

7/20/77 [2]

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THE WHITE HOUSE
WASHINGTON
July 20, 1977

Gretchen Poston

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

Rick Hutcheson

RE: DINNER SCENARIO FOR VISIT
OF PRIME MINISTER OF ISRAEL



X

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
X	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

7:30 PM

THE WHITE HOUSE
WASHINGTON

C
/

MEMORANDUM FOR THE PRESIDENT

FROM: GRETCHEN POSTON *GP*

DATE: 15 July 1977

SUBJECT: DINNER SCENARIO
Visit of the Prime Minister of Israel
Menahem Begin (men A kem - ~~DAY~~) *ALIZA*
19 July 1977 *PEG-in ("ALEEZA")*

7:15 P.M. Dinner guests begin arrival via Diplomatic Entrance, to Blue Room for refreshments.

(U.S.M.C. Harpist in Main Hall.)

7:28 P.M. The PRESIDENT arrives Main Hall.

7:29 P.M. The PRESIDENT moves to North Portico.

7:30 P.M. The Prime Minister arrives Northwest Gate to North Portico to be greeted by the PRESIDENT. Proceed to Blue Room for refreshments.

7:45 P.M. Dinner is served.

8:45 P.M. Dessert is served. Coffee service begins.

(Performance of the Audobon Quartet - 10 minutes.)

8:55 P.M. (Coffee service continues.)

WORKING TIME.

9:15 P.M. The PRESIDENT escorts the Prime Minister to North Portico for departure to Blair House.

The PRESIDENT departs Main Hall.

THE WHITE HOUSE
WASHINGTON
July 20, 1977

Chairman Campbell -

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

The signed original was forwarded to the Chief Executive Clerk for appropriate handling.

Rick Hutcheson

cc: Bob Linder

RE: HANDICAPPED CITIZENS IN
FEDERAL SERVICE

*Logged
7/14/77*

X

THE WHITE HOUSE
WASHINGTON

cc Campbell

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

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Comments due to
Carp/Huron within
48 hours; due to
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	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
X	LINDER - <i>list's</i>
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

Mr. President:

Eizenstat, Lance and
Costanza concur with
Campbell.

Jim Fallows has edited
the proposed presidential
memorandum.

Rick



THE PRESIDENT HAS SEEN.
UNITED STATES CIVIL SERVICE COMMISSION
WASHINGTON, D.C. 20415

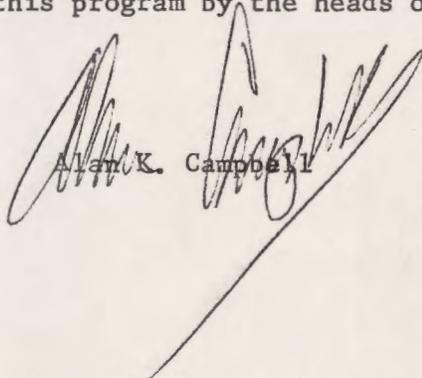
CHAIRMAN

July 14, 1977

R.L.
MEMORANDUM FOR THE PRESIDENT

A great deal of national attention has been focused on the concerns of our disabled population. Your remarks at the White House Conference on the Handicapped on May 23, 1977, addressed these concerns very effectively. Therefore, it strikes me that this would be an especially favorable time for reaffirmation by you of a longstanding commitment since World War II to employ handicapped citizens in the Federal service.

I am enclosing a proposed policy statement which expresses and reaffirms Presidential support of employment for the handicapped including disabled veterans in the Federal service. The then Acting Chairman Georgiana Sheldon sent a similar statement to the White House on April 13, 1977. However, I believe the revision enclosed with this letter captures more clearly the spirit and intent of your May 23rd statement. The issuance of the statement is timely and certainly will be helpful to us in obtaining strong commitments to the objectives of this program by the heads of agencies.



Alan K. Campbell

Enclosure

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF

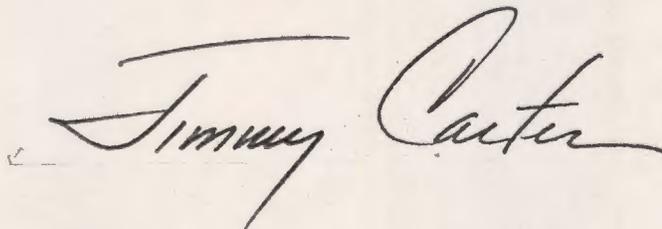
EXECUTIVE DEPARTMENTS AND AGENCIES

When I addressed the White House Conference on Handicapped Individuals, I said that our nation can no longer tolerate discrimination against the handicapped. That means that we must enforce regulations to make sure that all facets of our national life -- whether transportation, education, recreation, architecture, or others -- are open to all our people.

Perhaps the most important of these areas is employment. I intend that the government should set an example for fair employment practices, by demonstrating what can be done to make the fullest possible use of the abilities of qualified handicapped people.

This is not a new effort. The government has already made progress toward removing barriers to federal employment. But I believe that we can do more. I ask that you actively review your annual affirmative action plans for hiring handicapped people and disabled veterans. As part of your review, I ask that you study the actions being taken to meet your goals, and that you take any extra steps that may be necessary to fulfill our commitment.

Our society has a duty to provide equal opportunities for our people, and an enlightened government has a duty to lead the way.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned in the lower right quadrant of the page.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

July 19, 1977

CONGRESSIONAL PICNIC

Wednesday, July 20, 1977

6:30 - 9:00 p.m.

South Grounds

From: Frank Moore *JM*

I. PURPOSE

An opportunity for you and the First Lady to host an informal, relaxing evening for Members of Congress and their families.

II. SCENARIO, PARTICIPANTS AND PRESS PLAN

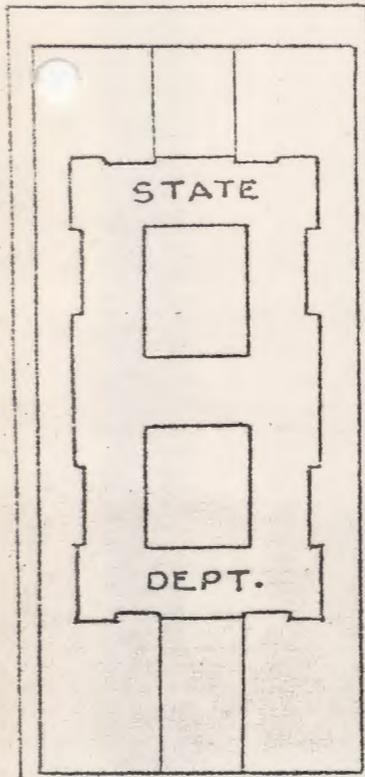
A. Scenario: Members and their families should begin arriving at 6:30 p.m. I would recommend that you and the First Lady arrive about 7:30 p.m. and that you spend as much time as possible circulating through the group. I have attached a map of the South Grounds showing the layout and the entertainment clusters. The reaction we have been getting on the Hill to this event has been one of enthusiasm.

B. Participants: See attached list

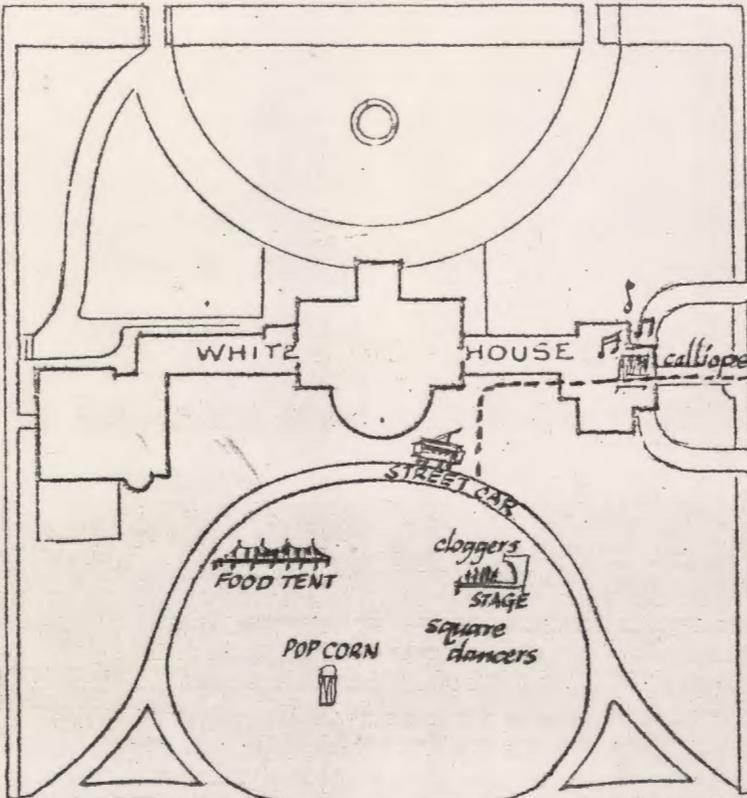
C. Press Plan: Being Coordinated by Mary Hoyt

