

12/28/77 [1]

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THE PRESIDENT'S SCHEDULE

Wednesday - December 28, 1977

8:00 Dr. Zbigniew Brzezinski - The Oval Office.

8:30 Secretary James Schlesinger - The Oval Office.

9:00 Mr. James McIntyre/Staff - The Cabinet Room.
(60 min.)

11:00 Video-Tape Message for American Samoa and Northern
Mariana Islands. (Mr. Barry Jagoda).
The Roosevelt Room.

8:00 Conversation with American Television Network
(60 min.) Anchormen - The Red Room.

THE WHITE HOUSE
WASHINGTON

December 28, 1977

Frank Moore

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

Rick Hutcheson

cc: Jim McIntyre

RE: LETTER OF APPRECIATION TO
REPRESENTATIVE SCHEUER

THE WHITE HOUSE
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
<input type="checkbox"/>	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
<input type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
X		MOORE - <i>delivered</i>
		POWELL
		WATSON
X		McINTYRE
		SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	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
	GAMMILL

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



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

DEC 23 1977

MEMORANDUM FOR: THE PRESIDENT
FROM: James T. McIntyre, Jr. *JM*
SUBJECT: Attached Letter to Representative Scheuer

The attached letter expresses your gratitude to Representative Scheuer for his meeting with members of the PRP staff. It also commends Representative Scheuer's Subcommittee for its report on the Federal role in crime and justice research.

RECOMMENDATION: That you sign the attached letter.

THE WHITE HOUSE

WASHINGTON

December 28, 1977

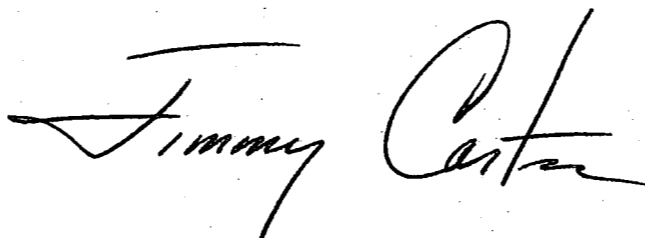
Dear Mr. Chairman:

I have been informed of the November 2 meeting you held with members of my Reorganization Project Staff, and the discussion which took place concerning the Federal role in crime and justice research. You have my thanks for taking the time to meet with them to discuss this important subject.

My staff has brought to my attention your committee's excellent draft report on the subject, and I appreciate your committee's work in its preparation. Many of its recommendations speak to important problems in the area of justice research, and I feel confident that, working together, we can begin to solve these problems.

We look forward to cooperating closely with you in the future.

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 James H. Scheuer
Chairman
Subcommittee on Domestic and
International Scientific
Planning, Analysis, and Cooperation
Committee on Science and Technology
U.S. House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE
WASHINGTON
December 28, 1977

Stu Eizenstat

The attached was returned in the President's outbox and is forwarded to you for appropriate handling. Please inform Sec. Kreps of the President's message.

Rick Hutcheson

RE: INTERNATIONAL FISHERY AGREEMENT WITH MEXICO

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*
KATHY FLETCHER

SUBJECT: Enrolled Bill H.R. 9794
International Fishery Agreement with Mexico

THE BILL

The bill waives a 60-day Congressional review period for our 200-mile limit fishing agreement with Mexico. This provision actually is now moot because 60 Congressional session days have passed since the plan was submitted by the Administration in October (the original expectation was that earlier adjournment necessitated a waiver).

The bill also creates three additional Executive Level V positions in the National Oceanic and Atmospheric Administration (NOAA) and authorizes and earmarks eight additional super-grade positions for NOAA. This provision was a rider attached by Senators Byrd, Magnuson, Hollings and Stevens.

The Administration opposed the creation of the new high-level positions in NOAA on the grounds that such decisions need to be made in the context of oceans and natural resources organization, and because comparable agencies do not have comparable high-level positions. OMB feels that if the bill is signed, Secretary Kreps should not necessarily be allowed to use all of the new authorized high-level positions.

VOTES IN CONGRESS

The bill passed both House and Senate by voice vote.

ARGUMENTS FOR SIGNING

- . Vetoing the bill would offend Senators and Members of Congress who might then resist the Administration's natural resources reorganization effort.
- . Sponsors of the staffing provision are critical on many other issues.
- . NOAA staffing will be reexamined as part of reorganization anyway.
- . Not all of the newly authorized positions need to be filled.

ARGUMENTS FOR VETO

. The additional high-level positions are premature and unnecessary.

. The Administration expressed opposition to the staffing provision.

