

2/28/78

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WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Brzezinski to Pres. Carter, 25 pp., re: Indochinese refugees <i>11 pp. declassified per RAC NLC-126-11-30-1-5; NLC-126-11-30-3-3, 4/30/13</i>	2/28/78	A
Memo	Brzezinski to Pres. Carter, 6 pp., re: Taiwan	2/28/78	A

FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Presidential Handwriting File 2/28/78 Box 74

RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
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THE PRESIDENT'S SCHEDULE

Tuesday - February 28, 1978

- 8:15 Dr. Zbigniew Brzezinski - The Oval Office.
- 8:45 Mr. Frank Moore - The Oval Office.
- 9:00 Congressman Walter Flowers. (Mr. Frank Moore).
(10 min.) The Oval Office.
- 10:00 Mr. Jody Powell - The Oval Office.
- 10:30 Announcement of the Administration's Elementary
and Secondary Education Proposals - The Press Room.
- 11:15 Senator Quentin N. Burdick. (Mr. Frank Moore).
(15 min.) The Oval Office.
- 11:30 Vice President Walter F. Mondale, Admiral
(20 min.) Stansfield Turner, Dr. Zbigniew Brzezinski
and Mr. Hamilton Jordan - The Oval Office.
- 12:00 Secret Service Assistant Directors Burrill
(5 min.) A. Peterson and Thomas J. Kelley. (Mr. Hugh
Carter) - The Oval Office.
- 1:15 Senator Muriel Humphrey/Family. (Mr. Frank
(10 min.) Moore) - The Oval Office.
- 2:00 Senator Robert Morgan and Governor James B. Hunt, Jr.
(15 min.) (Mr. Jack Watson) - The Oval Office.
- 2:30 Senator Floyd Haskell. (Mr. Frank Moore) - Oval Office.
(15 min.)
- 7:30 Evening with Governors (BLACK TIE) - The State Floor.

ANNOUNCEMENT/ELEMENTARY AND SECONDARY
EDUCATION PROPOSALS
FEBRUARY 28, 1978

THE PRESIDENT HAS SEEN

MY FIRST PUBLIC OFFICE WAS AS A MEMBER OF THE SUMTER COUNTY
SCHOOL BOARD, AND I HAVE NEVER LOST MY ^{EARLY} CONVICTION THAT THE NOBLEST
TASK OF GOVERNMENT IS EDUCATION.

IN THIS TASK, THE FEDERAL GOVERNMENT MUST BE A RELIABLE
PARTNER OF OUR STATE AND LOCAL GOVERNMENTS.

2

THERE ARE THREE MAJOR ELEMENTS IN MY EDUCATIONAL
PROPOSALS TO CONGRESS FOR THIS YEAR.

FIRST, I HAVE ASKED CONGRESS TO WORK WITH ME IN CREATING
A CABINET-LEVEL DEPARTMENT OF EDUCATION, AS I PROMISED DURING
MY CAMPAIGN.

EDUCATION IS FAR TOO IMPORTANT A MATTER TO BE SCATTERED
PIECEMEAL AMONG VARIOUS GOVERNMENT DEPARTMENTS AND AGENCIES WHICH
ARE OFTEN BUSY WITH OTHER SOMETIMES DOMINANT CONCERNS.

WE MUST PULL OUR EDUCATION PROGRAMS TOGETHER IF WE ARE TO
ASSURE THEM OF THE FULL ATTENTION THEY DESERVE.

SECONDLY, I RECENTLY PROPOSED A PLAN TO CONGRESS THAT WOULD
MAKE FINANCIAL HELP AVAILABLE EACH YEAR TO TWO MILLION MORE COLLEGE
STUDENTS THAN ARE NOW ELIGIBLE.

COLLEGE COSTS HAVE GONE UP 77 PERCENT IN THE LAST TEN YEARS --
A BURDEN ON MANY LOW- AND MIDDLE-INCOME FAMILIES WHICH WE MUST EASE.

NO ABLE STUDENT SHOULD BE DENIED A COLLEGE EDUCATION BECAUSE
THE FAMILY CANNOT AFFORD IT.

MY PROPOSALS WILL BRING US CLOSER TO MAKING THIS A REALITY.

TODAY, AS THE THIRD ELEMENT IN THIS YEAR'S EDUCATIONAL PACKAGE,
I AM SENDING CONGRESS MY MAJOR LEGISLATIVE PROPOSALS ON ELEMENTARY
AND SECONDARY EDUCATION.

ALTOGETHER WE ARE SEEKING AN INCREASE OVER THIS YEAR'S SPENDING
OF 24 PERCENT AND A TOTAL INCREASE OF 46 PERCENT ~~AND~~ \$4 BILLION IN THE
LAST TWO FISCAL YEARS.

THESE MUCH-NEEDED ^{ADDITIONAL} INCREASES ~~IN~~ FUNDS FOR ELEMENTARY AND
SECONDARY EDUCATION ARE THE LARGEST PROPOSED BY ANY PRESIDENT SINCE
THE CREATION OF THE PROGRAM BY PRESIDENT LYNDON JOHNSON AND THE
CONGRESS MORE THAN A DECADE AGO.

MOST OF THESE CHANGES WILL LET US CHANNEL FEDERAL FUNDS MORE EFFICIENTLY, EFFECTIVELY AND DIRECTLY TO THOSE SO OFTEN SHORTCHANGED IN OUR EDUCATIONAL SYSTEM BECAUSE OF SOCIAL PROBLEMS OR POVERTY.

TODAY'S PROPOSALS WILL FOCUS OUR NATION'S RESOURCES ON HELPING OUR CHILDREN MASTER THE BASIC SKILLS -- READING, WRITING, AND ARITHMETIC -- WHICH REMAIN CRITICAL TO THEIR ABILITY TO FUNCTION IN A COMPLEX SOCIETY.

WE MUST DO A BETTER JOB OF TEACHING THESE BASIC SKILLS TO ALL OUR CHILDREN.

WE CANNOT FAIL TO MAKE THE BEST USE OF OUR PRIMARY WEAPON
AGAINST IGNORANCE AND LACK OF OPPORTUNITY -- OUR SCHOOLS.

AS WE IMPROVE OUR ELEMENTARY AND SECONDARY SCHOOL SYSTEM,
ALL AMERICANS WILL BENEFIT.

#

1080

THE WHITE HOUSE
WASHINGTON

2/28/78

Mr. President:

Attached is the education
statement for 10:30 AM
(as revised).

Rick

10:30 AM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 27, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT *Stu*

SUBJECT: Education Message Announcement
Tuesday, February 28, 1978 - 10:30 a.m.

Attached please find the Education Message for tomorrow which has been drafted in coordination with HEW and Jim Fallows' staff, and talking points which we have developed together with Jim's staff.

You will have signed the message before your brief statement to the press.

After your remarks, the Vice President will likewise make brief remarks and Secretary Califano will be available to answer questions.

Members of Congress who will be present at the briefing are:

Congressman Carl Perkins (D-Ky)
Congressman William Ford (D-Mich)
Congressman Michael Blouin (D-Iowa)
Congressman Theodore Weiss (D-NY)
Resident Commissioner Baltasar Corrada (Puerto Rico)
Congressman Dale Kildee (D-Mich)
Senator Thomas Eagleton (D-Missouri)
Senator Robert Stafford (R-Vermont)

STATEMENT BY THE PRESIDENT

My first public office was as a member of the Sumter County School Board, and I have never lost my conviction that the noblest task of government is education.