X

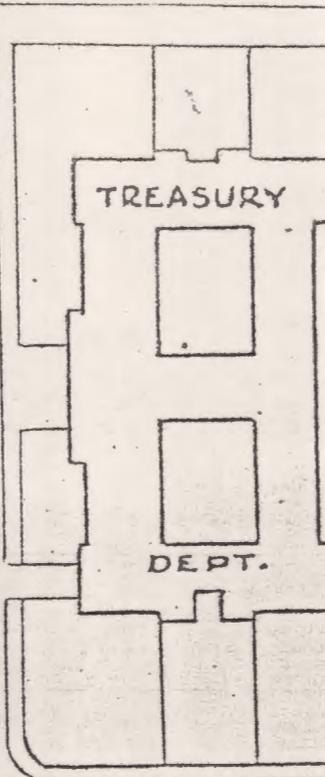
77 37 312



WEST EXECUTIVE AVENUE

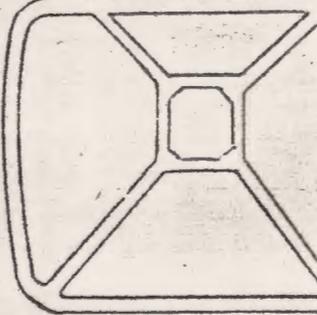
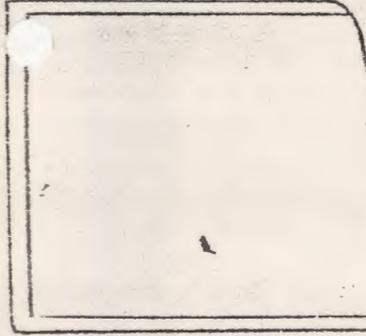


EAST EXECUTIVE AVENUE

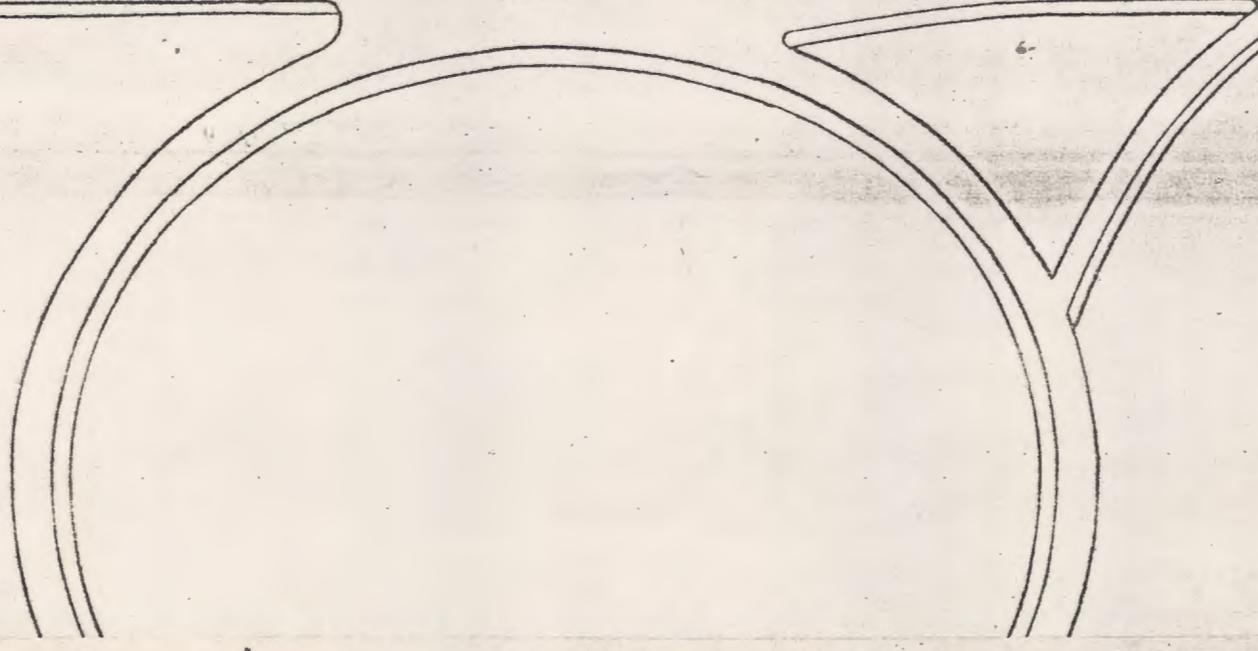


STATE PLACE

ALEXANDER HAMILTON PLACE



E



PARTICIPANTS

The President

The First Lady

The Vice President

Senate

James Abourezk (D-S. Dakota)
Howard Cannon (D-Nevada)
Carl T. Curtis (R-Nebraska)
Pete Domenici (R-New Mexico)
Clifford P. Hansen (R-Wyoming)
Floyd Haskell (D-Colorado)
Mark O. Hatfield (R-Oregon)
Henry Jackson (D-Washington)
Howard Metzenbaum (D-Ohio)
Sam Nunn (D- Georgia)
Claiborne Pell (D-Rhode Island)
James Sasser (D- Tenn.)
John Sparkman (D-Alabama)
John Stennis (D- Miss.)
Herman Talmadge (D-Georgia)

House

Ike Andrews (D-North Carolina)
Mark Andrews (R-North Dakota)
Les Aspin (D-Wisconsin)
Alvin Baldus (D-Wisconsin)
Robert Bauman (R-Maryland)
James Blanchard (D-Michigan)
Edward Boland (D-Mass.)
William Brodhead (D-Michigan)
James Broyhill (R-North Carolina)
Yvonne Burke (D-California)
Phillip Burton (D-California)
Goodloe Byron (D-Maryland)
Bob Carr (D-Michigan)
Elford Cederberg (R-Michigan)
Del Clawson (R-California)
Silvio Conte (R-Mass.)
James Corman (D-Calif.)
Robert Cornell (D-Wisc.)
Robert Daniel (R-Virginia)
W. C. Daniel (D-Virginia)
George Danielson (D-Calif.)
Charles Diggs (D-Mich.)
John Dingell (D-Mich.)
Robert Dornan (R-California)

Robert Drinan (D-Mass.)
Joseph Early (D-Mass.)
Frank Evans (D-Colorado)
Millicent Fenwick (R-New Jersey)
Joseph Fisher (D-Virginia)
James Florio (D-New Jersey)
Thomas Foley (D-Washington)
Mark Hannaford (D-Calif.)
Margaret Heckler (R-Mass.)
Bill Hefner (D-North Carolina)
Harold Hollenbeck (R-New Jersey)
William Hughes (D-New Jersey)
Walter Jones (D-North Carolina)
William Ketchum (R-California)
Dale Kildee (D-Michigan)
John Drebs (D-California)
Joseph LeFante (D-New Jersey)
Robert Leggett (D-California)
Jim Lloyd (D-California)
Manuel Lujan (R-New Mexico)
Mike McCormack (D-Washington)
John McFall (D-California)
Lloyd Meeds (D-Washington)
Norman Mineta (D-California)
Joseph Moakley (D-Mass.)
Carlos Moorhead (R-California)
Stephen Neal (D-North Carolina)
Edward Patten (D-New Jersey)
Shirley Pettis (R-California)
Richardson Preyer (D-North Carolina)
Carl Pursell (R-Michigan)
Henry Reuss (D-Wisconsin)
Matthew Rinaldo (R-New Jersey)
John Rousselot (R-California)
Philip Ruppe (R-Michigan)
David Satterfield (D-Virginia)
Patricia Schroeder (D-Colorado)
Gladys Spellman (D-Maryland)
Paul Tsongas (D-Mass.)
Guy Vander Jagt (R-Michigan)
William Whitehurst (R-Virginia)
Charles Whitley (D-North Carolina)
Charles Wiggins (R-California)
Bob Wilson (R-California)

THE WHITE HOUSE

WASHINGTON

July 20, 1977

MEMORANDUM FOR: The President
FROM: Greg Schneiders *GS*
SUBJECT: Kent State

On Tuesday, July 12, 1977 the campus security force of Kent State University and the Sheriff's Office of Portage County, Ohio removed and arrested a large number of demonstrating students from the Kent State campus. The professionalism and restraint (they wore no sidearms) exercised by both law enforcement groups are credited to a large extent with the non-violent outcome of that situation.

A significantly larger demonstration is planned for this Friday, July 22. It is widely believed that this time the officers will be armed and the level of tension somewhat escalated. Without involving yourself in the details of the situation, I think you could exercise a calming influence by sending the Campus Security Director and the Sheriff a telegram of commendation. (See Tab A)

Such a telegram would be completely non-controversial since all sides agree that the situation was handled well and could make the difference between violence and non-violence this Friday.

You should also know that both sides are moving towards mediation and if they can get past Friday peacefully the prognosis is good.

AGREE _____

DISAGREE _____

*Memo withdrawn —
Telegram Not sent*

TEXT OF TELEGRAM

It has come to my attention that during the recent student demonstrations at Kent State University you and your officers conducted yourselves with a commendable degree of professionalism and restraint.

It is clear that this courageous behavior was, to a large degree, responsible for the peaceful resolution of this difficult situation.

You can be proud that you have set an example for all the law enforcement officers of our nation on the successful handling of such demonstrations. You have my highest commendation for a job well done.

TELEGRAM SENT TO:

Mr. Robert Malone
Director of Security
Police Department
Kent State University
Kent, Ohio 44240

Office Telephone Number:
216/672-3111

Mr. Allan McKitrick
Sheriff of Portage County
203 W. Main Street
Ravenna, Ohio 44266

Office Telephone Number:
216/678-2818

Home Telephone Number:
216/626-3552

THE WHITE HOUSE
WASHINGTON

THE WHITE HOUSE
WASHINGTON

July 20, 1977

Greg:

Midge has seen this and she returned it without comment. (I assume she concurs)

MEMORANDUM FOR: Rick Hutcheson

FROM: *MLK* Bob Lipshutz
Margaret McKenna

SUBJECT: Greg Schneider's
Memo on Kent State

We disagree and do not believe the telegram should be sent. Any comment by the President automatically escalates the situation. It is a State law enforcement problem. It has been well handled and we should stay out of it.

