stop short of making a judgment and use the language from the Q&A (at Tab B). We have also been making the point that Panama is not alone in its condemnation of Nicaragua. Mexico and Venezuela are even more vocal.

You should emphasize that our policy is based on achieving a moderate solution in Nicaragua.

6. Since the cost issue is foremost in the minds of so many Members, you should hit hard on this question, aggressively challenging the \$4 billion Hansen estimate. Hansen has used misstatements of fact, false citations, and double accounting to devise so-called "price tags" of implementing the Treaties. For instance, he cites the increase in tolls twice, whereas in fact it will not be a direct cost to the taxpayers at all. Another example: He claims there will be a deficit of \$36.2 million a year, but in actuality the Canal operation will be self-sustaining financially. The result is that he has confused the issue of Treaty-related costs through exaggerations for which there is no reasonable basis whatever.
7. We expect a number of crippling amendments to be offered. You should urge Members to vote against any amendments which would put us in a position of violating the terms of the Treaty.
- ** 8. If you find it appropriate, you might want to discuss your decision not to lift sanctions on Rhodesia. Obviously, the group is not targeted for this issue, but it may be the only time you can talk to a large group of Members about Rhodesia. Of course, the extent to which you get into the Rhodesian issue will dilute the impact this evening is supposed to have on Panama. (Our calls today indicate that there is an overlap between these Members and those we need on Rhodesia.)

C. Participants

Rep. Donald J. Albosta (D-Michigan)
Rep. Glenn M. Anderson (D-California)
Rep. Ike F. Andrews (D-North Carolina)
Rep. Les Aspin (D-Wisconsin)

Rep. Alvin Baldus (D-Wisconsin)
Rep. Robert E. Bauman (R-Maryland)
Rep. Charles E. Bennett (D-Florida)
Rep. Douglas K. Bereuter (R-Nebraska)
Rep. David E. Bonior (D-Michigan)
Rep. John Brademas (D-Indiana)
Rep. Jack Brinkley (D-Georgia)
Rep. William M. Brodhead (R-Michigan)
Rep. Jack Brooks (D-Texas)
Rep. John Buchanan (R-Alabama)
Rep. Clair W. Burgener (R-California)
Rep. Bill D. Burlison (D-Missouri)

Rep. Bob Carr (D-Michigan)
Rep. Bill Chappell, Jr. (D-Florida)
Rep. Cardiss Collins (D-Illinois)
Rep. Barber B. Conable, Jr. (R-New York)
Rep. Silvio O. Conte (R-Michigan)
Rep. Lawrence Coughlin (R-Pennsylvania)

Rep. Robert W. Daniel, Jr. (R-Virginia)
Rep. Ronald V. Dellums (D-California)
Rep. Edward J. Derwinski (R-Illinois)
Rep. Norman D. Dicks (D-Washington)
Rep. Julian C. Dixon (D-California)
Rep. Christopher J. Dodd (D-Connecticut)
Rep. John J. Duncan (R-Tennessee)

Rep. Joseph D. Early (D-Massachusetts)
Rep. Allen E. Ertel (D-Pennsylvania)
Rep. Billy Lee Evans (D-Georgia)

Rep. Floyd J. Fithian (D-Indiana)
Rep. Ronnie G. Flippo (D-Alabama)
Rep. Harold E. Ford (D-Tennessee)
Rep. L.H. Fountain (D-North Carolina)

Rep. Robert Garcia (D-New York)
Rep. Robert N. Giaimo (D-Connecticut)
Rep. Sam. Gibbons (D-Florida)
Rep. Henry B. Gonzalez (D-Texas)
Rep. Albert Gore, Jr. (D-Tennessee)

Rep. Tony P. Hall (D-Ohio)
Rep. Tom Harkin (D-Iowa)
Rep. Herbert E. Harris, II (D-Virginia)
Rep. Augustus F. Hawkins (D-California)
Rep. Bill Hefner (D-North Carolina)
Rep. Jack Hightower (D-Texas)
Rep. Ken Holland (D-South Carolina)
Rep. Carroll Hubbard, Jr. (D-Kentucky)