AGENCY AND STAFF RECOMMENDATIONS

OMB, Commerce and the Civil Service Commission recommend approval. DOT has no objection, State has no position, and Interior has no comment. Jack, Frank and I recommend approval. Making a small point about excessive high-level positions is not worth the ire of Senators Byrd, Magnuson and Hollings.

DECISION

Sign H.R. 9794 ✓

Veto H.R. 9794

*Tell Juanita not to
fill new positions until
I approve
J*

12/28/77

I AM PROUD TO ANNOUNCE THAT G. WILLIAM MILLER WILL
BE MY NOMINEE TO ~~SUCCEED ARTHUR BURNS~~ AS CHAIRMAN OF THE BOARD OF
GOVERNORS
OF THE FEDERAL RESERVE, SYSTEM.

FOR THE LAST EIGHT YEARS, THROUGH TWO TERMS AS
DR
CHAIRMAN, ARTHUR BURNS HAS DONE AN OUTSTANDING JOB OF
DIRECTING THE FEDERAL RESERVE. HE HAS SYMBOLIZED THE
INTEGRITY OF OUR MONETARY SYSTEM AND THE INDEPENDENCE
OF THE FEDERAL RESERVE. HE HAS DEFENDED THE STRENGTH OF THE
DOLLAR AT HOME AND ABROAD. IN THIS AND THE OTHER PUBLIC
POSITIONS, HE HAS SERVED THE PEOPLE OF OUR COUNTRY WELL,
AND EARNED OUR RESPECT AND GRATITUDE. PERSONAL FRIENDSHIP

THERE ARE FEW POSITIONS MORE DEMANDING THAN THE
CHAIRMANSHIP OF THE FEDERAL RESERVE, AND FEW APPOINTMENTS

ANY PRESIDENT MAKES THAT HAVE A GREATER INFLUENCE ON OUR COUNTRY.
 APART FROM THE PRESIDENT HIMSELF, NO ONE ELSE PLAYS A LARGER
PART IN DETERMINING OUR NATION'S ECONOMIC POLICY.

I BELIEVE THAT AN INDEPENDENT FEDERAL RESERVE MUST
 BE LED BY A PERSON OF STRONG CHARACTER, BROAD EXPERIENCE,
 AND FIRST-HAND KNOWLEDGE OF HOW TO COPE EFFECTIVELY WITH
 OUR NATION'S ECONOMIC PROBLEMS. ^{THAT IS WHY DR BURNS HAS SERVED 2 TERMS SO WELL NOW} THAT IS WHY I HAVE CHOSEN
BILL MILLER ~~FOR THE JOB.~~ ^{THE NEW} TO BE ^A CHAIRMAN.

EXTENSIVE CONSULTATIONS WITH A WIDE RANGE OF
BUSINESS AND FINANCIAL LEADERS CONVINCED ME THAT BILL MILLER
 ENJOYS THE HIGHEST RESPECT AND CONFIDENCE FROM THOSE WHO
 KNOW HIM.

HIS RECORD AS A BUSINESSMAN HAS WON HIM A POSITION
OF LEADERSHIP IN THE AMERICAN BUSINESS COMMUNITY. IN 1960,

AT THE AGE OF 35, HE BECAME PRESIDENT OF TEXTRON, INC., LATER
 BECOMING CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE BOARD.

HE IS ^{ALSO} ~~NOW~~ CHAIRMAN OF THE CONFERENCE BOARD, WHICH REPRESENTS

TOP AMERICAN BUSINESS LEADERSHIP *as a Business & Economic*

Research group

BILL MILLER HAS EXTENSIVE
~~HIS~~ EXPERIENCE AND KNOWLEDGE ~~EXTEND TO~~ ^{IN} INTERNATIONAL

BUSINESS AND FINANCE, ~~AS WELL AS DOMESTIC.~~

HE IS FAMILIAR WITH THE WORKINGS OF THE FEDERAL
RESERVE SYSTEM, HAVING SERVED AS A DIRECTOR OF THE FEDERAL
RESERVE BANK OF BOSTON FOR ~~SIX~~ ^{SEVEN} YEARS.

I AM PARTICULARLY IMPRESSED THAT HIS SUCCESS AS A
 BUSINESSMEN HAS NOT KEPT HIM FROM CONSISTENT PUBLIC SERVICE.
 AS CHAIRMAN OF THE NATIONAL ALLIANCE OF BUSINESSMEN, HE HAS
 HELPED FIND NEW WAYS TO HARNESS THE RESOURCES OF THE BUSINESS

6

COMMUNITY TO MEET SOME OF OUR MOST PRESSING PUBLIC PROBLEMS,
ESPECIALLY THE NEED TO CREATE MORE JOBS.