In this task, the Federal government must be a reliable partner of our State and local governments.

There are three major elements in my educational proposals to Congress for this year.

First, I have asked Congress to work with me in creating a Cabinet-level Department of Education, as I promised during my campaign.

Education is far too important a matter to be scattered piecemeal among various government departments and agencies which are often busy with other sometimes dominant concerns. We must pull our education programs together if we are to assure them of the full attention they deserve.

Secondly, I recently proposed a plan to Congress that would make financial help available each year to two million more college students than are now eligible.

College costs have gone up 77 percent in the last ten years -- a burden on many low- and middle-income families which we must ease. No able student should be denied a college education because the family cannot afford it. My proposals will bring us closer to making this a reality.

Today, as the third element in this year's educational package, I am sending Congress my major legislative proposals on elementary and secondary education.

Altogether we are seeking an increase over this year's spending of 24 percent and a total increase of 46 percent and \$4 billion in the last two fiscal years.

These much needed increases in funds for elementary and secondary education are the largest proposed by any President since the creation of the program by President Lyndon Johnson and the Congress more than a decade ago.

Most of these changes will let us channel Federal funds more efficiently, effectively and directly to those so often shortchanged in our educational system because of social problems or poverty.

Today's proposals will focus our Nation's resources on helping our children master the basic skills -- reading, writing, and arithmetic -- which remain critical to their ability to function in a complex society. We must do a better job of teaching these basic skills to all our children.

We cannot fail to make the best use of our primary weapon against ignorance and lack of opportunity -- our schools.

As we improve our elementary and secondary school system, all Americans will benefit.

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. It is written over a faint horizontal line.

STATEMENT BY THE PRESIDENT

My first public office was as a member of the Sumter County School Board, and I have never lost my conviction that the noblest task of government is education.

In this task, the Federal government must be a reliable partner of our State and local governments.

There are three major elements in my educational proposals to Congress for this year.

First, I have asked Congress to work with me in creating a Cabinet-level Department of Education, as I promised ~~I would~~ during my campaign.

Education is far too important a matter to be scattered piecemeal among various government departments and agencies which are often busy with other ^{sometimes dominant} concerns. We must pull our ^{education} programs together ~~under one roof~~ if we are to assure them of the full attention they deserve.

Secondly, I recently proposed a plan to Congress that would make financial help available ^{each year} to two million more college students than are now eligible.

College costs have gone up 77 percent in the last ten years -- a burden on many low- and middle-income families which we must ease. No able student should be denied a college education because ~~his or her~~ ^{the} family cannot afford it. My proposals will bring us closer to making this a reality.

Today, as the third element in this year's educational package, I am sending Congress my major legislative proposals on elementary and secondary education.

Altogether we are seeking ^{an} ~~the largest~~ increase in ~~funds for education in nearly a decade -- a rise over~~ this year's spending of 24 percent and a total increase of 46 percent and \$4 billion in the last two fiscal years.

These much needed 2

The ^A increases ~~I am requesting~~ in funds for elementary and secondary education are the largest proposed by any President since the creation of the program by President Lyndon Johnson and the Congress more than a decade ago.

Most of the ^{these} ~~changes I am proposing to Congress~~ today will let us channel Federal funds more efficiently, effectively and directly to those so often shortchanged in our educational system ~~the poor and the helpless~~ ^{because of social problems or poverty.}

^{Today's} The ^A proposals ~~I am sending to Congress~~ will focus our Nation's resources on helping our children master ~~the~~ these basic skills -- reading, writing, and arithmetic -- which remain critical to their ability to function in a complex society. ~~I believe we can~~ ^{We must} do a better job of teaching these basic skills to all our children.

~~If we do not act, we will~~ ^{cannot} fail to make the best use of our primary weapon against ignorance and lack of opportunity -- our schools.

^{As we} ~~If we do~~ improve the ~~whole~~ ^{entire} elementary and secondary school system, ^{Americans will} ~~we will~~ all benefit.

TALKING POINTS

THE WHITE HOUSE
WASHINGTON

February 28, 1978

Zbig Brzezinski

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

cc: Rick Hutcheson
The Vice President
Stu Eizenstat
Hamilton Jordan
Bob Lipshutz
Frank Moore
Jim McIntyre

RE: INDOCHINESE REFUGEES

CONFIDENTIAL ATTACHMENT

DECLASSIFIED
Per: Rac Project
EGDN/MLC-126-11-30-1-5
BY: K5 J. NARA DATE 7/3/13

DATE: 25 FEB 78

FOR ACTION: STU EIZENSTAT

1978 FEB 25 PM 1 04 HAMILTON JORDAN

BOB LIPSHUTZ

FRANK MOORE (LES FRANCIS)

JODY POWELL

JACK WATSON

JIM MCINTYRE

INFO ONLY:

The Vice President

~~CONFIDENTIAL~~

SUBJECT: ~~CONFIDENTIAL~~ BRZEZINSKI MEMO RE INDOCHINESE REFUGEES

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND IS REQUESTED

DECLASSIFIED
 Per: Rac Project
 ESDN: NLC-126-30-5-3
 BY 125 NARA DATE 7/3/13

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

The States have taken impressive steps to respond to the Indochinese refugee problem. In general, they show a continued willingness to receive and assist such refugees. Most comments focus on the uncertainty of the federal policy and the need for frequent renewals of authorizing legislation. The State Department proposal would produce the certainty the States desire.

Because of the central role in dealing with the problem, consultation with the States should take place along with any Congressional discussion, similarly any public announcement of Administration policy should be preceded by courtesy briefings of key Governors.

DATE: 25 FEB 78

FOR ACTION: STU EIZENSTAT

HAMILTON JORDAN

BOB LIPSHUTZ

FRANK MOORE (LES FRANCIS)

~~JODY POWELL~~

JACK WATSON

JIM MCINTYRE

INFO ONLY:

The Vice President

~~CONFIDENTIAL~~

SUBJECT: ~~CONFIDENTIAL~~ BRZEZINSKI MEMO RE INDOCHINESE REFUGEES

+++++

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND IS REQUESTED

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

DECLASSIFIED
 Per, Rac Project
 ESDN: NLC-136-11-30-3-3
 BY 125 NARA DATE 4/3/13

PLEASE NOTE OTHER COMMENTS BELOW:

I do not see how we can be any thing but generous to these people. We do have a moral responsibility here and we ought to meet it. I seriously doubt that as regard to problem 1, p. 2 our quota will figure significantly in the decision of these people to flee. Is there any evidence anywhere that that such

factors ~~have~~ play a role at all
in such major decisions or that the
avg. ~~of~~ person in these societies
is even aware of ~~the~~ such
detailed information? I doubt it.