Rep. Jim Johnson (R-Colorado)

Rep. Abraham Kazen, Jr. (D-Texas)
Rep. Ray Kogovsek (D-Colorado)
Rep. Ken Kramer (R-Colorado)

Rep. James A.S. Leach (R-Iowa)
Rep. Mickey Leland (D-Texas)

Rep. Mike McCormack (D-Washington)
Rep. Matthew F. McHugh (D-New York)
Rep. Robert H. Michel (R-Illinois)
Rep. Abner J. Mikva (D-Illinois)
Rep. Donald J. Mitchell (R-New York)
Rep. Toby Moffett (D-Connecticut)
Rep. Robert H. Mollohan (D-West Virginia)
Rep. W. Henson Moore (R-Louisiana)
Rep. William S. Moorhead (D-Pennsylvania)
Rep. John M. Murphy (D-New York)
Rep. Morgan F. Murphy (D-Illinois)

Rep. Lucien N. Nedzi (D-Michigan)
Rep. Richard Nolan (D-Minnesota)
Rep. Henry J. Nowak (D-New York)

Rep. Mary Rose Oakar (D-Ohio)
Rep. George M. O'Brien (R-Illinois)

Rep. Edward J. Patten (D-New Jersey)
Rep. Claude Pepper (D-Florida)
Rep. Thomas Petri (R-Wisconsin)
Rep. Carl D. Pursell (R-Michigan)

Rep. William R. Ratchford (D-Connecticut)
Rep. Frederick W. Richmond (D-New York)
Rep. Donald L. Ritter (R-Pennsylvania)
Rep. Ray Roberts (D-Texas)
Rep. Edward R. Roybal (D-California)
Rep. William Royer (R-California)

Rep. James H. Scheuer (D-New York)
 Rep. Patricia Schroeder (D-Colorado)
 Rep. John F. Seiberling (D-Ohio)
 Rep. James M. Shannon (D-Massachusetts)
 Rep. Paul Simon (D-Illinois)
 Rep. Neal Smith (D-Iowa)
 Rep. Stephen J. Solarz (D-New York)
 Rep. Pete Stark (D-California)
 Rep. Fernand J. St.Germain (D-Rhode Island)
 Rep. Louis Stokes (D-Ohio)
 Rep. Gerry E. Studds (D-Massachusetts)

Rep. Morris K. Udall (D-Arizona)
 Rep. Al Ullman (D-Oregon)
 Rep. Guy Vander Jagt (R-Michigan)
 Rep. Charles A. Vanik (D-Ohio)

Rep. Doug Walgren (D-Pennsylvania)
 Rep. Henry A. Waxman (D-California)
 Rep. Charles Whitley (D-North Carolina)
 Rep. Robert Whittaker (R-Kansas)
 Rep. Chalmers P. Wylie (R-Ohio)

Rep. Clement J. Zablocki (D-Wisconsin)

Secretary of the Army Alexander, LTG Phil McAuliffe,
 Ambassador Moss

Governor Parfitt, LTG Dolvin, David Popper available
 to answer questions

State: Brian Atwood

DoD: BG William Maurer

WH/NSC: Frank Moore, Bob Beckel
 Madeleine Albright, Bob Pastor

D. Press Plan: Full photo opportunity

III. TALKING POINTS

1. Opening Statement (Tab A)
2. The Treaties will enter into force a little less than 3 months from now, on October 1. The instruments of ratification became effective April 1.
 - Under the Treaties, we have the right to operate the Canal until the year 2000 and, after that, to defend it against any threat.
3. The Treaties are a fact. They are part of the law of the United States and a part of international law.
 - During the ratification process, the Treaties were the subject of intense national discussion and debate.
 - As the Constitution requires, they were submitted to the Senate for its advice and consent. The Senate gave us plenty of advice--but they also gave their consent.
 - What the national interest now requires of us is to make the Treaties work and keep the Canal running efficiently.
4. I am asking for your support of reasonable and effective legislation to accomplish this purpose. I am also asking you to oppose legislation or amendments that would make it impossible for us to operate the Canal properly or to meet our legal obligations.
 - The Government of Panama has pledged to me to fulfill the letter and the spirit of the Treaties.
 - Obviously, we must do the same.
5. Positive political changes in Panama since the Treaties have brought us closer together.
 - There has been a steady improvement in the human rights situation, as a recent report by the Inter-American Commission on Human Rights has confirmed.