IT WAS BECAUSE I RECOGNIZED THE IMPORTANCE OF THIS
APPOINTMENT THAT I CONSULTED WIDELY BEFORE MAKING IT; AND
BECAUSE I VALUE THE CONTINUITY OF FEDERAL POLICY ^{MONETARY & ECONOMIC} ~~THAT~~ I HAVE BEEN
^{DR} ~~WAS~~ GRATIFIED TO HEAR ARTHUR BURNS EXPRESS HIS CONFIDENCE
IN BILL MILLER.

#

**Electrostatic Copy Made
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MEMORANDUM

THE PRESIDENT HAS SAID

THE WHITE HOUSE

WASHINGTON

December 28, 1977

MEMORANDUM FOR: THE PRESIDENT

THRU: ZBIGNIEW BRZEZINSKI
JODY POWELL

FROM: JERRY SCHECTER *J.S.*

SUBJECT: Background for TV Conversation

In summing up first year accomplishments on national security and foreign policy, you might refer to the Notre Dame speech in which you declare that "we can have a foreign policy that is democratic, that is based on fundamental values, and that uses power and influence ... for human purposes. We can also have a foreign policy that the American people both support ... and understand..."

This has been a year of conscious purpose and careful construction and design. You might want to reiterate that you have:

-- First, reaffirmed America's commitment to human rights as a fundamental tenet of our foreign policy.

-- Second, moved deliberately to reinforce the bonds among the major democracies both in developed and developing countries.

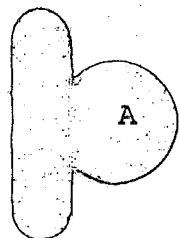
-- Third, engaged the Soviet Union in a joint effort to halt the strategic arms race.

-- Fourth, taken deliberate steps to improve the chances of lasting peace in the Middle East.

-- Fifth, attempted to reduce the danger of nuclear proliferation and the worldwide spread of conventional weapons.

Looking ahead to next year, you will be asked about prospects for the Mid East, Panama, SALT, and our defense posture. Talking points on these subjects are attached at Tab A.

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MIDDLE EAST DIPLOMACY IN 1977

-- I am very satisfied with the results of our Middle East diplomacy this year.

-- The situation as we found it was frozen; the parties were stuck on old positions; no active negotiations were underway.

-- I deliberately set out to encourage negotiations and to suggest some ideas that could serve as a flexible framework for negotiations.

-- In March, I spoke of the nature of peace, security and the establishment of recognized borders, and a solution to the Palestinian issue as the three key problems to be resolved.

-- It is gratifying to see how the parties have begun to come to grips with these problems. Egypt is offering Israel the peace and security to which it is entitled; Israel is not claiming sovereignty beyond the 1967 lines, but is emphasizing the need for concrete security arrangements; and serious talks have begun on the Palestinian problem.

-- In all of my talks with Middle East leaders, I emphasized that the parties themselves would have to work out the details of peace agreements. I urged them to talk face-to-face. This has now happened.

-- Although we spoke of Geneva as a forum for negotiations, the main point was to get talks started on the hard issues. Geneva was sidetracked because of procedural differences, which were bypassed by the bold actions of Sadat and Begin.

-- For the first time Egypt and Israel are discussing directly the nature of peace, the kind of relationship which could be established between them.

-- They are examining the details of what would be required to satisfy Arab requirements for sovereignty over territories which changed hands during the 1967 war and at the same time to provide the necessary assurances on security which is so important to Israel.

-- The political committee which will be meeting in Jerusalem in January will be examining the entire Palestinian question and working toward mutual understanding which hopefully will take into account the political and human aspirations of the Palestinian people within the context of Israeli security needs.

-- Serious negotiations are now underway. Differences remain, of course. At an early date, we hope that other concerned parties will decide to join the negotiations, but that is a determination for them to make.

-- On the whole, we have reason to be very satisfied with the progress toward peace in the Middle East in 1977 and the role that we have played in it.

MIDDLE EAST PROSPECTS FOR 1978

-- Momentum has been established; good progress can be made; Egypt and Israel are conducting talks in a spirit of true statesmanship.

-- Hard issues remain to be solved; other parties will have to join the process at some point; the gap is greatest on the difficult issue of the West Bank-Gaza and the Palestinians.

-- U.S. role is changing as a result of direct talks. Still have vital interest in Middle East peace; because of good relations with all parties, and confidence they show in us, we can help encourage negotiating process, facilitate contacts, make suggestions, and provide reassurances as necessary. This is an appropriate role for U.S. to play and one that is much more satisfying than being a mediator between parties who refuse to talk to one another.