ID 781033

T H E W H I T E H O U S E

WASHINGTON

DATE: 25 FEB 78

FOR ACTION: STU EIZENSTAT

HAMILTON JORDAN

~~BOB LIPSHUTZ~~

FRANK MOORE (LES FRANCIS)

JODY POWELL

JACK WATSON

JIM MCINTYRE

INFO ONLY:

The Vice President

SUBJECT: ~~CONFIDENTIAL~~ BRZEZINSKI MEMO RE INDOCHINESE REFUGEES

+++++
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +
+ BY: *[Signature]* +
+++++

ACTION REQUESTED: IMMEDIATE TURNAROUND IS REQUESTED

STAFF RESPONSE: I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

[Handwritten initials]

DECLASSIFIED
Per, Rac Project
ESDN: NLC-126-10-30-3-3
BY *KS* NARA DATE *7/3/13*

~~CONFIDENTIAL~~

confidential

THE WHITE HOUSE
WASHINGTON

ESDN; NLC-126-11-30-4-5

BY 1<5 NARA, DATE 4/3/13

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return orig to me

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<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

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<input type="checkbox"/>	PETTIGREW
<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
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<input type="checkbox"/>	WARREN

~~CONFIDENTIAL~~

THE WHITE HOUSE
WASHINGTON

February 27, 1978

MEMORANDUM FOR: THE PRESIDENT
FROM: ZBIGNIEW BRZEZINSKI
SUBJECT: VANCE MEMO RE: INDOCHINESE REFUGEES

STATE DEPARTMENT RECOMMENDATION

In the memorandum at Tab A the State Department asks you to establish a longer-term Indochinese refugee policy which would provide for the regular admission of refugees escaping by boat who have no offer of resettlement elsewhere and refugees escaping by land, who are closely associated with the United States. This is estimated to be 25,000 per year for the next few years.

The State Department has come forward with this recommendation in response to a general feeling that we need a more regular and orderly way to deal with the Indochinese problem, rather than waiting until an emergency exists before acting.

The Immigration Subcommittee of the House of Representatives has scheduled hearings on the Eilberg refugee bill for Wednesday, March 1, and administration witnesses are scheduled to testify.

OTHER CONSIDERATIONS

In essence, you are being asked to approve a policy for Indochinese refugees while the State and Justice Department continue to draft an overall policy affecting other refugees. The Justice Department opposes this approach and feels strongly that:

- A comprehensive policy for all refugees is needed. Moreover, there would be less opposition to admitting Indochinese refugees if linked to a more comprehensive policy including the admission of Soviet Jews.

DECLASSIFIED

Per: Rac Project

ECDN; NLC-126-11-30-1-5

BY: JCS NARA DATE: 4/8/15

~~CONFIDENTIAL~~

- The State Department proposes to explore the possibility of introducing legislation to implement their proposal, but any immediate implementation of the policy would be through the Attorney General's parole power. The Justice Department opposes the continued use of the parole power in situations such as the Indochinese refugees because:
 - The parole power was not meant to be exercised for the wholesale relocation of refugees. It was originally established to help certain types of seamen enter the U.S. (e.g., shipwrecked sailors or sailors from Communist vessels jumping ship.)
 - There has been increasing Congressional criticism of using the parole power in these situations. Congress has recently insisted on hearings each time the Attorney General consults on the additional use of the parole power. While it is true that Kennedy favors liberal use of the parole authority, Congressman Eilberg and Senator Eastland are strongly opposed.

OMB and the Congressional Relations staff have raised the following concerns:

- The proposal as submitted to you contains no firm recommendation on reimbursing costs to local governments, but simply notes that if past reimbursement levels are continued the cost would be \$78 million over a four year period. Failure to reach a decision on reimbursement prior to announcement of the policy would cause serious criticism from affected states.
- It is not clear from the memorandum whether Congress has been adequately consulted. Although there is some support for an expanded and more regular admission policy, there is also some resistance.

There has been considerable agreement between the State and Justice Department on the principles which are required for a sound refugee policy.

The essence of the remaining disagreement between Justice and State on the overall policy question comes to whether we should support the Eilberg approach of placing some numerical

limitations on the normal flow refugees, or whether we should avoid numerical limits altogether. The differences within the Administration reflect those on the Hill, with the Justice Department in agreement with Eilberg and Eastland that there should be numerical limitations, and the State Department and Senator Kennedy opposing them.

These differences could be quickly brought to a head, and submitted to you for decision.

In light of the above considerations, OMB, the Congressional Relations staff and your Domestic Policy staff feel that you should hold a decision on Indochinese refugees and:

- JC
- Ask that the State and Justice Departments develop a comprehensive policy position within 14 days, including a firm recommendation on reimbursement costs to local governments and a frank assessment of probable Congressional reaction.
 - Request a continuance of the Judiciary Committee hearing, and, if this proves impossible, present general testimony and return when a decision has been made on a comprehensive policy.

NSC RECOMMENDATION

However, I feel that the Vietnamese issue raises not only moral problems but has become also politically urgent. The New York Times is attacking us editorially for inaction and the Congress is proceeding with hearings which will be quite critical in their direction. Accordingly, I feel you should approve the general approach proposed by Cy Vance, as indicated on page 3 of his memorandum. This approval can then be followed by the development of the comprehensive policy recommended above by the OMB, the Congressional Relations staff and your Domestic Policy staff.

If you agree, please so indicate on page 3 of Vance's memorandum.

If you do not, please indicate whether the two specific recommendations marked with • are your preferences. _____

Other _____

THE SECRETARY OF STATE
WASHINGTON

LIMITED OFFICIAL USE

MEMORANDUM FOR: THE PRESIDENT
From: Cyrus Vance *CV*
Subject: Indochinese Refugees

In the next weeks before the present emergency parole authority for 7,000 boat refugees is exhausted, we must move this problem away from a series of crises into a more normal policy for the continuing acceptance of Indochinese refugees. The need for such a policy is evident if we are to avoid further drowning of refugees at sea and to mitigate the suffering of land refugees in camps in Thailand.

The United States has undertaken regularized commitments in the past in the case of refugees from the Soviet Union, Eastern Europe, Cuba, and China. Given our past involvement in Indochina, I believe that we must follow such a policy towards refugees from this part of the world, as well.

Such a policy needs to be limited. I believe those limits should be defined in terms of classes of refugees. The Inter-Agency Task Force recommended last fall, and I still concur, that those refugees whom we continue to admit should be:

- refugees escaping by boat and with no other offer of resettlement, and
- refugees escaping by land who have close relatives in this country or other close association with the United States.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

-2-

If we adopt this policy, this means we could accept as many as 25,000 refugees this year. This is less than the number of legal immigrants that enter the United States annually from some single countries such as Korea or the Philippines. During the same period the international community is expected to accept about 18,000 Indochinese refugees for permanent resettlement.

There is substantial support for such a U.S. policy from the voluntary agencies responsible for resettlement of Indochinese. International Rescue Committee president Leo Cherne is leading a blue ribbon commission of private citizens through Southeast Asia to examine the refugee problem first hand, including distinguished Protestant, Catholic and Jewish members. The commission is expected to recommend strongly a more regular acceptance policy for Indochinese refugees. Senator Kennedy is also strongly supportive.

We need at this stage your approval to continue to admit the two classes of Indochinese refugees.

We will then continue to:

- consult with the Congress on appropriate authorities for the admission of these refugees, including continued use of the parole power, if necessary.
- maintain international responsiveness to the problem; a long-term U.S. commitment could encourage further offers of resettlement to Indochinese from other countries.
- work with the government of Thailand to move toward permanent resettlement in Thailand of the Indochinese refugees remaining there.

It is important to reach a decision by February 22, when the Immigration Subcommittee of the House of Representatives has scheduled a second hearing on this subject, at which State and Justice representatives will testify.