- Last October, a new civilian government was elected to succeed General Torrijos.
 - Ambassador Moss, Governor Parfitt, and General McAuliffe, our ranking officials there, report a new and healthy atmosphere of cooperation.
 - Unlike the old 1903 Treaty, the new Treaties are widely accepted.
6. The implementing legislation must meet three basic needs:
- The need to make the transition as smooth as possible.
 - The need to meet solemn obligations undertaken under American and international law.
 - The need to maintain and strengthen our partnership with Panama--because that partnership is by far the most efficient and least expensive way to keep the Canal open, working and secure, while at the same time improving our relationships throughout the region.
7. In the weeks ahead, the Congress will determine whether or not the U.S. will have the tools to do the job.
- Failure to enact legislation, or the enactment of legislation that is seriously flawed, could cause chaos in the Canal's operation.
 - We owe it to the Americans who work in the Zone and their Panamanian co-workers.
 - Our national defense and the interests of the U.S. Merchant Marine and American consumers, port workers, importers, and exporters would be well served by good implementing legislation.
8. I know that there have been many figures thrown around about the cost of this Treaty. They have been vastly exaggerated. The estimate last year was a preliminary one. The Defense Department is now projecting a cost of \$870 million. We believe that estimate is on the high side, and I have asked that the costs be reviewed.

9. I realize that this is not an easy issue politically. Defeat of the Treaties is not possible. There are those among you who have realized that. In fact, Chairman Murphy and Congressmen Derwinski and Bowen were public opponents of the Treaties. They are now playing key roles in helping us get implementing legislation because they understand the need for a smooth transition. They have turned back on the opponents of the legislation the responsibility for causing the Canal to shut down if there are disturbances in Panama.

IV. ADDITIONAL MATERIAL

A. Issues

1. The Panama Legislation, H.R. 111, was sponsored by Jack Murphy, who in turn borrowed heavily from an early draft of the Administration bill. While generally satisfactory, the Murphy bill has a number of provisions that cause problems. For your background the more troublesome provisions are as follows:
 - Panama would not get its "contingent" payment, provided for in Article 13(4)(c) until all costs of the Treaty had been paid. This would effectively eliminate any possibility that we could make the payment.
 - The bill provides that property transfers to Panama may be made only pursuant to law and authorized only the initial transfers under the Treaty.
 - It would permit the President to appoint a U.S. military officer to operate, as well as defend, the Canal in wartime.
2. The main attack on the Murphy bill will probably come in the form of a substitute or amendment by George Hansen (R-Idaho) which would add on so many new payments to be made by the new Canal Commission or by Panama which are not foreseen by the Treaties that Panama would receive little benefit from Canal operations.

3. Other possible amendments include a Post Office and Civil Service Committee amendment which would provide less generous benefits for Canal employees on early retirement and other matters than either the Administration proposal or the Murphy bill. You will recall that you promised in the Canal Zone to seek to maintain the quality of life of the workers there. The Canal workers believe that is at stake in this legislation.

B. Questions and Answers

Attached at Tab B.



PRESIDENTIAL REMARKS: PANAMA CANAL TREATY

IMPLEMENTING LEGISLATION

Ladies and Gentlemen:

Within the next few days you as Members of the House of Representatives will be called upon to vote on important legislation designed to permit us to operate and defend the Panama Canal under the new Panama Treaties which go into effect on October 1.