-- Forthcoming trip will help to explore how we can best play our role in the months ahead; importance of talks with King Hussein and Saudi leadership in this regard.

-- Will emphasize our strong support for Sadat-Begin dialogue; for principle of a comprehensive peace settlement; and for broader participation in the negotiations. No specific proposals, but we remain in constant touch with parties.

-- Not our intention to press Hussein to join Cairo or Jerusalem meetings, but do want to understand his concerns and to encourage him to support the peace process as he sees fit. Jordan obviously has a special interest in the questions concerning the West Bank, Jerusalem and the Palestinians.

December 28, 1977

PANAMA

Q: What are the prospects for Senate passage of the Panama Canal Treaties and what happens if they are rejected?

A: -- There is a growing national consensus that the Panama Canal treaties are in our national interest and provide the best guarantee to ensure our objectives in an open, efficient, and neutral Canal.

-- Under the new treaties, we will always have the right to take whatever action is necessary to ensure that our merchant and naval ships will be able to transit the canal.

-- The new treaties will significantly improve our relations with Latin America and the entire developing world by showing that we are willing to deal with those countries on the basis of mutual respect.

-- I support the new treaties because they are right; they demonstrate that the strongest nation in the world is willing to work with one of the smallest nations to build a fairer and more equitable relationship. This is a test for the American people as well and our ability to adapt to a changing world and recognize that our self-interest changes.

-- The U.S. presently carries on about \$34 billion worth of trade each year with Latin America. Our foreign direct investment there is \$24 billion. We have a large stake in the region, and it will grow if the U.S. ratifies the new treaties.

SALT

Q: What has been accomplished in SALT this year? What are the remaining issues and how can they be solved? Can you get agreement through the Congress in view of concern about Minuteman vulnerability and cruise missiles?

A: We have accomplished a great deal.

-- In Moscow in March we offered the Soviets two proposals -- a bare bones, Vladivostok level agreement and a maximum proposal designed to sharply control strategic arms.

-- We have achieved a middle course. There will be significant reductions and the beginning of important limitations on modernization of strategic arms.

-- Moreover, we have established that this agreement will be part of a continuing negotiated agreement to reduce nuclear arsenals even further.

-- This agreement will not end the arms competition because it will not be as comprehensive as we want. But where competition can continue, the agreement will leave our options open to take action to respond to the Soviet Union as necessary.

There are some tough issues remaining with the Soviet Union. It is important to get a good start on controlling the qualitative arms race. This and several other important, specific issues have yet to be fully resolved in the negotiations.

But we are negotiating in a constructive, business-like manner. I wouldn't want to put a date on when the negotiations will end but with continued goodwill, agreement is not too far off.

I believe that Congress will support the agreement we negotiate. SALT involves issues of war and peace and I recognize and sympathize with the Congress' responsibility to insure that the agreement is sound. We have had unprecedented consultations with the Congress. We have had Senators actually participate in the negotiations. In contrast to SALT I, we have briefed the Congress in detail as the negotiations proceeded.

The agreement we intend to negotiate will result in a situation in 1985 that is far preferable to no agreement. The number of weapons and destructive capacity will be lower on both sides. The inequalities of the SALT I agreement will be erased. There will be strict control on qualitative improvements such as MIRVs. Our strength relative to the Soviet Union will be improved. The arms race ban for years threatened to make the strategic balance less stable. If, despite SALT II, this should occur, the US will be free to go forward, if necessary with its strategic programs: TRIDENT, Cruise Missiles, the new MX/ICBM. We hope that SALT III can eliminate this possibility and make

some, if not all, of these programs unnecessary. But if we must, we have the technological strength to go ahead with them.

When the Congress sees that an agreement will leave us better off than no agreement and that our military options are fully protected, I believe that there will be full support from the American people and their representatives in Congress.

DEFENSE BUDGET

Q: During your campaign you said you would cut \$5-7 billion from the Defense budget and subsequently Administration officials stated that 3% growth in the Defense budget would be required to maintain our defense against the Soviet buildup. There are reports that you have settled on a figure (\$126 billion) that appears to fulfill neither goal, cutting Harold Brown's recommendation by only \$4 billion and providing only slightly more than 2% real growth. What is your philosophy on defense policy and where are we heading with the first real Carter Defense budget?

A: The fact that America is at peace does not mean that we can neglect our defenses. I am determined to maintain a defense position second to none.