THE WHITE HOUSE
WASHINGTON

July 20, 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: STU EIZENSTAT *Stu*
SUBJECT: Greg Schneiders' Memo
re Kent State

I see little reason for involving yourself in a local matter that may end up leading to violence. I do not see how the telegram will in any way discourage the officers from arming themselves. I would avoid any comment on this matter.

2:45 PM

Q
—

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

August 25, 1977

MEETING WITH REP DAWSON MATHIS (D-2-GA)

Friday, August 26, 1977

2:45 p.m. (10 minutes)

The Oval Office

From: Frank Moore *FM*

I. PURPOSE

To discuss the Georgia political situation with Rep. Mathis.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

Background: Rep. Mathis spoke to the President recently and requested a meeting to discuss the Georgia political situation, especially in regard to the 2nd District. Rep. Mathis was first elected in 1970 and received 99.8% of the vote in 1976. His district is the southwestern corner of Georgia and is mostly agricultural. He is Chairman of the Oilseeds and Rice Subcommittee of the Agriculture Committee and #21 on the Interior and Insular Affairs Committee.

Participants: The President, Rep. Mathis and Frank Moore.

Press Plan: White House photographer only. (Rep. Mathis would like to have both black and white and color photos of the meeting.)

**Electrostatic Copy Made
for Preservation Purposes**

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

July 20, 1977

C
1

MEMORANDUM FOR THE PRESIDENT

FROM: Peter Bourne P.B.

SUBJECT: Selection of F.B.I. Director

While I know that Griffin Bell is making a strong representation to you on the issue of the F.B.I. Director, and I do not in anyway wish to jeopardize my close working relationship with him, I did want to express to you my opinions on this appointment which I feel is crucially important.

If you go beyond the committee's list you should also go beyond John Mintz. Because he was the F.B.I. counsel he should have known of its burglaries and other misconduct. Because he said he did not know about it to the committee, he would be subject to criticism on the grounds that he is dumb or lying. I believe that when you make this appointment you nominate not merely the man, but the history that goes with him.

If you go beyond the list, I recommend you consider not an insider, but someone outside the F.B.I. I have recommended to you separately Judge George Edwards, whether or not you consider him I urge that you not appoint Mintz.

PGB:ss

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for Preservation Purposes**

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

9
1

INFORMATION

20 July 1977

TO: THE PRESIDENT
FROM: RICK HUTCHESON *Rick*
SUBJECT: Memos Not Submitted

1. ALAN CAMPBELL/BOB LIPSHUTZ MEMOS informing you that they are working on interpretive language for your June 2 directive to prohibit the participation of federal employees in meetings which discriminate on the basis of sex, national origin and religion; they are seeking language which would not ban participation at women's colleges, ethnic organizations, etc.
2. CHAIRMAN O'NEAL (ICC) MEMO on the management and mission of the ICC - referred to Eizenstat for analysis and preparation of a summary for you. *- In Staffing*

**Electrostatic Copy Made
for Preservation Purposes**

THE WHITE HOUSE

WASHINGTON

July 18, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

BOB LIPSHUTZ
MARGARET MCKENNA

RL
mk

SUBJECT:

Your June 2nd Directive to the
Civil Service Commission Regarding
Federal Personnel Manual

The attached letter from Alan Campbell reports that they are working on a draft of guidelines which will implement your June 2nd directive to prohibit the participation of Federal employees in meetings and conferences which discriminate on the basis of sex, national origin and religion. They have run into some drafting problems and are working on interpretive language which would not ban participation at women's colleges, ethnic organizations or religious organizations such as B'nai B'rith. We are working with them and will keep you informed.



CHAIRMAN

UNITED STATES CIVIL SERVICE COMMISSION

WASHINGTON, D. C. 20415

July 6, 1977

RL

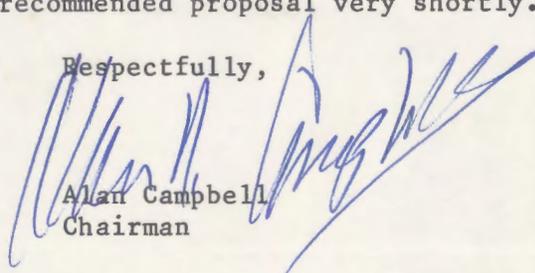
The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Our legal and program management personnel are engaged in serious study of the most appropriate means to implement your June 2, 1977 directive that Chapter 410 of the Federal Personnel Manual be amended to address nondiscrimination on the basis of sex, national origin and religion, in addition to the current ban on race discrimination, in meetings and conferences in which Federal employees participate. That study has unearthed some semantic and interpretive obstacles which we are now endeavoring to overcome before we will be able to report final implementation of your directive.

We are currently clarifying this matter with your Deputy Counsel Margaret McKenna, and hope to offer you our recommended proposal very shortly.

Respectfully,


Alan Campbell
Chairman

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

July 20, 1977

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MEMORANDUM FOR THE PRESIDENT

THRU: FRANK MOORE *F.M.*
FROM: BILL CABLE *Bill*

I received a phone call from Congressman Fred Richmond (D-N.Y. 14) expressing the fear he has from the prolonged heat and the reaction to the riot last week. He feels there is a strong probability that another riot may occur. According to Richmond, you or the Vice President could personally avoid such a riot by going to New York and showing an interest in the problems of the city, and by doing so, turn a potential disasterous situation around.

Jack Watson's office has been in contact with Mayor Beame's office and the New York Police Department. They have no indication that another riot is imminent.

If Rep. Richmond's predictions are accurate and we do nothing, you will be blamed in the press for being informed of the probabilities and doing nothing about them.

cc: Jack Watson
Midge Costanza
Jack Stempler, Defense
Ron Royal, GSA
Jody Powell

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for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

July 20, 1977

MEMORANDUM TO THE PRESIDENT

FROM: Bruce Kirschenbaum *BK*

SUBJECT: New York City Assistance re Blackout

In considering the memorandum from Frank Moore concerning Congressman Richmond's phone call, you should know that several departments are ready to provide funds for assistance. DOL will provide about \$2 million in extra CETA funds for clean-up; EDA is ready to provide \$1 million for physical demolition, planning, and technical assistance as a first step with more money later as a detailed survey of needs is completed. LEAA; CSA; and HUD might also be ready to provide funds.

If you feel a White House presence would be beneficial, and decide to ask the Vice-President to go to New York, he could announce these grants. If not, we had planned on asking Secretary Kreps or Marshall to announce them in New York over the weekend.

I will be meeting with departmental representatives tomorrow to finalize what their commitments are for this effort.

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
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	IMMEDIATE TURNAROUND

ACTION
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	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE
WASHINGTON

July 20, 1977

Hamilton Jordan
Frank Moore

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

Rick Hutcheson

RE: FEC APPOINTMENT - REPUBLICAN

THE PRESIDENT HAS SEEN.

*Ham - Check with
other Repub Senators -
or let Frank do so*

July 19, 1977

J

TO: PRESIDENT CARTER
FROM: HAMILTON JORDAN *H.J.*
RE: FEC APPOINTMENT - REPUBLICAN

You will recall the continuing conversation we have had with Congressman Rhodes and Senator Baker on the Republican appointee to the Federal Election Commission.

At your initial meeting with them, you agreed to give their recommendations serious consideration and to consult closely with them. As a result of that first meeting, they forwarded to us the names of two persons who we confirmed through our own checks to be antagonistic to the whole range of election reform issues. We wrote them a letter requesting ten or twelve names. Their response was that they had submitted the names of two well qualified persons and we should choose from them. (Tab A)

At that point, we decided more letter writing was unnecessary and I contacted Senator Baker and Congressman Rhodes. I told them that while we needed their recommend-

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for Preservation Purposes**

ations and input, to provide us with only two names was to practically make the appointment for us. They said they would consult and get back to us - that was several weeks ago.

We talked with them again today (Dick Moe did as he has been working with them on this). Baker talked with Rhodes and said that they had decided not to submit names. This frees us to proceed with the appointment.

We have identified a good Republican candidate who is an advocate of election reform and the active support of Senator Case. This will make it difficult for Baker to be critical of him as he is being strongly pushed by Case.

His resume and comments are attached. We can look for other candidates, but it will not be easy to find a Republican who is good on these issues and who also has strong Congressional support. (Tab B)

A
Letters

THE WHITE HOUSE

WASHINGTON

May 20, 1977

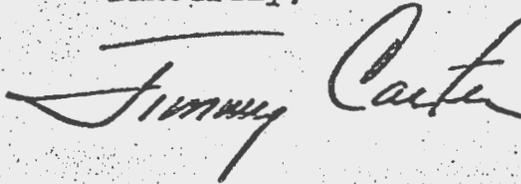
To Congressman John Rhodes

Thank you for your letter recommending two individuals for appointment to the Federal Election Commission.

I would like to have a longer list from which to consider possible candidates and I would be most grateful if you would send me some additional names, at least ten or twelve. I also expect that all of my nominees to the FEC will be generally sympathetic to the aims of the FEC and the concepts which it is charged with administering, particularly financial disclosure and report requirements and public financing.

I appreciate your help on this matter, and I look forward to hearing from you.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable John Rhodes
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE
WASHINGTON

May 20, 1977

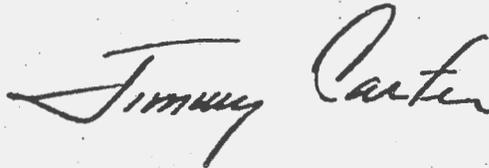
To Senator Howard Baker

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I appreciate your help on this matter, and I look forward to hearing from you.

Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned below the word "Sincerely,".

The Honorable Howard Baker
United States Senate
Washington, D.C. 20510

J. J. RHODES
1ST DISTRICT, ARIZONA

WASHINGTON OFFICE:
2310 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, D.C. 20515

JAMES R. FELTHAM

DISTRICT OFFICES:
6040 FEDERAL BUILDING
PHOENIX, ARIZONA 85025

ROBERT J. SCANLAN

SUITE C-20
1801 JEN TILLY LANE
TEMPE, ARIZONA 85281
JAMES F. WYMORE

Office of the Minority Leader
United States House of Representatives
Washington, D.C. 20515

H-232, THE CAPITOL
WASHINGTON, D.C. 20540

JOHN J. WILLIAMS
DENNIS J. TAYLOR
J. BRIAN SMITH
CLARA POSEY

June 7, 1977

Dear Mr. President:

Thank you for your letter of May 20. Both of us feel that the names submitted for your consideration for nomination to the Republican post on the FEC are eminently qualified for appointment. We believe that to submit other and different names would be inconsistent with offering the best nominees possible under the circumstances. We are particularly concerned that your letter appears to place additional conditions on the nomination beyond those which we understood had been agreed to at the White House on February 23, 1977.

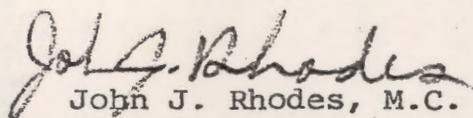
While certainly a nominee should be sympathetic to the aims of the Commission itself, and possibly even with the nature and type of Federal disclosure and reports now contemplated by the act, we think you would agree with us that the whole issue of public financing, of Congressional races in particular, is still very much a subject of National debate, and to attach this as an additional condition completely alters the nature of the agreement which we had with you.

Our agreement, we believe in its entirety, was that because of the unique special partisan role to be played by the Republican member of the Election Commission, that the Minority Leaders of the House and Senate would submit such nominations for your special consideration. There were no conditions.

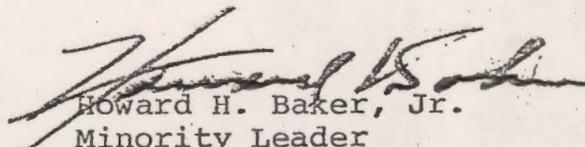
Page 2
The President

We very much hope that you will give further serious consideration to the nominations of James F. Schoener and Robert P. Visser, which were suggested to you in our letter of March 23, 1977, and which we resubmit herewith.

Sincerely,



John J. Rhodes, M.C.
Minority Leader
U. S. House of Representatives



Howard H. Baker, Jr.
Minority Leader
U. S. Senate

The President
The White House
Washington, D. C.

*Ham - You meet personally with them.
a) Submit longer list.
b) I can't let them make appointment.
c) Leave off requirement re public financing.*

J.C.

TO: PRESIDENT CARTER
FROM: HAMILTON JORDAN *H.J.*
RE: LETTER FROM RHODES AND BAKER ON FEC APPOINTMENTS

We received the enclosed letter from Rhodes and Baker which says basically they think they have a verbal commitment from you to appoint the Republican member of the FEC from a list submitted by them. Also, that they expect you to choose one of the two persons already submitted.

I don't know if you want to handle this personally by phone or write them back the letter drafted here.

If we had to choose one person from two names submitted, they would practically be making the appointment for us.

**Electrostatic Copy Made
for Preservation Purposes**

B
Bio &
comments

Sam Zagoria

White, Male

Comments:

Tom Cochran, Deputy Director of the Conference of Mayors:

He is very good in arbitration. Gets along beautifully with people. One of the fairest and brightest people I have ever met. He's judicial, and has been innovative in his present job. Recommend him most highly.

Esther Peterson: We worked together, and I consider him fair, honest, bright and very principled. His colleagues respect him and admire his integrity. He would be especially good at FEC.

Mary Zon: Research Director, AFL-CIO, COPE: Whenever someone is looking for a good Republican candidate, Sam's name comes up. He is first rate. He is smart enough to understand the FEC. He would be in favor of universal registration. Many people in all fields know him well and respect him.

Senator Clifford Case: Sam has the qualifications and temperament needed for the job as I said in my letter recommending him. His nomination would be well received by the Congress. Throughout his career he has been an active citizen in his community; he was my administrative assistant for ten years and did a superb job, and he was President of the Labor-Management Relations Service of the Conference of Mayors. He has worked closely with leaders of local government throughout the nation and has won their respect and admiration.

Vice President Mondale: While I do not know him personally, all I have heard about him from various sources would lead me to believe he would be a good candidate for the Republican seat on the FEC.

Biographical Sketch of SAM ZAGORIA

Sam Zagoria is Director of the Labor-Management Relations Service sponsored by the United States Conference of Mayors to provide leaders of local government with information and education on municipal labor-management relations. In this post he has organized training programs including on-the-job internships, established and edited publications, and addressed numerous public interest groups and university audiences.

Before joining the Labor-Management Relations Service, Mr. Zagoria was a member of the National Labor Relations Board, appointed by President Johnson, serving a five-year term from 1965 to 1969. During his term he organized a national program marking the occasion of the 25 millionth voter in an NLRB election, established an internship for law school faculty members, and helped develop an election code outlining worker, union and employer rights.

Prior to his appointment to the National Labor Relations Board, he was administrative assistant to Senator Clifford P. Case (R-N.J.) for ten years. During this period he managed Senator Case's campaign for reelection, assisted Sen. John Sherman Cooper in Kentucky in his successful race for the Senate and managed former Secretary of Labor James P. Mitchell's campaign for Governor of New Jersey.

Before joining Senator Case, he was a reporter and an editor for The Washington Post for ten years. During this period he was elected chairman of the Washington Post unit of the Washington Newspaper Guild, AFL-CIO, and subsequently was elected president of the Washington Newspaper Guild, AFL-CIO.

In this post he helped negotiate contracts with the Washington Times-Herald, Washington Evening Star, Washington Daily News, Richmond Times-Dispatch, Greensboro (N.C.) Daily News and the Bureau of National Affairs in Washington. In 1954 he was selected a Nieman Fellow at Harvard University and specialized in political science and labor relations.

Mr. Zagoria has written a number of articles and is the editor of the book, "Public Workers and Public Unions," published by Prentice-Hall, Inc. He also contributed a chapter to the book, "The Worker and the Job: Coping with Change," published in 1974 by Prentice-Hall, Inc., and a chapter to the book "Collective Bargaining and Productivity," published by the Industrial Relations Research Association in 1975.

In his present post, he has written articles for the Washington Post (job satisfaction, flextime), "Nation's Cities" Magazine, "State Government" Magazine, "Public Management" Magazine, among others.

In recent years he has served on committees of the National Academy of Public Administration, National Academy of Education, U. S. Council on Wage and Price Stability, National Commission on Productivity and Work Quality, the Public Service Laboratory of Georgetown University, and as an adviser to the Committee for Economic Development. He is currently a member of the Maryland Legislative Task Force on Collective Bargaining for Public Employees, appointed by State Senate President Steny Hoyer.

His community activity includes past service with Mrs. Esther Peterson as co-chairman of the Elections committee of Common Cause; vice-president of the Family Service Agency of Prince George's County, Md.; vice-president of the Friends of the Sandy Spring (Md.) Friends School; president of the College Park Woods (Md.) Civic Association; president of the University Hills (Md.) Civic Association, and president of the University Park School (Md.) P.T.A.

Club memberships include Federal City Club, Society of Nieman Fellows and Rutgers University Alumni Association. Member of Temple Sinai, Washington, D.C.

Registered Republican for 20 years.

CLIFFORD P. CASE
NEW JERSEY

COMMITTEES:
APPROPRIATIONS
FOREIGN RELATIONS
INTELLIGENCE ACTIVITIES
TECHNOLOGY ASSESSMENT
BOARD, VICE CHAIRMAN
JOINT COMMITTEE ON
ATOMIC ENERGY

United States Senate

WASHINGTON, D.C. 20510

February 7, 1977

FEB 1977
3471

The President of the United States
The White House
Washington, D. C. 20500

Dear Mr. President:

It is my understanding that Sam Zagoria of College Park, Maryland, has been recommended to you for appointment to the Republican vacancy on the Federal Elections Commission. It is a pleasure to commend him to you.

Sam was my administrative assistant for ten years, a post he left to become a member of the National Labor Relations Board. Before joining my staff, he was a reporter and editor for the Washington Post and was president of the Labor-Management Relations Service sponsored by the United States Conference of Mayors. In this post he has worked closely with leaders of local government throughout the nation and has served on committees of such organizations as the National Academy of Public Administration and the National Academy of Education. Throughout his career he has been an active citizen in his community, serving as president of his local Civic Association and vice president of the Family Service Agency of Prince George's County, to name only a few examples.

I believe he has the qualifications and temperament needed for the job and his nomination would be well received, I am sure, by the Congress.

Sincerely,

Clifford P. Case
Clifford P. Case
U. S. Senator

HOLD
REC
FILE
NO.

CPC:hpp
Enclosure

C
Summary

SUMMARY

There is no pointing in waiting any longer on the appointment, and I recommend you approve Zagoria.