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LIMITED OFFICIAL USE

-3-

Recommendation

That this year the United States accept on a regular basis the same classes of Indochinese refugees whom we have been admitting in an ad hoc manner over the past two years, i.e., refugees escaping by boat without offer of resettlement and refugees escaping by land and closely associated with the United States.

Approve _____

Disapprove _____

LIMITED OFFICIAL USE

ID 781033

THE WHITE HOUSE

WASHINGTON



DATE: 25 FEB 78

FOR ACTION: STU EIZENSTAT *All Monday*

HAMILTON JORDAN

BOB LIPSHUTZ *concur*

✓ FRANK MOORE (LES FRANCIS) *etc w/ Dodino*

JODY POWELL *attached*

JACK WATSON *attached*

✓ JIM MCINTYRE *on Monday*

INFO ONLY: THE VICE PRESIDENT

~~CONFIDENTIAL~~

SUBJECT: ~~CONFIDENTIAL~~ BRZEZINSKI MEMO RE INDOCHINESE REFUGEES

+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +

+ BY: +

ACTION REQUESTED: IMMEDIATE TURNAROUND IS REQUESTED

STAFF RESPONSE: () I CONCUR. () NO COMMENT. () HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

7? PM
Thurs February; was used
to ck w/ Dodino
UJ
etc w/ Corp

DECLASSIFIED
 Per: Rac Project
 ESDN: NLC-126-11-30-1-5
 BY: KS NARA DATE: 4/3/13

Carp

DECLASSIFIED

THE WHITE HOUSE Per, Rac Project

WASHINGTON

ESDN; NLC-126-11-30-1-S

BY KS NARA, DATE 4/3/13

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<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE WHITE HOUSE
WASHINGTON

2-28-78

To Juanita Kreps
These are Commerce
forms. Please
explain -

J.C.

GOLD KIST INC.
MARKETING GROUP
February 8, 1978

166
*you have expressed
some interest in this
area - This is a small
matter but might find
you some ideas of
what's going on in
agriculture Dept.
(K)*

MEMO TO: Roger Hill
FROM: Wayne Sims *Ways*
SUBJECT: GOVERNMENT REPORTS

We continually hear on the news media about reducing the amount of reports which the government requires. This appears to be working in reverse. Last year the Peanut Division was required to do four each of MA-100's. This year the same four MA-100's were required and 11 forms CB-50S were added. The additional reports were of the same magnitude in the Oil Products Division.

I am not sure who we should complain to, however, it is taking a great deal of effort and in most instances this effort is required of our management personnel rather than of our clerical personnel. I personally feel that top management should be made aware of this increased load and cost since it takes approximately six hours per report.

pmf

cc: Gaylord Coan
Peter Gibbons
D. W. Sands



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

FEB 28 1978

91

MEMORANDUM FOR THE PRESIDENT

SUBJECT: GOVERNMENT REPORTS

This is in response to your request for my comments on the February 8 memorandum from Wayne Sims of Gold Kist Inc. to Roger Hill concerning government reports.

The Forms MA-100 and CB-50S cited by Mr. Sims are reports required by the Bureau of Census, Department of Commerce, not USDA. Form MA-100 is a part of the Census of Manufactures. Form CB-50S is used in the Census of Distributive Trades.

Here in USDA we have made significant progress in reducing the public reporting burden. Since you took office, we have achieved a reduction of 5 percent. You may be assured that our efforts to make further reductions will continue.

A handwritten signature in black ink, appearing to read "Bob Bergland".

BOB BERGLAND
Secretary

cc: Juanita Krebs
w/incoming copy

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 28, 1978

MEMORANDUM FOR THE PRESIDENT

FROM:

FRANK MOORE *F.M./or*

SUBJECT:

TALKING POINTS FOR MEETING WITH
SENATOR CLIFFORD HANSEN (R-WYO.)
February 28, 1978
2:30 p.m. (15 minutes)
The Oval Office

1. I am sure that you can agree with me, Senator, about the need for a natural gas bill. Whether we consider producer interests or consumer interests, the nation cannot continue to allow the situation to deteriorate given the unworkable regulatory framework with which we are now faced. I believe it is essential that all sides recognize that to get a bill, both sides in this matter are going to have to give some ground or make changes in their traditional positions.
2. I believe Senator Jackson has made a sincere major effort in this direction.
3. But his efforts will go for naught if the polarization on the other side continues and there is no similar movement.

The nation needs an energy bill and gas bill, and movement on your side is essential.
4. I believe that the two sides are moving very close to resolution. While you might not be able to support that resolution actively, your influence with members of your party who must sign on to obtain the necessary votes is essential. I hope that we can work together to achieve that end.

Background Note

Senators Jackson, Domenici, Hatfield, and Johnston are meeting through the course of today to resolve the final definitional questions and see if agreement can be reached on either side.

The definition the Secretary mentioned to the President on Saturday would allow a specific incentive price of \$1.75 plus inflation for extension wells drilled in old reservoirs. This would be a compromise from the sold and delivered concept in the Pearson-Bentsen bill. The provision would add about \$3.5 to 4.0 billion to the cost of the Jackson proposal of February 2, 1978.

The compromise position gives the producers a special incentive but will not allow gas from the vast majority of wells to become deregulated.

THE WHITE HOUSE

WASHINGTON

February 28, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

SUBJECT: ADDENDUM - MEETING WITH SEN. HANSEN (D-Wyo.)

Senator Hansen is the Ranking Minority Member on the Energy and Natural Resources Committee. As a consequence, he is the leader of the Senate Republicans in the natural gas conference.

He is also the second ranking minority member (behind Senator Curtis) on the Finance Committee. As such, he is a member of the energy tax conference.

He is retiring after this year and plans to go back to Wyoming.

Hansen rarely votes with us on energy issues but there are ways he can help us get a gas and a tax bill even if he cannot support the ultimate compromise.

EYES ONLY

COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

C
/

THE PRESIDENT HAS SEEN.

CHARLES L. SCHULTZE, CHAIRMAN
LYLE E. GRAMLEY
WILLIAM D. NORDHAUS

February 28, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Bill Nordhaus *WN*

SUBJECT: Leading Indicators for January
(to be released at 2:00 p.m. today)

The Commerce Department will announce this afternoon that the index of leading indicators fell 1.9 percent for January over December. This is the largest monthly decline since the 1974-75 recession.

The index contains no new information. Rather it puts together the bits and pieces of poor results that were already announced for January -- particularly the big drop in weekly hours in manufacturing and the very poor construction performance.

Recent performance (including yesterday's CPI) will probably raise questions in the press and financial community about the direction the economy is heading. As we reported to you last week, the data are puzzling. The poor weather was responsible for some of the bad news, but not all. February will probably show weakness due to the coal strike. At present, there is simply no way to separate these special factors from underlying forces.

EYES ONLY

2:00 PM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE
WASHINGTON

February 27, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JACK WATSON *Jach*

SUBJECT: Your Meeting with Senator Robert Morgan (D-NC)
and Governor James B. Hunt, Jr. (NC)
Tuesday, February 28, 1978
2:00-2:15 p.m. Oval Office

The principal purpose of this brief meeting is to allow Governor Hunt and Senator Morgan to personally express their concerns about Secretary Califano's smoking campaign. Governor Hunt has briefly discussed the issue with Secretary Califano and, when coupled with your own public statement reiterating your continued commitment to the tobacco price supports, he is not expecting a change in either your positions or Secretary Califano's. This meeting will allow him to get out from under heavy pressure he is receiving in North Carolina and from other tobacco states on the issue.