However, when I came into office I was determined not to play the old Washington game of sending Congress a Defense budget full of fat to insure against Congressional cuts. That is a haphazard process that does not assure that we will get the kind of defense we really need.

I have sat through hours and hours of discussion with Secretary Brown, with the Joint Chiefs, with the Office of Management and Budget, and my own NSC staff going over every major line item in the Defense budget. I was determined to produce a budget that represents my best judgment as to what we need and what the Congress should enact. I was determined not to include any fat or cut insurance. I will fight hard for every item I have included in next year's Defense budget.

My defense priorities are to maintain America's technological supremacy in strategic forces, to increase the capability and readiness of our conventional forces, and to expand our capacity to deal with threats to America's security on a global basis.

My budget reflects these priorities and I believe it will provide the basis for a more modern, more efficient military machine for America's defense.

This budget will be more than \$5-7 billion below what was budgeted for this fiscal year by the previous Administration. It will also represent a major increase in capability oriented in particular toward NATO.

But to be frank in this stage of our Defense programs, I could not justify a larger increase in funding for defense. This may not hold true in the future when our programs mature, but for now actual spending for defense will be at record levels and next year's budget will provide for real growth and a vigorous defense effort.

THE PRESIDENT HAS BEEN

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THE WHITE HOUSE
WASHINGTON
December 28, 1977

MR. PRES.
A GOOD THEME
TO WORK IN TONITE. IT
TIES IN WELL WITH OUR
BASIC THEME OF FACING THE TOUGH
QUESTIONS. THESE ARE THE
QUESTIONS THAT DEMAND A
CLEAR, COURAGEOUS
CONCEPT OF THE
COMMON GOOD.
Jody

MEMORANDUM FOR JODY POWELL

FROM: JIM FALLOWS *JF*

SUBJECT: Suggested Themes

Here are my suggestions of themes for the President's appearance this evening.

1) Community and the Common Good

My main feeling is that we should try to revamp the theme of common welfare, common interests, and common good that I believe Jimmy Carter stood for during the campaign.

Here is the passage from Barbara Jordan's convention speech on this subject:

"This is the great danger America faces: that we will cease to be one nation and become instead a collection of interest groups; city against suburb, region against region, individual against individual. Each seeking to satisfy private wants.

"If that happens, who then will speak for America?"

"Who then will speak for the common good?"

"This is the question which must be answered in 1976.

"Are we to be one people bound together by common spirit sharing in a common endeavor, or will we become a divided nation?"

"For all of its uncertainty, we cannot flee the future. We must not become the new puritans and reject our society. We must address and master the future together. It can be done if we restore the belief that we share a sense of national community, that we share a common national endeavor. It can be done ...

"We need to take to heart the words spoken by Thomas Jefferson: 'Let us restore to social intercourse that harmony and that affection without which liberty and even life are but dreary things.'"

What we've been trying to do in this Administration, through actions and words, is to restore and re-create our sense of community and of the common good.

A sense of community means that we recognize that we're all in the same boat. It means we help each other not as a way of showing how kind we can be to the less fortunate, but as a way of helping ourselves. We are Americans all -- we are the rich and the poor and the black and the white and the young and the old.

The danger is that instead of a community we will have nothing more than a collection of interest groups, and instead of the common good we will have nothing more than the outcome of a struggle among interest groups.

More than anyone else in the country, the President has the duty of trying to define and carry out the common good.

2) Shared Goals

For the first time in a generation, there is general agreement among our people about the goals a government should pursue, both at home and abroad. There are not sharp debates about the need for better health programs, for federal efforts to maintain a prosperous economy, for more honest and humane ways to help the poor and unemployed, for a more efficient government.

The debate now is about how to accomplish these ends, how to make the government achieve the ends most of us agree upon. This is the challenge we have been facing in the first year. It is a less glamorous task than international showdowns, and it takes a longer time to resolve. Much of it involves spending time simply pushing -- on the Congress, on the machinery of government, on the public -- to make sure that intentions become results. It has taken us in the Administration some time to realize how important the pushing is, and how much time must be devoted to it; that is one of the lessons experience has taught us. But we are confident that this slow, difficult work will in the end produce the richest results for our people.

#

THE PRESIDENT HAS SEEN.

1

MR. PRES.

DR. SCHLESINGER SUGGESTS A FEW POINTS TO MAKE ON ENERGY. I THINK THEY ARE MUCH BETTER THAN THE GENERALIZED DISCUSSION YOU HAVE BEEN GIVEN UP TO THIS POINT.