APPROVE _____

Give me other names _____

THE WHITE HOUSE
WASHINGTON

July 20, 1977

Frank Moore -

The attached were returned in the President's outbox today. They are forwarded to you for delivery.

Rick Hutcheson

cc: Hamilton Jordan
Zbig Brzezinski
Bob Linder

RE: REPLY TO LETTER FROM FOUR SENATORS
ON THE PANAMA CANAL TREATY

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
	X	JORDAN
		LIPSHUTZ
X		MOORE
		POWELL
		WATSON
		LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
X	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
X	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

8/20/77

MEMORANDUM

THE WHITE HOUSE

4314

WASHINGTON

ACTION

July 20, 1977

*Example
re-type
LWS
J*

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI *ZB,*

SUBJECT: Reply to Letter from Four Senators
on the Panama Canal Treaty

Attached at Tab A are identical letters to Senators McClellan, Thurmond, Helms and Byrd, replying to a letter signed by them on the Panama Canal treaty (Tab B). In addition, State is preparing a more detailed and specific set of counterarguments to specific points raised in the letter to you. State believes, and Hamilton Jordan and I concur, that it would not be in your interest to send such a detailed response, though we think that it will be very useful for our overall efforts with Congress and the public.

As you will note, the letter from the four senators is dated June 15. It was delivered to you by Senator Helms on June 30. We received a copy of the letter, with your handwritten note, on July 1. We asked State for a proposed response on July 5. That response was received on July 8 and was sent to Jim Fallows for editing on July 11. On July 12, Jim forwarded the letter to my staff and it was sent to me. I returned it for revision on July 15. The final version, coordinated with Hamilton Jordan, was returned to my office on July 18.

RECOMMENDATION

That you sign the letters attached at Tab A. *HJ.* Hamilton Jordan concurs.

APPROVE _____ DISAPPROVE _____

FOUR SIGNATURES REQUESTED

A

THE WHITE HOUSE

WASHINGTON

July 20, 1977

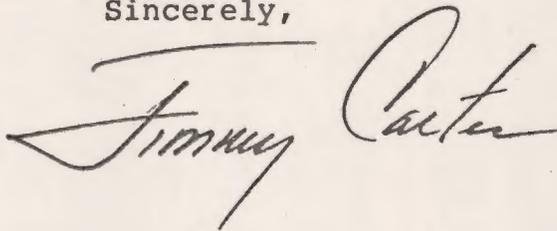
To Senator Harry Byrd

Thank you for your letter of June 15. I agree that the Panama Canal retains strategic and commercial importance for the United States. I also clearly understand the concern that you and your colleagues have expressed about negotiations on a new Panama Canal treaty, and I respect the military judgments of the four former Chiefs of Naval Operations. My goals are the same -- to preserve unfettered access to the canal for our naval and merchant fleets. But I believe that the prospects for attaining those objectives are poor if we simply insist on maintaining the status quo.

We are negotiating because we want to protect our basic national interest in Panama -- a canal that is open, efficient, secure and neutral.

I intend that the new treaty will specify that the United States will operate, maintain and defend the Panama Canal for an extended but finite period of time. After the treaty's termination, the United States and Panama will ensure that the canal remains open to the ships of all nations on a non-discriminatory basis. These provisions will be just as binding as are those of the treaty presently in force between the United States and Panama.

Sincerely,

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

The Honorable Harry F. Byrd, Jr.
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

July 20, 1977

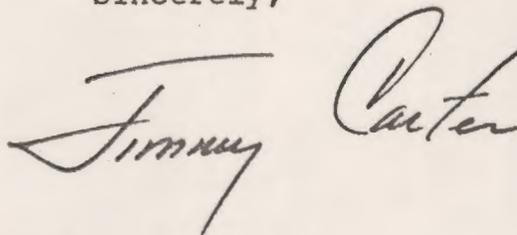
To Senator Strom Thurmond

Thank you for your letter of June 15. I agree that the Panama Canal retains strategic and commercial importance for the United States. I also clearly understand the concern that you and your colleagues have expressed about negotiations on a new Panama Canal treaty, and I respect the military judgments of the four former Chiefs of Naval Operations. My goals are the same -- to preserve unfettered access to the canal for our naval and merchant fleets. But I believe that the prospects for attaining those objectives are poor if we simply insist on maintaining the status quo.

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Sincerely,

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

The Honorable Strom Thurmond
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

July 20, 1977

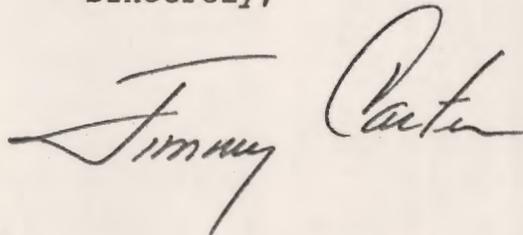
To Senator Jesse Helms

Thank you for your letter of June 15. I agree that the Panama Canal retains strategic and commercial importance for the United States. I also clearly understand the concern that you and your colleagues have expressed about negotiations on a new Panama Canal treaty, and I respect the military judgments of the four former Chiefs of Naval Operations. My goals are the same -- to preserve unfettered access to the canal for our naval and merchant fleets. But I believe that the prospects for attaining those objectives are poor if we simply insist on maintaining the status quo.

We are negotiating because we want to protect our basic national interest in Panama -- a canal that is open, efficient, secure and neutral.

I intend that the new treaty will specify that the United States will operate, maintain and defend the Panama Canal for an extended but finite period of time. After the treaty's termination, the United States and Panama will ensure that the canal remains open to the ships of all nations on a non-discriminatory basis. These provisions will be just as binding as are those of the treaty presently in force between the United States and Panama.

Sincerely,

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

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

July 20, 1977

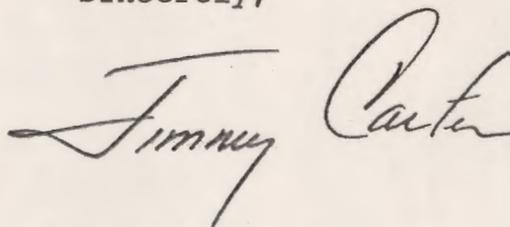
To Senator John McClellan

Thank you for your letter of June 15. I agree that the Panama Canal retains strategic and commercial importance for the United States. I also clearly understand the concern that you and your colleagues have expressed about negotiations on a new Panama Canal treaty, and I respect the military judgments of the four former Chiefs of Naval Operations. My goals are the same -- to preserve unfettered access to the canal for our naval and merchant fleets. But I believe that the prospects for attaining those objectives are poor if we simply insist on maintaining the status quo.

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Sincerely,

A handwritten signature in cursive script that reads "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the word "Sincerely,".

The Honorable John L. McClellan
United States Senate
Washington, D.C. 20510

B

WARREN G. MAGNUSON, WASH.
JOHN C. STENNIS, MISS.
ROBERT C. BYRD, W. VA.
WILLIAM PROXMIRE, WIS.
DANIEL K. INOUYE, HAWAII
ERNEST F. HOLLINGS, S.C.
BIRCH BAYH, IND.
THOMAS F. EAGLETON, MO.
LAWTON CHILES, FLA.
J. BENNETT JOHNSTON, LA.
WALTER D. HUDDLESTON, KY.
QUENTIN N. BURDICK, N. DAK.
PATRICK J. LEAHY, VT.
JAMES R. SASSER, TENN.
DENNIS DE CONCINI, ARIZ.

MILTON R. JUNG, N. DAK.
CLIFFORD P. CASE, N.J.
EDWARD W. BROOKE, MASS.
MARK O. HATFIELD, OREG.
TED STEVENS, ALASKA
CHARLES MCC. MATHIAS, JR., MD.
RICHARD S. SCHWEIKER, PA.
HENRY BELLMON, OKLA.
LOWELL P. WEICKER, JR., CONN.

United States Senate

COMMITTEE ON APPROPRIATIONS

WASHINGTON, D.C. 20510

JAMES R. CALLOWAY
CHIEF COUNSEL AND STAFF DIRECTOR

June 15, 1977

THE PRESIDENT HAS SEEN.

The President
The White House
Washington D. C.

Dear Mr. President:

We are enclosing a most important letter from four former Chiefs of Naval Operations who give their combined judgement on the strategic value of the Panama Canal to the United States.

We think you will agree that these four men are among the greatest living naval strategists today, both in terms of experience and judgement. Their letter concludes:

"It is our considered individual and combined judgement that you should instruct our negotiators to retain full sovereign control for the United States over both the Panama Canal and its protective frame, the U.S. Canal Zone as provided in the existing treaty."

We concur in their judgement and trust you will find such action wholly consistent with our national interest and will act accordingly.

Sincerely,

Strom Thurmond
Strom Thurmond USS

Jesse Helms
Jesse Helms USS

John L. McClellan
John L. McClellan USS

Harry F. Byrd, Jr.
Harry F. Byrd, Jr. USS

To Ham -
To 3big - Prepare
Congressional answers.
These papers are the
arguments we must
prepare to answer -
J.C.

June 8, 1977

The President
The White House
Washington, D. C.

Dear Mr. President:

As former Chiefs of Naval Operations, fleet commanders and Naval Advisers to previous Presidents, we believe we have an obligation to you and the nation to offer our combined judgment on the strategic value of the Panama Canal to the United States.

Contrary to what we read about the declining strategic and economic value of the Canal, the truth is that this inter-oceanic waterway is as important, if not more so, to the United States than ever. The Panama Canal enables the United States to transfer its naval forces and commercial units from ocean to ocean as the need arises. This capability is increasingly important now in view of the reduced size of the U.S. Atlantic and Pacific fleets.