Governor Hunt is also concerned that the urban policy not have a "big city/Northeast" bias. The Governor serves as Chairperson of the Small City Subcommittee of the National Governors' Association. You may wish to reassure him that the policy will provide sufficient flexibility to allow governors to target federal funds to communities in distress whether they are large or small. My staff and I have met with the Governor on this issue both in Raleigh and Washington over the last two weeks.

Frank Moore has asked that you try to speak to Senator Morgan alone, either at the beginning or the end of the meeting, to thank him for the support he has given on the Panama Canal Treaties. Senator Morgan is beginning to feel slighted on this issue, and these words of recognition should buoy his spirits.

There will be no press coverage of the meeting but we will have a photographer present at the session. Governor Hunt and Senator Morgan will likely meet with reporters after the meeting.

Attached as a reminder is your letter to Senator Morgan of February 15, 1978 on the tobacco issue.

February 15, 1978

To Senator Robert Morgan

Thanks for your frank letter of February 1, expressing your delegation's concerns about the future of the tobacco industry.

The Secretary of Health, Education, and Welfare has a responsibility to adequately inform the public of the package warning "The Surgeon General has determined that cigarette smoking is dangerous to your health", and he must have the flexibility necessary to carry out this duty in a responsible manner.

I personally do not approve of prohibition or the use of government authority to prevent people who, after notice, desire to smoke. Consequently, I have instructed the Secretary to advise me of what research projects, if any, are underway which would indicate whether or not other people's cigarette smoke presents a health hazard to other than a small number of individuals.

On a number of occasions I have expressed my views concerning the importance of the 600,000 farm families that derive their income from tobacco, and I am particularly sensitive to those from North Carolina where tobacco represents almost half of this \$2.3 billion cash crop. The strategy which we adopt will, above all, be one that works, and deals realistically with the industry and social fabric which over the years has built up around cigarette use.

As you know, the policy of this Administration supports efforts to advise people of the health hazards of smoking, and supports continuation of our existing tobacco programs within the Department of Agriculture.

Sincerely,

JIMMY CARTER

The Honorable Robert Morgan
United States Senate
Washington, D.C. 20510
JC/fm/rr/nm
bcc w/cy of incmg to Dr. Bourne, FYI

2-3/SU4

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 27, 1978

FAREWELL PHOTOGRAPH WITH ASSISTANT DIRECTORS PETERSON & KELLEY, USSS

Tuesday, February 28, 1978
12:00 Noon (5 minutes)
The Oval Office

From: Hugh Carter *HC*

I. PURPOSE

Farewell Photograph

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: Both Assistant Directors Burrill Peterson and Tom Kelley are retiring today after more than 35 years' service with the Secret Service. They hold two of the top five jobs in the Service.

Burrill Peterson is responsible for the supervision of the field agents in the 62 field offices; the arrest and prosecution of those who are involved in counterfeiting and forgery; and the field support for our travelling protective details.

Tom Kelley is responsible for the supervision of all personnel assigned to protective details, in addition to the Uniformed Division (EPS). They will be attending a retirement dinner in their honor tonight.

- B. Participants: Burrill Peterson
Virginia Peterson

Tom Kelley
Helen Kelley

Director Stu Knight, USSS
Hugh Carter

- C. Press Plan: White House photographer

1:15 PM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 27, 1978

MEETING WITH SENATOR MURIEL HUMPHREY AND FAMILY

Tuesday, February 28, 1978

1:15 p.m. (10 minutes)

The Oval Office

From: Frank Moore *F.M./pd*

I. PURPOSE

This is a courtesy call for the new Senator.

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

A. Background: Senator Humphrey was sworn in on Monday, February 6.

B. Participants: The President
Senator Muriel Humphrey
Benjamin (Benji) Humphrey
Frank Moore

C. Press Plan: White House Photo

III. TALKING POINTS

A. Benji Humphrey is the 8 year old child of Bob Humphrey and is the Senator's only grandchild who has not personally met you.

B. The Senator made her first speech on the Senate Floor on Friday -- supporting the Panama Canal Treaties. Attached is a copy for your information.

X

Mr. ROBERT C. BYRD. I believe that, and I think it will be bipartisan support—and if takes 24 hours around the clock, we have seen that occur in the past. If it becomes necessary, we can do it again.

Mr. RANDOLPH. I agree.

Mr. PERCY. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. PERCY. I express my appreciation to both of my distinguished colleagues from West Virginia for their statements. I support the President in what he is doing. I think he has acted very responsibly.

I did mention the disaster we may face in Illinois if 613,500 workers are laid off. Beginning March 17, we could have 10 percent of our industry shut down, and we are only 65 percent dependent on coal for electricity. Indiana is 98 percent dependent for its electricity on coal and West Virginia is 99 percent dependent on coal for its electricity. The disaster that those States would face is much greater.

I again refer to the figures that I have printed in the Record before to show the consequences for the States of Ohio, North Carolina, Tennessee, Indiana, West Virginia, and Maryland.

We must act at the executive branch level and Congress by Monday if the industry does not settle this itself within the meantime.

Mr. ROBERT C. BYRD. I thank the Senator.

ADDITIONAL STATEMENT SUBMITTED

Mr. ALLEN. Mr. President, I am hopeful that a fair and generous solution of the issues in the long coal strike can be reached through the collective-bargaining process. I agree with Mr. RANDOLPH and Mr. BYRD that it is still possible that a solution can be reached before it is necessary for the President to act or for the Congress to be called on to provide a legislative solution.

It has been stated that the President has three options:

First—invoke the Taft-Hartley law. And it is doubtful that this would produce much coal.

Second—ask for legislation authorizing Government seizure of the mines and Government operation. I would hate to see the Government take over the mines or any other business in the free enterprise system. Also under what terms and conditions would the mines be operated? Under the old contract? Surely not. Under an improved contract that might not be fair to either side? This seems to be a poor solution. When would the mines be returned to the owners?

Third—compulsory arbitration—and this is the worst of all possible solutions. After some 80 days and more on strike, after hardships and sacrifices by the miners, and after a cessation of operation of the mines for almost 3 months, would it not be unfair to both sides and particularly to the miners to have outside forces decide the terms under which they would have to resume operations of the mines. Consequently, I will not in this case, or in any other case, vote for compulsory arbitration of a labor-man-

agement dispute. That is an ingrained, basic, and fundamental part of my political philosophy.

So, I say, let the collective-bargaining process continue. In this way only will the best efforts of all concerned in the mining industry be obtained.

I hope and pray for an early and equitable solution of this lamentable crisis.

TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

The PRESIDING OFFICER. Under the previous order, the Senate will now resume the consideration of Executive N, 95th Congress, 1st session, which the clerk will report.

The second assistant legislative clerk read as follows:

Executive N, 95th Congress, 1st session, treaty concerning the permanent neutrality and operation of the Panama Canal.

The Senate resumed the consideration of the neutrality treaty.

The PRESIDING OFFICER. The pending question is on amendment No. 40 by the Senator from Alabama (Mr. ALLEN).

The Chair, with pleasure, recognizes the distinguished Senator from Minnesota (Mrs. HUMPHREY).