I know that the Panama Canal Treaties are controversial. Those of you who were opposed to the Treaties might be tempted to oppose the legislation as well. But failure to pass the legislation would seriously harm the national interests of the United States.

Consider the alternatives. If effective legislation is passed, we will be able to establish the United States machinery for running the Canal until the year 2000; to employ and retain the dedicated work force we need to keep the Canal functioning smoothly; and to ensure that the Canal will continue to operate as in the past, as a self-sustaining enterprise. Even those in the U.S. Canal Zone who strongly opposed the Canal Treaties just as strongly hope for the passage of good implementing legislation. They know that the Treaties will come into force on October 1, and they want to be prepared for that.

If on the other hand Congress should fail to pass legislation, or should pass legislation which grossly violates the terms of the Panama Treaty, we will face serious difficulties. No one should imagine that the consequences will be simply to prolong our present exclusive jurisdiction in the Panama Canal Zone. When the new Treaties come into force on October 1, our past rights in the Canal Zone will be extinguished. We can either run the Canal in accordance with the authority the Treaty gives us, or stand condemned by Panama and the whole Hemisphere as a country which has failed to live up to its word.

Such a posture would in my view be unthinkable for this democratic government. It would replace our present cooperation with Panama with the kind of antagonism which endangered the security of the Panama Canal in the years before the Treaty negotiations started.

The Senate of the United States has spoken clearly and ratified their treaties under the Constitution. The responsible course is to recognize that the legislation before you is not an occasion for nullifying the Panama Treaties. It is an opportunity to ensure the neutrality, security and efficiency of the Canal for the rest of the century. It is an opportunity we must not lose.

Let me say a word about the question of costs to the United States under the Treaties. First, all payments to the Government of Panama under the Treaty will come from Canal revenues, that is, tolls, not from the United States Treasury.

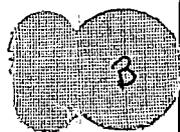
Second, we will incur costs to maintain our defense capabilities under the Treaty and to provide needed services to our Canal employees. These costs are moderate. We have estimated that these costs would reach a maximum level of \$42 million per year for the 22 years of the Treaty. In fact, in constant dollar terms, that figure will undoubtedly decrease in the last years of the century.

The Canal Treaty provides that, while keeping the facilities we need, we turn over much of the Canal Zone to Panama when the Treaty comes into effect, and other parts of the Zone during and at the end of the Treaty period. The property is to be transferred without cost to Panama, in recognition of

the rights we obtain under the Treaties. The United States has no legal right to use the legislative process to unilaterally change the terms of this Treaty arrangement, nor does Panama. Amendments which would require Panama to pay for the cost of maintaining our forces and our employee services, or to pay us for the unrecovered costs of constructing the Canal, violate the Treaty. They would not only prevent Panama from enjoying the benefits the Treaty gives them, they would jeopardize our rights as well.

The choice is clear. Either we carry through and enjoy the benefits of running and defending the Canal, or we break our word and head into serious economic and military difficulties. There can be but one responsible decision on this point. Our national interest and our national self-respect require that effective and fair implementing legislation be passed.

I am not saying that Congress does not need to make important decisions in passing the legislation. The Treaties give us broad discretion in how we carry them out. This requires important legislative decisions. I am confident that Congress will consider available alternatives and arrive at sound judgments as to what is best for the country.



Panama Sandinista Connection

Q: Mr. President, how can you seriously contemplate Panamanian participation in the operation of the Panama Canal when the Panamanian government is actively involved in trying to install a Communist government in Nicaragua? Do you not believe those reports?

A: The Panama Canal Treaties were ratified by the Senate last year, and they will come into force on October 1. The greatest danger to US interests in maintaining an open and efficient Canal would be to reject good implementing legislation. In the absence of such legislation, we could risk the loss of our legal rights to operate the Canal and to maintain military bases in Panama. If you are really concerned about the Canal, then the last thing you would do would be to reject implementing legislation, regardless of Panama's relationship to the Sandinistas.