THE U.S. MUST ACCEPT ITS ROLE OF INTERNATIONAL LEADERSHIP IN THIS AREA. IF WE DO NOT HAVE THE WILL TO ACT, THE REST OF THE WORLD, PARTICULARLY THE SMALLER NATIONS CANNOT BE EXPECTED TO SHOULDER THE LOAD.

WE HAVE RECEIVED A STREAM OF ANXIOUS QUERIES FROM NATIONS ALL OVER THE WORLD ABOUT THE PROSPECTS FOR AN EFFECTIVE ENERGY POLICY. I EXPECT I WILL HEAR A GREAT DEAL ABOUT IT ON THIS TRIP, PERHAPS MORE THAN I WOULD LIKE CONSIDERING THE PRESENT CIRCUMSTANCES.

CONTINUED STALEMATE AND INACTION DAMAGES OUR DOMESTIC ECONOMY BY PROLONGING THE PERIOD OF UNCERTAINTY FOR THE BUSINESS AND FINANCIAL COMMUNITY.

EXPEDITIOUS ACTION NEXT YEAR, WHICH I FULLY EXPECT, WILL NOT ONLY HELP OUR DOMESTIC ECONOMY, BUT WILL SUBSTANTIALLY STRENGTHEN OUR DOLLAR OVERSEAS IN BOTH THE LONG AND SHORT TERM.

WE HAVE MADE A MAJOR EFFORT THIS YEAR TO PERSUADE THE OPEC TO HOLD DOWN PRICES. SO FAR WE HAVE BEEN SUCCESSFUL. WE CANNOT HOPE TO HAVE CONTINUED SUCCESS IN MODERATING INTERNATIONAL OIL PRICES IF WE ARE NOT ABLE TO CONTROL OUR OWN APPETITE.

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Jooy

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

ACTION

December 28 , 1977

MEMORANDUM FOR: THE PRESIDENT

FROM: ZBIGNIEW BRZEZINSKI

SUBJECT: Letter from Melvin Laird on SALT and
the Panama Canal Treaties

Melvin Laird has sent you a letter (Tab B) on SALT and the Panama Canal Treaties. His principal concerns are:

- that the Panama Canal Treaties unequivocally guarantee the US right of priority of passage and the right to act should we deem that such priority is threatened;
- that the Administration accurately convey the Soviet record in complying with the SALT ONE agreements (which Laird judges to be poor) and emphasize the danger of future Soviet treaty violations.

As you may know, Laird has written an article on Soviet compliance with the SALT ONE agreements (in the latest issue of the Reader's Digest). The article is inaccurate and distorts a compliance record which on balance has been quite satisfactory.

Attached at Tab A is a letter to Laird for your signature. It reassures him on the Panama Canal Treaties, mildly challenges his interpretation of the Soviet SALT compliance record, and solicits his support for the emerging SALT TWO agreement.

RECOMMENDATION

That you sign the letter to Laird at Tab A.

*ZB was given original
for delivery*

THE WHITE HOUSE

WASHINGTON

To Melvin Laird

I greatly appreciate your letter of December 9. The two issues you raise -- the relationship of the new Panama Canal Treaties to US security interests and the integrity of the SALT process -- are matters that I too feel strongly about, and I welcome your views.

I share your conviction that the Panama Canal remains important to US security. We have a national interest in assuring that the Canal stays open and accessible to US ships, on a priority basis if necessary. The new treaties fully protect these rights and they enhance our position to enforce them, because we would do so within the context of treaties freely entered into by both parties and supported, not only by the other nations of Latin America, but by world opinion as well.

Specifically, the treaties give us the unquestionable right, indeed the permanent right, to act against any aggression or threat directed against the Canal or against the peaceful transit of ships through the Canal. They also give us the right, in the event of need or emergency, to have American ships of war pass through the Canal as quickly as possible -- at the head of the line if necessary.

It is our judgment that these rights are clearly provided by the treaties and that Congressional reservations are not necessary. The Statement of Understanding issued by the United States on October 14 and Panama on October 18 confirms the common understanding of these provisions by both governments. It was publicly acknowledged by General Torrijos before the plebiscite on the treaties in Panama. It is the authoritative interpretation of these provisions, and it would be binding on future governments of both countries in the same manner as if formally appended to the treaty document.

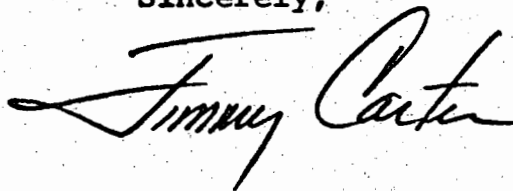
Your concern that the US must be firm in its commitment to full compliance with the agreements we reach with the Soviet Union -- on arms control as well as other areas -- is one that I share. We have not reached the point where we can rely upon trust or good faith in these agreements. The stakes simply are too high for that.