We recognize that the Navy's largest aircraft carriers and some of the world's super-tankers are too wide to transit the Canal as it exists today. The super-tankers represent but a small percentage of the world's commercial fleets. From a strategic viewpoint, the Navy's largest carriers can be wisely positioned as pressures and tensions build in any kind of a short-range, limited situation. Meanwhile, the hundreds of combatants, from submarines to cruisers, can be funneled through the transit as can the vital fleet train needed to sustain the combatants. In the years ahead as carriers become smaller or as the Canal is modernized, this problem will no longer exist.

Our experience has been that as each crisis developed during our active service--World War II, Korea, Vietnam and the Cuban missile crisis--the value of the Canal was forcefully emphasized by emergency transits of our naval units and massive logistic support for the Armed Forces. The Canal provided operational flexibility and rapid mobility. In addition, there are the psychological advantages of this power potential. As Commander-in-Chief, you will find the ownership and sovereign control of the Canal indispensable during periods of tension and conflict.

As long as most of the world's combatant and commercial tonnage can transit through the Canal, it offers inestimable strategic advantages to the United States, giving us maximum strength at minimum cost. Moreover, sovereignty and jurisdiction over the Canal Zone and Canal offer the opportunity to use the waterway or to deny its use to others in wartime. This authority was especially helpful during World War II and also Vietnam. Under the control of a potential adversary, the Panama Canal would become an immediate crucial problem and prove a serious weakness in the over-all U.S. defense capability, with enormous potential consequences for evil.

Mr. President, you have become our leader at a time when the adequacy of our naval capabilities is being seriously challenged. The existing maritime threat to us is compounded by the possibility that the Canal under Panamanian sovereignty could be neutralized or lost, depending on that government's relationship with other nations. We note that the present Panamanian government has close ties with the present Cuban government which in turn is closely tied to the Soviet Union. Loss of the Panama Canal, which would be a serious set-back in war, would contribute to the encirclement of the U. S. by hostile naval forces, and threaten our ability to survive.

For meeting the current situation, you have the well-known precedent of former distinguished Secretary of State (later Chief Justice) Charles Evans Hughes, who, when faced with a comparable situation in 1923, declared to the Panamanian government that it was an "absolute futility" for it "to expect an American administration, no matter what it was, any President or any Secretary of State, ever to surrender any part of (the) rights which the United States had acquired under the Treaty of 1903," (Ho. Doc. No. 474, 89th Congress, p. 154).

We recognize that a certain amount of social unrest is generated by the contrast in living standards between Zonians and Panamanians living nearby. Bilateral programs are recommended to upgrade Panamanian boundary areas. Canal modernization, once U. S. sovereignty is guaranteed, might benefit the entire Panamanian economy, and especially those areas near the U. S. Zone.

The Panama Canal represents a vital portion of our U. S. naval and maritime assets, all of which are absolutely essential for free world security. It is our considered individual and combined judgment that you should instruct our negotiators to retain full sovereign control for the United States over both the Panama Canal and its protective frame, the U. S. Canal Zone as provided in the existing treaty.

Very respectfully,

Robert B. Carney
ROBERT B. CARNEY

Arleigh Burke
ARLEIGH A. BURKE

George W. Anderson
GEORGE ANDERSON

Thomas H. Moorer
THOMAS H. MOORER

1. The outlook in the Senate for any Panama Treaty that abrogates U.S. sovereignty rights in the Canal Zone is poor. Not only are the votes lacking, but also the Senate calendar is too crowded to permit a measure so controversial to receive proper hearings and debate in the short confines of the September session.

2. The outlook in the House is equally bleak, even though a simple majority is all that is necessary. The House has on numerous occasions, produced majorities opposed to the surrender of sovereignty. Article IV, Paragraph 3 of the Constitution gives "Congress"--i.e., both Houses--authority to dispose of U.S. territory and property. Sovereignty is a property right. Note: The House must vote before a treaty is ratified.

3. The most recent poll by Opinion Research, Inc., Princeton, N.J., shows 78% of the American people opposed to the surrender of ownership and control of the Panama Canal. This is the third year the question has been asked and shows a continuously rising sentiment (66% in 1975).

4. Torrijos has not been making the approval of a treaty any easier. His close relationship with Fidel Castro, and especially with Qaddafi of Libya--bankroller and protector of the anti-Zionist terrorists--will produce acrimonious debates that will divide the nation.

5. The negotiation of the treaty by Sol Linowitz, an international banker with emotional commitments to the Latin American Marxists--such as the late Salvador Allende--will make the product of the negotiations suspect, as not objectively protecting traditional United States interests and goals.

6. The exorbitant monetary demands of the Panamanians will make it even more difficult to sell the treaty to Americans, even if concessions are made, in our present state of fiscal crisis.

7. The solution is a basic compromise on the fundamental terms of the treaty: If the U.S. retains its sovereign rights, then we will make a binding commitment to initiate a major modernization of the Panama Canal according to the so-called "Terminal Lake-Third Locks Plan." (see attached memo) This would cost about \$1.5 billion (as opposed to \$6-10 billion for a sea-level canal). If the plan were properly implemented it would:

- a) provide for maximum Panamanian participation in the Plan
- b) upgrade technical skills and experience throughout all levels of Panamanian society
- c) reconstitute social and urban planning and development in Panama
- d) create the economic and social infrastructure that would allow Panama to continue development after construction of TLTL.
- e) become a real partnership into which Panamanians could divert nationalist energy and pride.

If the President proposes this plan, the U.S. will retain sovereignty, Torrijos and the Panamanian people will receive real economic and social benefits, and the President will have a proposal that will sail through Congress with the full support and cooperation of conservatives and liberals alike.

For the President, the impasse over the Canal will be broken with a constructive compromise proposal.

1. This plan provides for completing the major modernization of the Panama Canal authorized in 1939 and suspended in 1942 under the Terminal Lake - Third Locks Plan, which was developed in the Panama Canal organization as the result of experience in World War II and won approval by the President as a post-war project.
2. Briefly stated, this plan calls for the consolidation of all Pacific Locks in three lifts near Agua Dulce to match the layout and capacity of the Atlantic Locks, creation of a summit level terminal lake at the Pacific end of the Canal, and raising the maximum summit level from 87 feet to its optimum height.
3. One set of the new Pacific Locks would be the same size as the new set at Gatun. (1200' x 140' x 45' deep--present locks are 1000' x 110' x 40')
4. More than \$76,000,000 was expended on the Third Locks Project, including huge lock site excavations at Gatun and Miraflores and other works, most of which are useful. In addition, some \$95,000,000 was expended on enlargement of Gaillard Cut completed on August 15, 1970, making a total of more than \$171,000,000 already expended toward the Canal's major modernization.
5. In addition, the Terminal Lake Plan enables the maximum utilization of all work so far accomplished and can be constructed under existing treaty provisions, a paramount consideration.
6. Informal estimates for the Terminal Lake Plan are:

Cost	\$1.5 billion
Preparation	2 years
Construction	5 years (1200 working days)
7. The plan preserves the fresh water barrier between the oceans, protects marine life in the two oceans, has the support of major environmental groups, and safeguards the economy of Panama.
8. The Sea Level proposal, initially estimated in 1970 at \$2.88 billion, would require a new treaty with Panama, involving a huge indemnity and the cost of a right of way, both of which would have to be added to initial estimate, probably totalling \$6 billion to \$10 billion and requiring 14 years to construct.
9. The sea level proposal by requiring construction of a salt water channel between the ocean would enable the migration of alien predators and destructive species between the oceans, is ecologically dangerous, is strongly opposed by most biological groups at home and abroad, and would dislocate the economy of Panama.
10. When the canal problem is evaluated from all its angles, the Terminal Lake proposal offers the best, the most economical and sensible solution.

Scenario II: If a treaty abrogating sovereignty is signed and ratified

- a) attempts by Panama to assert its sovereignty and independence
- b) magnification of operating frictions and disagreements
- c) harassment of U.S. employees
- d) exit of most U.S. employees, ending practical control by U.S.
- e) rivalry of Panamanian politicians to control Canal operations, payrolls, and revenues
- f) radicalization of Panamanian politics to seek popular support for control of Canal
- g) demands for speed-up of timetable for U.S. withdrawal
- h) increasing influence of socialist bloc "technicians and advisors" to replace vanishing U.S. personnel
- i) coups by local colonels seeking to reform corruption and to establish their own Swiss bank accounts
- j) rise of terrorist guerrilla "liberation" movement, eventually supported by Cuban troops.
- k) coup by Marxist guerilla leader
- l) Treaty of Friendship and Cooperation with the Soviet Union
- m) Soviet naval bases in Colon and Balboa, on Atlantic and Pacific

3. The question of policy: a constructive alternative

- a) Retain U.S. sovereignty in the Canal Zone
- b) Demonstrate firm leadership to Panama and Latin America by retaining our presence and stability in the Isthmus
- c) Proffer the hand of friendship to Panama by making firm commitments (which we always eluded in the past) to
 - major modernization of the Canal, structured to spread social and economic benefits throughout all Panamanian social classes
 - assistance in broad development even after modernization is complete
 - re-establishment of prudent democratic institutions in Panama
- d) Place Panama in the framework of free enterprise and progress by setting up an anti-Marxist entente in the Western Hemisphere
- e) Give economic and moral support to those governments of Latin American which have thrown off Marxism and are seeking to eliminate the terrorism which destroys the human rights of their citizens.