* * *

-- Panama's concern for the situation in Nicaragua and its opposition to the Somoza government is not unique to Panama. Mexico, Costa Rica, Colombia, Venezuela -- all democracies -- plus many other Latin American countries have positions toward Nicaragua which are similar to Panama's.

-- There is some evidence that Panamanians as well as citizens in other countries have provided assistance to the Sandinistas. The US Government has expressed our strong concern to all countries in the region that they

not send arms or contribute in any way to the violence in Nicaragua. We have received assurances from many governments, including from President Royo in Panama. (If pressed: I don't care to make a judgment on whether the Panamanian government is involved in sending arms to the Sandinistas. President Royo has given me his assurance of non-intervention, and General Torrijos has also indicated to me that he supports Royo's statement. As to the investigation on illegal arms smuggling to Panama, since the courts are considering it, I do not think a comment on my part would be appropriate.)

-- We are very concerned about the mounting violence and political polarization in Nicaragua, and we stand ready to support the efforts of the Andean Pact countries to help resolve the political crisis in the country and help establish the basis for an enduring democratic solution in Nicaragua.

-- I would like to add that I believe Panama has been a good partner in working with us on new arrangements to operate the Canal after October 1. For the first time in many years, Panama has permitted our soldiers to go on joint maneuvers in Panama. There are many other indications of a cooperative spirit. Of course, we do not agree with all of Panama's foreign policies

just as they don't agree with all of ours, but Panama is an independent nation and we cannot nor do we want to tell them what they should do.

June 11, 1979

PANAMA'S SUPPORT FOR THE FSLN

Q: What has been Panama's support for the FSLN?

A: -- On June 7 General McAuliffe testified that the Panamanian involvement appears directed more against the Somoza regime than toward advancement of the Sandinistas. General Torrijos and President Somoza have made no secret of their hostility toward each other. General McAuliffe is our senior military official on the scene and in the best position to describe Panama's role.

* * *

-- On June 4, in the OAS, the Nicaraguan representative twice declined to accuse the Government of Panama of supplying arms to the FSLN, on being directly challenged by the Panamanian representative.

-- A number of countries in Latin America besides Panama have expressed concern about repression in Nicaragua.

-- Neither the Panama Canal Treaty nor the Neutrality Treaty governs the policy of Panama toward third countries.

-- Neither of the 1977 Treaties gives either party the right to condition performance as a leverage to influence the foreign policy of the other.

-- Plainly, we will not tolerate an attempt by Panama to seek to use the treaty as a leverage to influence US policy in other areas. Panama will, with justification, reject such an attempt on our part if the issue of its relations with Nicaragua is injected into the legislation to implement the treaty.

June 11, 1979

CUBA'S STRUCTURE IN ASSISTING FSLN

Q: In view of the freedom with which Panama has allowed Cuba to establish its contacts and a structure in Panama for assisting Sandinistas, isn't the support of the Government of Panama for this activity evident? (In the Panama Canal Subcommittee hearings on June 7 Bauman said he would raise this question with the President Monday evening.)

A: -- I am not aware of any "structure" of Cuba's in Panama for that purpose. Cuba has an Embassy in Panama and Panama has an Embassy in Cuba.

-- The mere presence of a Cuban Embassy does not make anything "evident" insofar as concerns Panama's view of the Nicaraguan situation.

DELAY ENTRY INTO FORCE

Q: By its support for the revolutionaries in Nicaragua, the threat of General Torrijos to blow up the Canal, his untrustworthiness, and other activities, has not Panama so changed the circumstances that we should make a unilateral declaration that the treaties will not go into force on October 1, thus maintaining the place the 1903 Treaty which gives us the right to maintain the Canal Zone and our forces there in their present posture?

A: -- The treaties will go into force on October 1, and the 1903 Treaty will terminate on that date. A declaration by us purporting to renounce or postpone the 1977 treaties and continue the 1903 Treaty would have no legal effect. By attempting such an act we would break the Panama Canal Treaty, and Panama would be within its legal rights to declare the treaty void.