Therefore, you can be assured that I am thoroughly sensitive to the importance of full Soviet compliance with any agreement. There must be a public perception that the US will not tolerate any form of cheating. In negotiating SALT II, I have insisted that we be steadfast in our commitment to an agreement that can be adequately verified and that contains rigorous compliance standards in order to remove the kind of ambiguities that led to some of the concern you had expressed about SALT I. I will not relax this determination and we will continue to insist upon full Soviet compliance with any new SALT agreement. This point is important both to our national security and to our ability to maintain the support of the American people for further arms control agreements.

I know what a critical role you played in the ratification of SALT I. I deeply believe that the SALT II agreement that is emerging is one that advances the historic process that you helped to begin. I am hopeful that, when you study the final agreement, you will agree that it advances US interests and deserves the support of Congress and the American people.

I value your counsel in these matters. If you wish, I would be pleased to arrange for you to be briefed on the current status of the negotiations. I sincerely hope that you will feel free to continue to share your thoughts, your advice, and even your apprehensions with me in the future -- on these and other issues.

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 Melvin R. Laird
Senior Counsellor: National and
International Affairs
Reader's Digest
Pleasantville, New York 10570

THE WHITE HOUSE

WASHINGTON

FBI mm

Date: December 13, 1977

MEMORANDUM

FOR ACTION:
Zbig Brzezinski

FOR INFORMATION:
The Vice President
Hamilton Jordan

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Letter from Melvin Laid dated 12/9/77 re Panama and the Soviet Union.

YOUR RESPONSE MUST BE DELIVERED TO THE STAFF SECRETARY BY:
TIME: 10:00 AM
DAY: Thursday
DATE: December 15, 1977

ACTION REQUESTED:

Your comments

Other:

STAFF RESPONSE:

I concur.

No comment.

Please note other comments below:

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE
WASHINGTON

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

ACTION	FYI	
	/	MONDALE
		COSTANZA
		EIZENSTAT
	/	JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		McINTYRE
		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
		GAMMILL

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

READERS DIGEST



MELVIN R. LAIRD

Senior Counsellor: National and International Affairs

December 9, 1977

Dear Mr. President:

My concern about our worldwide mutual defense commitments as contained in our four bilateral treaties and four major multi-lateral treaties prompts this letter. It is written in the spirit of friendship and cooperation because of my concern over the drift our country is presently experiencing in recognizing these responsibilities.

I am concerned that current Administration efforts to protect these United States security responsibilities with Panama and the Soviet Union may fail. In the spirit of friendship and cooperation, I should like respectfully to set forth my apprehensions and to suggest means of circumventing the increasing hazards perceived by me.

The Senate, in my opinion, will not ratify the pending Panama Treaties unless convinced that the accords unequivocally guarantee the United States two explicit rights: (1) the right to Priority of Passage; and (2) the right to act should we deem Priority of Passage is threatened. Both Ambassadors Sol Linowitz and Ellsworth Bunker have assured Congressional committees that the treaties provide these rights and that the Carter-Torrijos communique implies recognition of them. However, the present wording of the treaties leaves doubt in the minds of a number of Senators, and I fear the requisite support cannot be marshalled unless these two rights are more clearly specified. Perhaps this might be most expediently achieved through their codification in the form of qualifications, by the Senate itself.

The issue involved in attempts to negotiate new Strategic Arms Limitation Agreement Treaties with the Soviet Union are more complex and grave. In confronting them, we must consider both the Soviet attitude and the attitude of the Congress as well as the American electorate.

I reported in the December issue of the Reader's Digest that the Soviet Union repeatedly and progressively has violated critical provisions of SALT I, and I am sure, Mr. President, that the Secretary of Defense can verify for you the factuality of my report. My ultimate purpose on illuminating these violations was to enhance your political capacity to forge realistic, effective, and productive new agreements with the Russians. Therefore, I have been chagrined by State Department and Arms Control and Disarmament Agency reactions to the evidence I disclosed.

State Department and Arms Control Agency spokesmen have sought to dismiss, obscure, rationalize or otherwise minimize the evidence. Some even have acted as Soviet apologists. For in recent days, Administration witnesses have continued to tell Congressional committees that we really cannot complain about massive Soviet interference with our "national means of verification" through widespread camouflage because we ourselves have engaged in camouflage. The facts are that at some missile sites we have erected for brief periods weather tarpaulins to protect publicly announced construction of which the Russians have been advised in advance. Upon hardening of newly poured concrete, the tarpaulins have been removed and the site permanently exposed to Soviet reconnaissance.