THE PANAMA CANAL TREATIES—LAUNCHING AN ERA OF PARTNERSHIP

Mrs. HUMPHREY. Mr. President, it is not a small coincidence that my maiden speech as a U.S. Senator should be addressed to the issue of the new Panama Canal treaties. It is not because this emotion-charged issue just happens to be the business of the Senate at this particular time. I say this because my interest in Panama and Latin America dates back to 1961 when I traveled with Hubert on an extensive study mission to our neighbors in that region.

The dispute with Panama over modernizing our treaty relationship for the operation of the Panama Canal has been the United States longest running argument with our hemispheric neighbors. Even as my husband and I arrived in Panama 17 years ago, then Panamanian President Roberto Chiari was calling for new negotiations on the 1903 treaty. In fact, President Chiari formally advised President Kennedy, on September 11, 1961, of his government's desire to negotiate a new canal treaty. The festering concern over this issue was readily apparent in the body politic of Panama.

But basically, there was a spirit of optimism which Hubert and I sensed throughout our trip. It was a new era in United States-Latin American relationships. It was a time of the launching of the Alliance for Progress. It was a time, or at least the nations of Latin America believed it was the time, that the United States would truly enter into a more mature relationship with our traditional friends and allies. We were moving from a past which had been characterized by U.S. colonialism, interventionism and paternalism. We were moving into an era of equality among nations.

Yet, something happened during the

course of these intervening 17 years. The Alliance for Progress lies in ruin. Our preoccupation with Vietnam, the Middle East, and superpower politics pushed Latin America and other regions of the developing world onto the back burner of our foreign policy considerations.

And that one symbol of the willingness of the United States to enter into a more mature relationship with our friends throughout Latin America—the Panama Canal—has become more than just a festering concern. It has reached crisis dimensions in our relations throughout Latin America.

Will the United States finally rise to the challenge? After 17 years, will our Latin American friends finally come to believe that they are coequal partners with the United States?

This is the essential question which is now before the U.S. Senate. The Panama Canal treaties symbolize the pivotal point in U.S. policy toward Latin America and the nations of the developing world.

I can recall my own deep concern and shock over the riots in Panama. Three U.S. soldiers and 21 Panamanians were killed in the 1964 riots. These riots presented President Lyndon Johnson with his first foreign policy crisis. And it became urgently clear that there was a need for a new basic agreement on the status of the Panama Canal. Yet, public and congressional pressure foredoomed prospects for ratification of any new agreement that might be negotiated with the Republic of Panama at that time.

In all too many national capitals of Latin America, the issue of the future status of the Panama Canal Zone has been raised to the level of an all or nothing confrontation with the United States. We are not being candid with ourselves or the American people if we do not face up to this reasoning. It should be readily apparent to us that the nations of Latin America have grown increasingly independent of the United States in the determination of their foreign policy positions. They are united in opposition to the United States continuing to exercise the role which it assumed in the Panama Canal Zone under the 1903 treaty.

Yet, we have to understand, and appreciate, the roots of this concern throughout Latin America. For these nations, the Panama Canal Zone, under the 1903 treaty, represents a vestige of a period of humiliating weakness and servitude in inter-American affairs. The Canal Zone is a violation of a deeply held Latin American concern for sovereignty and nonintervention that has long historical roots. Sensitivity over the sovereignty issue easily generates common cause with the Afro-Asian nations of the Third World who have confronted similar issues in their move away from European colonial domination.

We emerged from World War II, as the world's most powerful democracy. We were perceived as the champions of equality, decency, and human compassion. It was at our urging that the European powers began divesting themselves of their colonies in Asia and Africa. Yet, in the mid-1970's, when the last of the traditional colonial empires—that of Por-

legal—dissolved under nationalist and world pressures, the United States continued to maintain what commonly has been perceived as a colonial enclave in Panama. In essence, while we have been telling other industrialized powers that colonialism could no longer be tolerated in a diverse community of nations, we have until now refused to address that same charge of colonialism directed against our privileged status, as if sovereignty, in the Panama Canal Zone.

Those who are opposed to the ratifications of the new Panama Canal treaties argue that we are engaged in a headlong retreat globally. This march backwards, they allege, began with Vietnam. It is continuing with Panama. They ask: Where do we draw the line? They contend that we cannot allow ourselves to be perceived as caving-in to a "little banana Republic."

True, the United States is a great and powerful nation. But let us be mindful of the fact that our greatness depends as much on our tradition of dedication to justice and fairness, the Founding Fathers' ideals and dreams of liberty, and our healthy political and economic base at home, as upon military power.

A great power which aspires to be an arbiter of stability and orderly change accepts certain responsibilities. In this economically and politically interdependent world of today, we must insure that our friends derive enough out of their relationship with us that they remain our friends. If a great power does not take care to keep its friends, it will inevitably stand alone against its enemies.

We are a world power. But do we have to prove it by flexing our muscles against little Panama? I think this would be the most preposterous position in which we could place ourselves.

We must also be honest with ourselves in evaluating who would benefit, should the Senate reject these treaties. The prime beneficiaries would be the Communist parties of Latin America. The Communists exploit this issue as being an example of "Yankee imperialism." They use the Panama Canal issue as concrete evidence that the United States never was, and never will be, a true and good neighbor.

In our preoccupation with the differences over the canal, Americans tend to overlook the many positive elements in our long association with Panama. The United States and Panama have been working together for 75 years now. There certainly is not another nation with which Panama maintains a closer relationship than the United States.

Although this relationship has centered on the canal, it has not been limited exclusively to this vital waterway. Important ties of trade and investment link our two countries. For 30 years we have been allies under a mutual defense treaty—the Rio Pact. And on a personal level, thousands of Panamanians have attended schools and universities in the United States. And Gen. Omar Torrijos is in charge of one of Latin America's most capitalist economies.

We have to admit that the Panamanians have been extremely patient.

Would we have exhibited this same patience had we been forced to wait 75 years for change?

We justifiably are growing concerned over the decline of democracy globally, and in particular throughout the developing world. Yet, as the world's leading democracy, we often have not fulfilled the ideals of our Founding Fathers. The concepts of justice and equality should not stop at our Nations' shores. They should be reflected in our relationship with other countries. The only effective way to combat the tyranny of communism and the totalitarianism of the right is to battle for human and economic rights and democratic values. This concept is just as applicable to our relations with other nations, as it is to our concern for the individual in those nations.

The Panama Canal treaties offer the United States an opportunity to demonstrate that we have the capacity to meet changed international conditions constructively and to move ahead toward more cooperative and more mutually beneficial relations with the developing world.

One of the most relevant observations concerning these treaties was delivered by Bill Moyers on CBS Reports, which was aired November 1, 1977. Mr. Moyers stated:

As this debate continues, you wonder if the United States Senate will finally be voting on a pair of treaties or a symbol. For many people, the Panama issue has ceased to be the Canal itself. It is, instead, a choice between conflicting emotional beliefs about America's role in the world; rival views of American patriotism. The voices against ratification echo a time when the clearest act of patriotism was to oppose any change on the world scene that the Communists might exploit. Given a chance now to send a message of American resolve to a world that has steadily frustrated our national will, these people say no to the treaties. There are times when a great power whose ideal is freedom had to draw a line and say to hostile forces, this far and no further. What the Senate must consider is whether Panama is the place to draw it.