* * *

-- There is no change in circumstances in our relationship with Panama which could possibly justify a unilateral political decision to violate our treaty commitment.

-- In fact, General McAuliffe testified before the Panama Canal Subcommittee on June 7 that our relations with Panama have improved by 180 degrees.

-- The US has consistently opposed efforts by other nations, primarily in the Communist bloc, to use the pretext of "changed circumstances" to violate treaty obligations.

-- If we do not carry out our responsibilities we will have no legal basis for remaining in Panama or retaining control of the Canal.

-- In those circumstances, if we choose to remain without legal authority it will be as an occupying force in a foreign land which probably could be called aggression in violation of a number of our obligations under agreements such as the UN Charter and the Rio Treaty.

NEED FOR IMPLEMENTING LEGISLATION

Q: The implementing legislation appears to be in trouble. What will the Administration do if there is no legislation by October 1?

A: The consequences would be extremely serious. Without implementing legislation it is not clear how the Canal organization would find the means to pay our employees to stay on the job and to keep the ships moving through the Canal. Moreover, we would have an international commitment under the Treaty to make payments to Panama. There would be many other requirements it would be very difficult, if not impossible, to fulfill.

We do not believe that the Congress would put our country in such a situation. I don't think it's helpful to speculate on the consequences.

OPPOSITION TO THE TREATY

Q: I was opposed to the Panama Canal Treaty as were my constituents. Why should I vote to implement it?

A: By our constitutional processes the Panama Canal Treaty is now an international obligation of our country and a part of the law of the land. It is the American tradition to keep our word and support our commitments. Without implementing legislation, it is very difficult to see how we can honor these commitments or exercise our rights under the Treaty. The Canal could be shut down if we have not set up the new operating machinery or arranged to retain and pay the workforce. A vote to implement the Treaty is a vote to keep the Canal open and to keep faith with our commitments. It is not a vote on whether the Treaty goes into effect. The Treaty was approved by the Senate after long debate last year, and it was duly ratified.

CONFUSION OVER TREATY COSTS

Q: In February 1978, the Administration told the Senate that the total appropriations impact of the Panama Canal Treaty was \$350 million over the life of the Treaty -- i.e., to the year 2000. Now, the Administration has produced new estimates which conclude that impact may be as much as \$870 million in constant dollars. Why did the Administration so miscalculate the costs of implementing the Panama Canal Treaty?

A: The estimate last year was a preliminary one. As a result of exhaustive analysis and detailed budget data now available for FY 1980 and the 1980-84 five-year budget cycle, we now have a much better basis for estimating all foreseeable expenses to the United States Government until the end of the century.

* * *

-- We believe the estimate of \$870 million is on the high side.

-- For example, we have projected the level of the United States official community (troops and US-citizen DOD and Canal employees) at the Canal to remain constant until the end of the century. In all probability, our official presence will be reduced at various stages

during the life of the Treaty. Since reductions are not currently planned, we have not reflected those reductions in our cost estimates. Nor have we allowed for any other cost-saving measures after 1984.

-- On this basis, the assumed costs would amount to less than \$42 million per year in constant dollars over the life of the Treaty. This is by no means disproportionate to the political, economic and strategic benefits we will obtain from efficient and secure Canal operations. It compares most favorably with costs we would incur for additional Canal defense and lost tolls if we did not have the Treaties.

MURPHY BILL

Q: The House Merchant Marine and Fisheries Committee has reported out Chairman Murphy's bill on the implementing legislation. Can you support this bill? Would you veto it if it were passed by the Congress?

A: The bill reported out by the Committee is in several important respects imperfect. Nevertheless, we certainly prefer this bill to no bill at all. We hope and expect that the Congress will correct those provisions which would cause us operational difficulties and others which we find inconsistent with the spirit or the letter of the Treaty. The congressional process still has a way to go; and it is too early to consider the question of a veto.

CUTOFF OF MILITARY AND ECONOMIC AID

Q: What is your reaction to the two votes in the House eliminating military and economic assistance to Panama?