PANAMA CANAL NEGOTIATIONS

There are three fundamental questions involved in the Panama Canal negotiatio

1. Justice: Do we hold the Canal Zone by right? The answer is yes.
2. Practicality: Will a treaty abrogating sovereignty enable us to maintain the neutrality of the Canal for all nations? The answer is no.
3. Policy: Is it good policy to stay in the Isthmus in the face of Panamanian discontent and agitation? The answer is that it is the only viable choice we have and one that can form the basis for a fruitful, creative relationship with the whole of Latin America.

* * *

1. The question of justice.

- a) We hold our sovereign rights in the Canal Zone by both grant and purchase; we hold deed and title to property purchased from private owners.
- b) The original bargain with Panama was a just bargain which guaranteed Panama's independence and economic self-sufficiency.
- c) Contrary to the myth of guilt, we did not obtain our rights by shameful maneuvers.
- d) We have practiced strict neutrality towards Panama's affairs.
- e) Our benefits towards Panama have constantly increased both in our treatment of Panamanian employees, indirect benefits to the Panamanian economy, and direct military and economic assistance.
- f) We have constantly adjusted differences in our relations amicably and generously in subsequent treaties, always retaining our own sovereign rights and respecting the sovereign rights of Panama.
- g) We have fulfilled our international treaty obligations well, and have operated the Canal for the benefit of all nations.

2. The question of practicality: alternative scenarios.

Scenario I: If a treaty is denied

- a) riots
- b) strikes
- c) sabotage
- d) closure or failure of Canal operations
- e) economic collapse in Panama
- f) radicalization of Panamanian politics
- g) exit of U.S.

THE WHITE HOUSE
WASHINGTON

To Senator Strom Thurmond

Thank you for your letter of June 15. I agree that the Panama Canal retains strategic and commercial importance for the United States. I also clearly understand the concern that you and your colleagues have expressed about negotiations on a new Panama Canal treaty, and I respect the military judgments of the four former Chiefs of Naval Operations. My goals are the same -- to preserve unfettered access to the canal for our naval and merchant fleets. But I believe that the prospects for attaining those objectives are poor if we ~~try to maintain the status quo, including our jurisdiction over the Canal Zone.~~

Simply insist on maintaining
We are negotiating because we want to protect our basic national interest in Panama -- a canal that is open, efficient, secure and neutral. ~~We are negotiating because we believe that the costs of trying to maintain the status quo will certainly be large, and will probably lead to confrontation.~~

I intend that the new treaty will specify that the United States will operate, maintain and defend the Panama Canal for an extended but finite period of time. After the treaty's termination, the United States and Panama will ensure that the canal remains open to the ships of all nations on a non-discriminatory basis. These provisions will be just as binding as are those of the treaty presently in force between the United States and Panama.

Sincerely,

The Honorable Strom Thurmond
United States Senate
Washington, D.C. 20510

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for Preservation Purposes**

THE WHITE HOUSE
WASHINGTON

*see Thurmond
letter*

To Senator Jesse Helms

Thank you for your letter of June 15. I agree that the Panama Canal retains strategic and commercial importance for the United States. I also clearly understand the concern that you and your colleagues have expressed about negotiations on a new Panama Canal treaty, and I respect the military judgments of the four former Chiefs of Naval Operations. My goals are the same -- to preserve unfettered access to the canal for our naval and merchant fleets. But I believe that the prospects for attaining those objectives are poor if we try to maintain the status quo, including our jurisdiction over the Canal Zone.

We are negotiating because we want to protect our basic national interest in Panama -- a canal that is open, efficient, secure and neutral. We are negotiating because we believe that the costs of trying to maintain the status quo will certainly be large, and will probably lead to confrontation.

I intend that the new treaty will specify that the United States will operate, maintain and defend the Panama Canal for an extended but finite period of time. After the treaty's termination, the United States and Panama will ensure that the canal remains open to the ships of all nations on a non-discriminatory basis. These provisions will be just as binding as are those of the treaty presently in force between the United States and Panama.

Sincerely,

The Honorable Jesse Helms
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE

WASHINGTON

see Thurmond letter

To Senator John McClellan

Thank you for your letter of June 15. I agree that the Panama Canal retains strategic and commercial importance for the United States. I also clearly understand the concern that you and your colleagues have expressed about negotiations on a new Panama Canal treaty, and I respect the military judgments of the four former Chiefs of Naval Operations. My goals are the same -- to preserve unfettered access to the canal for our naval and merchant fleets. But I believe that the prospects for attaining those objectives are poor if we try to maintain the status quo, including our jurisdiction over the Canal Zone.

We are negotiating because we want to protect our basic national interest in Panama -- a canal that is open, efficient, secure and neutral. We are negotiating because we believe that the costs of trying to maintain the status quo will certainly be large, and will probably lead to confrontation.

I intend that the new treaty will specify that the United States will operate, maintain and defend the Panama Canal for an extended but finite period of time. After the treaty's termination, the United States and Panama will ensure that the canal remains open to the ships of all nations on a non-discriminatory basis. These provisions will be just as binding as are those of the treaty presently in force between the United States and Panama.

Sincerely,

The Honorable John L. McClellan
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE
WASHINGTON

*see memorandum
letter*

To Senator Harry Byrd

Thank you for your letter of June 15. I agree that the Panama Canal retains strategic and commercial importance for the United States. I also clearly understand the concern that you and your colleagues have expressed about negotiations on a new Panama Canal treaty, and I respect the military judgments of the four former Chiefs of Naval Operations. My goals are the same -- to preserve unfettered access to the canal for our naval and merchant fleets. But I believe that the prospects for attaining those objectives are poor if we try to maintain the status quo, including our jurisdiction over the Canal Zone.

We are negotiating because we want to protect our basic national interest in Panama -- a canal that is open, efficient, secure and neutral. We are negotiating because we believe that the costs of trying to maintain the status quo will certainly be large, and will probably lead to confrontation.

I intend that the new treaty will specify that the United States will operate, maintain and defend the Panama Canal for an extended but finite period of time. After the treaty's termination, the United States and Panama will ensure that the canal remains open to the ships of all nations on a non-discriminatory basis. These provisions will be just as binding as are those of the treaty presently in force between the United States and Panama.

Sincerely,

The Honorable Harry F. Byrd, Jr.
United States Senate
Washington, D.C. 20510

THE WHITE HOUSE
WASHINGTON

July 20, 1977

Stu Eizenstat -

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

Rick Hutcheson

cc: The Vice President
Hamilton Jordan
Frank Moore
Jody Powell
Jack Watson
Bert Lance
Charlie Schultze
Jim Schlesinger

RE: REVENUE IMPACTS OF CONGRESSIONAL
ACTION ON THE ENERGY PLAN

THE WHITE HOUSE
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	/	MONDALE
		COSTANZA
/		EIZENSTAT
	/	JORDAN
		LIPSHUTZ
	/	MOORE
	/	POWELL
	/	WATSON
	/	LANCE
	/	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
/	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

July 19, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: JIM SCHLESINGER
STU EIZENSTAT

SUBJECT: REVENUE IMPACTS OF CONGRESSIONAL ACTION ON THE
ENERGY PLAN

On July 14, we met with Mike Blumenthal, Charlie Schultze, Bo Cutter, and Eliot Cutler of OMB to discuss the impact of House Committee action to date on energy plan revenues and expenditures to determine how to handle this issue with Congressman Ashley's Ad Hoc Committee. That Committee began deliberations on July 18.

As you know, OMB has estimated that Committee action thus far would result in a cumulative 1978-1985 deficit of close to \$30 billion. On the other hand, Treasury has stated that the overall program is still in balance, but the mix of revenues and expenditures are different. Jim Schlesinger's staff has prepared an analysis which indicates that the program shows a surplus only if there are affirmative answers to three questions:

- (1) Will some or all of the wellhead tax be used for general revenue or non-rebate purposes as the Ways and Means Committee has now left the program?
- (2) Will there be some improvement in the revenues collected from the oil and gas utilization tax? (The loss compared with our proposal if no improvement is made in the Ways and Means Committee action is \$38.3 billion. We are hopeful that this can, at the very least, be reduced to \$28.3 billion by reimposing the tax on some users which the Ways and Means Committee exempted.)
- (3) Should we credit to the revenue side of the ledger those increased revenues which we project due to inflation from the energy plan? (In our original estimates we counted as a cost \$11.2 billion for increases in the social security and retirement benefits due to the inflation effects of the energy plan. The Committee believes that we should handle

Stu -
Change statement
into personal letter
to Ashley, with
copy to Speaker.
I'll sign this
morning. Let's get
on record -

J.C.

inflation-related costs and inflation-related revenues in a similar fashion, either counting in both or excluding both.)

If all three questions are answered affirmatively, the program shows a surplus, although the revenue mix, and, to a certain extent, the equities involved, have changed from our original proposal.

The Ad Hoc Committee is sensitive to our omission of revenues related to inflation and will probably want to count these in the revenue side of the plan. While this does give us some leeway, the Committee, not we, should bear the responsibility for making the accounting change.

The other issues are not guaranteed, although likely. If the first two questions were not answered affirmatively, the deficit would be \$16 billion over the eight year period. Given the importance of this issue, we believe that you should reiterate your concern about keeping the energy budget in balance to the Committee.