Americans who favor ratification of the treaties say it is not, that Panama is actually the place to show we can protect our self-interest best by helping a small country achieve its own nationalist dreams.

To be sure, you cannot listen to the Panamanians without believing that they have heard the voices of our own ancestors—those who wrote the Declaration of Independence, and helped to rid our country of foreign powers. Enough of them are determined to imitate us that the talk of a long war of independence if we don't leave gracefully becomes neither a bluff nor blackmail, but a lesson drawn straight from our own experience and from the Panamanian's own conviction of their national destiny. They have their patriots, too. The Canal is equally a symbol to them.

In the end, the Senate faces a pragmatic choice: whether the best way to keep the Canal open is through negotiation or confrontation. If the issue remains more than that, the Senate will also have to determine what price we're willing to pay for a symbol.

Mr. President, it has been 17 years since my trip to Panama, and 17 years is much too long a time for a great power and a great democracy to resist change, particularly when that change is in our

vital national interest. It is time for us to move into the era of partnership and equality, and that is why I strongly support the Senate giving its advice and consent to ratification of these treaties.

I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator from Minnesota yield?

Mrs. HUMPHREY. Yes.

Mr. ROBERT C. BYRD. Mr. President, I rise to congratulate Senator HUMPHREY on the first speech that she has made to the Senate.

It is a speech that reflects judicious vision, realism, and compassion. She has briefly touched upon the history of the treaties and of our relations with our small neighbor to the south. She has rightly pointed to the fact that our policy toward the country of Panama with respect to the treaties is one that is being watched in other Latin American countries; and, as she has so accurately predicted, the outcome of what we do here in respect of these treaties will have a far-reaching impact on our relations not only, as she has pointed out, with all of the Latin American countries of this hemisphere, but also the developing Third World countries of Asia and Africa.

She has pointed to the canal treaty of 1903, as amended in 1938 and 1955, and to our presence in Panama, as a continuing vestige of colonialism—a concept of which we have been highly critical in other countries and on other continents. As she has stated, Latin American countries, particularly the country of Panama, have common cause with Asian and African third world nations.

As the Senator from Minnesota has said, we have spoken with a forked tongue. We have derided and castigated and criticized colonialism where it has existed in Asia and Africa, but we are reluctant to recognize the injustice that we would bring to bear upon the country of Panama were we to reject these treaties. We would be saying, as it were, "This is the voice of Esau," when actually, in that context, it would be the voice of Jacob with the hairy hand of Esau. We criticize colonialism elsewhere and hold onto it ourselves.

She has pointed accurately and decisively to the fact that a great nation has been done an injustice, not only within the confines of its own borders but in its dealings with other nations.

She has pointed to the impact that our decision here has upon this country's future.

I commend her also for pointing out, as has been pointed out before, that to reject these treaties would be to invite Communist exploitation of this issue in Panama, in other Latin American countries, and elsewhere.

I hope the American people will ponder upon that statement by the Senator from Minnesota. We must not act in a way that will encourage Communist exploitation of an issue against the United States of America.

Finally, she asks the rhetorical question, would we have exhibited the same patience the people of Panama have shown now for over a period of three-

1085

THE WHITE HOUSE
WASHINGTON
February 28, 1978

Jody Powell

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

Rick Hutcheson

PRESIDENT'S BALANCE SHEET

Jimmy,

The financial statement
& tax return (1976) have never been
given to press. A summary of
the tax return was, but Judy is
asking for this now. You may want
to look at it & then send on to him. R

THE WHITE HOUSE
WASHINGTON

February 24, 1978

*Jody -
see me
J*

MEMORANDUM FOR THE FIRST LADY

FROM: Bob Lipshutz *BL*

There have been a few inquiries from the press concerning your and the President's personal balance sheet as of December 31, 1976. It is my understanding that Bob Perry sent a copy of this to you for review.

At your convenience, I would suggest that you and Jody and I discuss this matter so that his office will be in a position to handle these inquiries.

cc: Jody Powell

THE WHITE HOUSE
WASHINGTON

February 28, 1978

Chip Carter

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

Rick Hutcheson

GENERAL JAMES' FUNERAL

cc Chip
J

THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

February 27, 1978

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Funeral Arrangements for General James

The following arrangements have been scheduled:

Wednesday, March 1

12:00 noon to 3:00 p.m.
Viewing for family only,
McGuire Funeral Home, Washington

5:00 p.m. to 10:00 p.m.
Lying in state, open to public,
Shrine of the Immaculate
Conception, Washington

8:00 p.m. Mass of Christian Burial,
Shrine of the Immaculate Conception

Thursday, March 2

11:00 a.m. Graveside service and interment,
Arlington National Cemetery.

Harold Brown

THE PRESIDENT HAS SEEN.

11:15 AM

THE WHITE HOUSE

WASHINGTON

February 27, 1978

MEETING WITH SENATOR QUENTIN BURDICK

Tuesday, February 28, 1978

11:15 a.m. (15 minutes)

The Oval Office

From: Frank Moore *F.M./pd*

I. PURPOSE

To discuss the Panama Canal Treaties

II. BACKGROUND, PARTICIPANTS & PRESS PLAN

- A. Background: Senator Burdick is leaning against the Treaties. He is worried about the defense and economic aspects.

Senator Burdick is also extremely upset with the Administration generally, and with you personally, because he alleges that the first six appointments of North Dakotans to Federal positions at the state and regional levels all went to Republicans. He also is exceedingly upset because on key announcements (for example, the project modification of the Garrison Diversion project), the Republican Congressmen always seem to get the news first. The single most important Federal project in his State, Garrison, has been cut back and he is being called ineffective throughout the State. As a result, he has given us the benefit of the doubt on few key votes. The situation is so serious that he has threatened to leave the Democratic party and join an independent party in North Dakota. Senator Burdick's experience has been a case study in this Administration's failure to take care of the political needs of Democrats in Congress, especially those who come from traditionally Republican states.

Cecil Andrus has been negotiating with Burdick on the Garrison project in an effort to take care of Burdick's political needs without doing violation to our commitment to a rational water policy.

B. Participants: The President
Senator Burdick

C. Press Plan: White House Photo

III. TALKING POINTS

1. Attached is useful information for responding to economic questions. (Attachment 1)
2. Senator Burdick is most concerned about the defense issue. He voted against us on the Allen Amendment today. You should urge him to vote with us on all subsequent amendments on the defense issue.
3. You should assure the Senator that the United States has the capability to defend the Canal after the year 2000.
4. The veterans' groups in his state are very actively opposed to the Treaties. We recommend you offer him a state briefing for North Dakota.

Q: Can the Canal really meet its costs on the basis of tolls alone?

A: All the studies relating to the costs of operating the Panama Canal, and to the possibility of increasing Canal tolls, indicate that revenues will meet expenditures, including the payments to be made to Panama under the new Treaties.

Since 1915 toll revenues have risen from \$4 million to \$165 million in FY 1977. Traffic is projected to increase at an average annual rate of 2.2 percent until the end of the century. The best available studies project revenues as follows:

<u>Toll Increase</u>	<u>Canal Revenue</u>	
	<u>1980</u> (\$ Millions)	<u>1983</u> (\$ Millions)
0%	197	205
25%	243	248
30%	250	254
<i>Costs</i>	<i>238-247</i>	<i>237-262</i>

Various estimates have been made of the Panama Canal Commission's operating costs. An exhaustive study on Panama Canal Commission cost projections has just been prepared by Arthur Anderson and Company for the 1979-1983 period. These projections conclude that Canal costs, including payments to Panama and taking into account inflation, will range between \$238 million to \$247 million in 1980 and between \$237 million and \$262 million in 1983.