Meanwhile, the Soviet Union increasingly is resorting to elaborate camouflage to conceal missile production, test and launch sites, submarine assembly yards and other strategic centers in flagrant violation of the most fundamental tenets of SALT I. The encrypting of information from missile tests and other information is a direct violation and interference with our national means of verification. Our own Air Force wanted to do some of this after SALT I, and you will find that it was not permitted. This is clearly a violation. To equate our actions and theirs is preposterous, and it is dangerous.

By tolerating and masking Soviet violations, we cannot help but make the Russians think that we crave new treaties so desperately that we are willing to pay a dear price for them. Thus we do not give them incentive to bargain reasonably in creation of agreements acceptable to the Congress and the public; rather, we encourage them to extort from us the maximum possible advantages. And we engender the impression that we will not actually insist upon their compliance with whatever new agreements might be reached.

The evidence of Soviet SALT violations certainly will emerge in forthcoming Congressional hearings and debates. Administration failure now to acknowledge the violations and to declare them intolerable will only fortify the arguments of those who want no new SALT agreements in any circumstances. It will tend to erode the credibility of the Administration with the people. And it will make it more difficult to arouse political support if new treaties prove impossible.

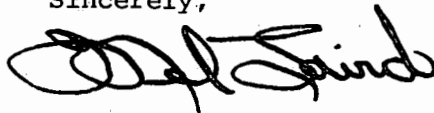
During the ratification hearings of SALT I, I was the principle Defense witness in support of the agreements before many Congressional committees. It is clearly our responsibility to call to public attention any evidence of interference with our national means of verification. All aspects of the agreements are difficult enough to verify against the closed society of the USSR. Secret confrontations will accomplish nothing. Public confrontation will be understood. This was proven in their early violations of testing radar in an ABM mode. Secretly we called this to their attention. They did nothing until they finished their tests and fully instrumented their system. Only then did they notify us that they had stopped testing.

Therefore, it seems to me that the Administration can best facilitate its dealings with both the Soviet Union and the Congress by frankly conveying to both a conviction that Soviet treaty violations pose the most serious problems.

I hope that you will not construe the candor with which I have written as presumptuous, but instead as manifestation of my continuing loyalty to and support of the President of the United States as you meet our worldwide treaty responsibilities.

With best wishes and kindest personal regards, I am

Sincerely,

A handwritten signature in black ink, appearing to read 'Melvin R. Laird', written in a cursive style.

Melvin R. Laird

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

THE PRESIDENT HAS SEEN.

8:00 P.M.

THE WHITE HOUSE

WASHINGTON

December 27, 1977

MEMORANDUM FOR THE PRESIDENT

FROM:

JODY POWELL *J.P.*
BARRY JAGODA *B.J.*

SUBJECT:

TV Conversation, Wednesday,
December 28, 8-9pm, Red Room

You will be interviewed by Tom Brokaw, NBC (who won a coin toss and will ask the first question); Barbara Walters, ABC; Robert McNeil, PBS; and Bob Schieffer, CBS.

Lillian Brown, your make-up artist, will be in the 2nd floor residence hair salon from 7:30 on. For lighting checks, you ought to be in the Red Room as close to 7:45 as possible, but no later than 7:50pm. Make-up must begin no later than 7:40.

At 45 seconds past 8pm, the stage manager will cue-you to say how pleased you are to have this opportunity to continue your efforts to communicate with the American people and to submit yourself to questioning from reporters. You might note that you have had twice-monthly news conferences and have met every other week with hometown editors. Also, you have attempted, through other forums, to stay in close-touch with the American people. Still, the number of interview requests far exceeds the number of hours in a day and you hope this opportunity for the whole country to watch and listen as you are questioned on significant issues will be beneficial to all. These remarks should be brief.

The questions will go on until about 8:56pm, at which point Brokaw will interrupt, say time is up, and thank you. If you want, you might thank them for coming to the White House, etc. but you should not speak for more than a few seconds in conclusion.

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ANNOUNCEMENT / M. S. B. / 12/28/77

JIM M. S. I. DIR OMB

7 YRS - MGMT - BUDG

CHARACTER / ABILITY

CAREER PUBLIC SERVANT

EFFICIENT GOVT

DEPUTY DIR OMB

ACTING DIRECTOR

POLICY & DETAILS

ZBB. REORG

79 BUDGET.

GOAL. % GNP ✓

CABINET / CONGRESS

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