At Frank Moore's request, Jim Free asked a member of the Speaker's staff to seek O'Neill's and Ashley's reaction to the possibility of a statement or letter from you on the energy budget. Both Ashley and the Speaker were reported to be strongly negative on the idea of a public statement, contending that a balanced energy budget was not possible, and focussing on this issue now would disrupt the proceedings of the Ad Hoc Committee. Given the leadership's reaction, you have three options:

- (1) Proceed with a statement or a letter expressing your concern for a balanced budget. (A draft statement is attached.)
- (2) Call Ashley to reiterate your concern, and test the waters again about whether a statement would be as offensive to him as has been reported. You may want to suggest that we will be following the Committee's work carefully over the next few days, and if need be you are prepared to make your feelings known at such time as it would be helpful.
- (3) Do nothing.

We both would recommend the second option. If you agree, the call should be made as soon as possible since the Committee begins voting tomorrow.

Approve Option # _____ See me _____

Frank Moore concurs with this recommendation.

RANGE OF CUMULATIVE REVENUE/OUTLAY CHANGE
1978 - 1985 DUE TO WAYS AND MEANS BILL
AND OTHER ADJUSTMENTS (NET)
(Billions of Current Dollars)

<u>WAYS AND MEANS ACTION:</u>	<u>MAXIMUM REVENUES</u>	<u>MINIMUM REVENUES</u>	<u>MOST REALISTIC</u>
1. Auto efficiency (gas guzzler) tax	0.9	0.9	0.9
** 2. Crude oil equalization tax, net of rebates	26.4	--	10.0*
3. Residential energy credits	1.2	1.2	1.2
4. Business energy credits	2.4	2.4	2.4
** 5. Oil and gas consumption taxes	-38.3	-38.3	-28.3*
6. Repeal of personal deduction for State and local gasoline tax	7.5	7.5	7.5
7. Extension of 4¢/gallon gas tax	21.2	--	--
8. Miscellaneous programs	- 0.6	- 0.6	- 0.6
 <u>OTHER ADJUSTMENTS:</u>			
** 9. Inflation adjustment	32.0	--	11.2
 TOTAL: Net changes in surplus (+) or deficit (-) relative to original NEP estimates	 57.7	 -27.0	 4.2
 Original NEP estimate (updated), surplus	 2.7	 2.7	 2.7
 Net impact of energy program on surplus (+) or deficit (-)	 +55.4	 -24.3	 + 6.9

* Potential legislative action items
Plus (+) indicates revenue increase or surplus,
Minus (-) indicates revenue decrease or deficit.

NOTE: Details may not add due to rounding.

** ITEMS WHICH DETERMINE SURPLUS AND DEPEND ON ACCOUNTING METHODS
OR FUTURE CONGRESSIONAL ACTION

Proposed Statement

I am pleased with the progress which the Congress has made in keeping to a difficult and rigorous schedule for consideration of the National Energy Plan. The Ad Hoc Committee on Energy begins its meetings this week to pull together the individual parts of the Plan acted upon by the several Committees which have each reported out sections of the Plan within their jurisdiction.

The cooperation in reaching this important phase has been strong, and I commend each of the Committee chairmen and members who have put their shoulders to the grindstone to get us to this point. I am confident that the Ad Hoc Committee Chairman will continue this admirable record.

As we proceed through this important phase of pulling the diverse pieces of the Plan together, however, I am concerned that Congress be mindful of the critical need to keep the energy plan in fiscal balance. We must be sure we do not spend more than we take in in revenues.

The Plan which I put forward to the Congress was consistent with achieving a balanced budget. Its costs between now and 1985 are slightly below its receipts. I believe this balance is essential if we, as a nation, are to have the resources to realize our goals in tax reform, welfare reform and national health insurance, to name but a few, and to move toward a balanced budget. Any deficit created by excessive

expenditures on the energy plan reduces our ability to attain these other goals.

We must be vigilant in keeping our energy program budget in balance, and Jim Schlesinger and I will work continuously with the Congress to achieve that goal.

We must also ensure, that as we keep that budget balance, we also retain the basic elements of equity and economic fairness upon which my Plan was based.

7/20/77

THE WHITE HOUSE
WASHINGTON

The Vice President
Secretary Bergland
Stu Eizenstat
Hamilton Jordan
Frank Moore
Jody Powell
Jack Watson
Bert Lance

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

Rick Hutcheson

RE: AMENDMENTS TO THE FARM BILL

THE WHITE HOUSE
WASHINGTON

cc Bayland

	FOR STAFFING
	FOR INFORMATION
X	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
	X	MONDALE
		COSTANZA
X	X	EIZENSTAT
	X	JORDAN
		LIPSHUTZ
X	X	MOORE
	X	POWELL
X	X	WATSON
	X	LANCE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	KING

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



THE PRESIDENT HAS SEEN.

DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
WASHINGTON, D. C. 20250

*Called
Foley -
ok
J.C.*

July 19, 1977

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Amendments to the Farm Bill

I understand you talked with Chairman Foley this morning about proposed amendments to increase 1977 crop target and market support prices for wheat and corn. This memorandum provides additional information for your decision.

The first amendment under consideration would increase the wheat target price for the 1977 crop from \$2.65 to \$2.90 per bushel. The second amendment would increase the corn target price for the 1977 crop from \$1.85 to \$2.00 per bushel, and increase the market support price from \$1.75 to \$2.00 per bushel.

The proponents of these amendments, primarily from wheat and feed grain producing areas, have embarked upon an extremely aggressive campaign to pass them. This effort is being led by a coalition of Democratic and Republican members of the House Agricultural Committee.

I believe these amendments are likely to pass over the objections of both the Leadership and the Administration.

The additional budget outlays associated with these amendments are, in our best judgment, as follows:

1. The \$.25 per bushel increase in the target price for wheat would add \$472.5 million to the FY 1978 budget;
2. The proposed changes in the corn target and market support prices would reduce deficiency payments by \$300 million but loan and inventory outlays would rise about \$170 million for a net reduction in FY 1978 outlays of \$130 million. However, outlays for feed grain programs will be higher in subsequent years, by at least \$100 million in each of the next two. (Simultaneously increasing both the target and market support prices for corn forecloses the possibility of making target price payments for corn. With the target price of \$1.85 and the market support price at \$1.75, as

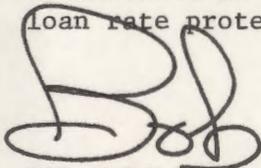
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for Preservation Purposes**

the House Bill now provides, we have a potential budget exposure for deficiency payments of \$600 million, but we believe it will not exceed \$300 million because the market price is expected to be about 5 cents above the loan rate. The impact this amendment will have on FY 1978 outlays is to eliminate the \$300 million in deficiency payments and add \$170 million for increased loan activity.)

Therefore, the net impact on outlays of these two amendments is expected to be an additional \$342.5 million in FY 1978 and an additional \$100 million or so in FY's 1979 and 1980.

If you agree to support these amendments, I recommend you insist on an amendment that gives me the authority to reduce market support prices for wheat and feed grains when grain supplies are excessive. This is the proposal that Charlie Schultz has frequently endorsed. This amendment would give me the flexibility we will have to have in administering the set-aside programs authorized by H.R. 7171 in subsequent years.

In addition, Chairman Foley should be encouraged to fully support an amendment granting me the authority to require farms to reduce the acreage that normally is planted to crops by the amount of the acreage set aside or diverted as a condition of eligibility for deficiency payments and loan rate protection.

A handwritten signature in black ink, appearing to be 'Bob Bergland', written in a cursive style.

BOB BERGLAND
Secretary

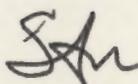
THE WHITE HOUSE

WASHINGTON

July 19, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT



SUBJECT: Farm Bill

I have talked at some length today with Charlie Schultze about the question raised by Chairman Foley. We both feel that if Foley can assure the Administration that nothing else will be added and if you can obtain Foley's agreement for the 5% administrative flexibility, we would propose you go ahead and agree to support Chairman Foley in raising the 1977 target prices.

However, if these assurances cannot be given and given firmly, this is the point to hold the line. The net budget costs of these amendments by USDA estimates is an additional \$342.5 million in fiscal year 1978 and an additional \$100 million in fiscal year 1979 and 1980. It's worth paying the 1978 budget costs only if this buys us a firm cap on expenditures in the future.

LANCE COMMENT



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

MEMORANDUM FOR THE PRESIDENT

FROM: BERT LANCE *BL*

SUBJECT: Farm Bill Amendments and Your Conversation
with Chairman Foley

If Chairman Foley feels that increases in the support prices for 1977 corn and wheat are inevitable House floor amendments, we would urge that the amounts of those increases be held as low as possible.

You will recall that Secretary Bergland suggested that the Administration might want to accept a compromise in conference on the 1977 levels--in the \$2.75-\$2.80 range. (The current House bill and the Administration position is \$2.65. The Senate bill is \$2.90.) You did not want to decide that issue at this time.

Chairman Foley has suggested accepting a floor amendment raising the 1977 support price for wheat to \$2.90, the level in the Senate bill.

If it is politically impossible to hold the line on the House floor, you might tell Chairman Foley that we would accept a floor amendment raising the level to \$2.75 or \$2.80, if he can hold it in conference.

The difference between \$2.75 and \$2.90 is about \$283.5 million in FY 1978 outlays.

In addition, we support Secretary Bergland's proposal that you insist that Chairman Foley support the two amendments cited at the end of the Secretary's memo to you.

MOORE COMMENT

THE WHITE HOUSE

WASHINGTON

July 19, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *FM*

Chairman Giaimo is concerned about the farm bill. He is opposed to any compromise such as the English amendment to raise the price of wheat. The Chairman believes that this will open-up a budget buster on such things as food stamps.