A: They were unwarranted and adverse to our national interest. We will seek to have these funds restored.

* * * *

-- The thrust of the economic assistance program was to help those in Panama with a per capita income of less than \$8 per week. It meets all the criteria for economic assistance programs.

-- The program for foreign military sales credits of \$5 million is intended to improve Panama's capability to participate in the defense of the Panama Canal.

-- The military appropriation is for a credit guarantee, not a grant of taxpayer dollars, and it is a small program in keeping with Panama's needs.

-- Panama spends less on its military in terms of both the government budget and Panama's GNP than any other country in Latin America except Costa Rica (which has no army).

PANAMA: DEBT PROBLEM

Q: According to recent reports from our Embassy in Panama, published in the Congressional Record, Panama appears on the verge of bankruptcy. Will the Treaty payments be enough to bail Panama out? Or, will more U.S. money be needed?

A: While Panama has heavy debts, incurred as part of its national investment program, the debt load is manageable and longer-term prospects for the Panamanian economy are quite encouraging. Panama will manage its own financial affairs without our help.

* * * *

-- The reports in question did not constitute a forecast, but rather a description and analysis of the Panamanian debt, based on published data.

-- While the reports noted the size of the public debt, they also indicated that the debt was within tolerable limits if economic growth exceeds 3% annually during the next several years, no difficulties are experienced in implementing the Canal Treaty, and there is steady growth in Canal revenues. Our Embassy believes that all these conditions will be met.

HUMAN RIGHTS

Q: Freedom House has ranked Panama low in human rights performance. In view of its record on human rights, how does the Administration justify requests for military and economic aid to Panama? What has the Administration done to encourage improvement?

A: Panama has made a very substantial improvement in its human rights record over the last two years. Its record overall is now good. This is reflected in the State Department's current report to the Congress on human rights. We continue to encourage Panama to maintain this favorable trend. We do not believe the Freedom House report is accurate, but even it notes a positive trend.

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- All political exiles have been allowed to return, and most of them have.
- Freedom of expression has increased; press censorship has been repealed and the Government is frequently criticized in the media.
- Political parties are free to engage in political activity and to oppose the Government.

-- Torture is not practiced.

-- Panama is a signatory of the American Convention on Human Rights.

CRIPPLING AMENDMENT

Q. Mr. President, there are reports that a number of amendments will be offered to the Panama Canal Treaty legislation. Many of these may be inconsistent with the terms of the Treaty. What is your position on such amendments?

A. I am strongly opposed to any attempts to sabotage the Treaty through amendments to the legislation. Among the amendments which may be offered for this purpose are the following:

-- An attempt to force Panama to pay all costs incurred by the U.S. which are associated with the Treaty, and to withhold property transfers required by the Treaty until Panama agrees to do so.

-- The imposition of conditions on U.S. obligations under the Treaty which are related to Panama's conduct towards other nations, such as Nicaragua.

-- An attempt to link U.S. obligations to pay Panama from toll revenues for the use of its territory with Panama's payment of claims asserted by U.S. investors.

These amendments seek to change the terms of the bargain we struck with Panama. We have no right to do this. Panama will justifiably reject any such attempts, and will insist that the U.S. perform its Treaty obligations. The continuation of our rights

to operate and defend the Canal depends on adherence to the terms of the Treaty. Legislation which prevents us from doing so is contrary to our national interest.

Though it would not be a treaty violation, I am also strongly opposed to the proposed amendments which would give Canal workers less benefits than H.R. 111 does.

THE PRESIDENT'S SCHEDULE

Monday - June 11, 1979

- 5:00 Return from Camp David.
- 5:30 Meeting with His Excellency Hosni Mobarak,
Vice President of the Arab Republic of
Egypt. (Dr. Zbigniew Brzezinski).
The Oval Office.
- 7:00 Briefing on Panama and Dinner for
(90 min.) Congressional Group. (Mr. Frank Moore).
The State Floor.