Our negotiators made their calculations on the basis of a toll increase of 30 percent. Our studies indicate that even larger toll increases could be applied if necessary, to produce additional revenues. While the range of uncertainty increases for the later years of the Treaty period, we believe it is reasonable to expect that the Canal enterprise can meet all its operating costs, including payments to Panama required by the Treaty.

POLL RESULTS ON THE PANAMA CANAL TREATIES

Gallup Poll*

	<u>Favor Treaties</u>	<u>Oppose Treaties</u>	<u>Don't Know</u>
September, 1977	36%	46%	18%
November, 1977	40%	48%	12%
January, 1978	45%	42%	13%

Cambridge Poll*

	<u>Favor Treaties</u>	<u>Oppose Treaties</u>	<u>Don't Know</u>
August, 1977	25%	61%	14%
October, 1977	30%	55%	15%
December, 1977	35%	49%	16%
February, 1978	39%	46%	15%

* Polls taken before the President's "fireside chat".

Gallup Poll

The latest Gallup polls shows that those "better informed" (i.e., those who could answer three test questions correctly) favored the treaty by a wide margin:

Favor	57%
Oppose	39%
No opinion	4%

NBC Poll

NBC, in their January poll which showed 2 to 1 opposition to turning ownership of the Canal to Panama, also found an astounding change when this question was presented:

"Would you favor or oppose approval of the Panama Canal treaty if an amendment were added specifically giving the United States the right to intervene if the Canal is threatened by attack?"

Favor	65%
Oppose	25%
Not sure	10%

CBS-New York Times Poll

October, 1977

"Do you approve or disapprove the Panama Canal Treaties granting control of the Canal to the Republic of Panama after the year 2000?"

Approve	Disapprove	No Opinion
29%	49%	22%

"Suppose you felt that the treaties provided that the United States could always send in troops to keep the Canal open to ships of all nations. Would you then support the treaties?"

Approve	Disapprove	No Opinion
63%	24%	13%

Consequently to the extent the American people feel that our right to defend the Panama Canal is included in the treaties, support for the treaties among the American people increases dramatically.

THE WHITE HOUSE
WASHINGTON

2-27-78

To Jim Schlesinger

Walter Flowers can
& will be a lot of
help to us on CRBR
& other energy matters.
He's a good man. He
needs reassurance that we
will have a strong
nuclear & coal program.

J.C.

THE WHITE HOUSE
WASHINGTON

February 28, 1978

Secretary Schlesinger

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

Rick Hutcheson

cc: Frank Moore

RE: REP. FLOWERS - CRBR AND ENERGY

THE PRESIDENT HAS SEEN.

9:00 AM

THE WHITE HOUSE

WASHINGTON

February 27, 1978

C
—

MEETING WITH REP. WALTER FLOWERS (D-ALA. 7)

Tuesday, February 28, 1978

9:00 a.m. (10 minutes)

The Oval Office

From: Frank Moore *F.M. by J.F.*

I. PURPOSE

Rep. Flowers, as Chairman of the House Subcommittee on Fossil and Nuclear Energy Research, Development and Demonstration (Science and Technology), would like to discuss with you the Administration's attitude toward nuclear energy and our priorities regarding all alternative sources of energy. Rep. Flowers has, also, indicated that he will want a few moments to discuss southern politics.

II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: As Chairman of the Subcommittee on Fossil and Nuclear Energy Research, Development and Demonstration, Flowers is looked upon by Members of the House as an energy expert, especially on nuclear energy and coal issues. Flowers usually controls the majority of votes on his Subcommittee and has major influence on Science and Technology Chairman Teague on nuclear energy and coal matters.

Rep. Flowers, along with Chairman Teague, probably had more to do with the defeat of our position on the Clinch River Breeder Reactor (CRBR) than any other Member of Congress. He has let it be known that he is certainly not a one-issue congressman and would like to work out our differences on the CRBR. His major concern is that this Administration is anti-nuclear. He feels that even though you might not be opposed to nuclear development, there are so many no-growth nuclear staffpersons that if the CRBR is terminated, other projects will follow. Rep. Flowers

seems to be particularly interested in you aggressively moving ahead on nuclear development.

Rep. Flowers, also, seems to be zeroing in on the placing of more attention on the use of coal as an energy source. Coal gasification and coal liquids are the areas in which he feels we need to give more attention. He is interested in a coal cleaning technology called SRC-I. He has asked DoE to report back to him on whether the existing facility in Wilsonville, Alabama, can be expanded for use as a test facility for this technology. Under Secretary Meyers will be getting back in touch as soon as possible -- probably within two weeks. Rep. Flowers is, also, concerned about energy vs. the environment and has stated that "EPA will have more to do with energy than DoE."

Flowers' Subcommittee has completed markup of the fossil portion of the R & D budget. His authorization for all fossil projects is only \$1 million higher than the level requested by the Administration. The Subcommittee has, however, substantially rearranged the Administration's specific funding recommendations and cut a number of projects which were at the lower end of our budget priorities. (This contrasts with Rep. McCormack's action in his Subcommittee where our budget recommendation was increased by 41% for solar and biomass.)

Rep. Flowers' approach to the DoE budget is politically astute. Rather than following the traditional authorizing committee practice of providing funds well above likely levels of appropriations, Flowers is trying to stay within our budget where possible. This way, he can ensure that any additional requests for funds or new projects come back through his Committee rather than just going through the appropriations process.

He is, also, interested in ensuring adequate near-term energy supplies and believes that our FY 1979 request was "unimaginative" and too low. He will want to make sure that his Subcommittee retains an opportunity to review any new supply initiatives which the Administration proposes this spring.

Regarding southern politics, Rep. Flowers worries that you are losing support in the south, due in part to environmental issues. He campaigned for you in Alabama, has voted with us on tough issues such as the B-1 bomber, and feels compelled to give his advice to you.

Rep. Flowers' percentage of support for the Administration in 1977 -- 62%. Mrs. Flowers' first name is Margaret.

- B. Participants: The President, Rep. Walter Flowers, Frank Moore, and Jim Free.
- C. Press Plan: White House photographer.

III. TALKING POINTS

1. You appreciate the careful scrutiny and interest which his Subcommittee has shown in reviewing the FY 1979 budget.
2. You recognize that the concerns which Rep. Flowers and members of his Committee raised about near-term energy supplies have prompted Secretary Schlesinger to explore new supply initiatives on an accelerated schedule. This dialogue is productive and will lead to a better program to meet our energy needs. We look forward to continuing discussions with him and his Subcommittee.
3. You would like to explore how we can work together to resolve the Clinch River Breeder Reactor issue. You hope we can find a way to terminate this project without another lengthy fight. You would like to have his advice on how this might be accomplished.
4. In a spirit of cooperation and with a view toward maintaining a strong breeder R & D program, DoE is reprogramming \$12 million in FY 1978 funds to start a new design study for a conceptualized 650 MWe breeder reactor. (See the attached memorandum which Secretary Schlesinger sent to you in January. It is not clear that you approved the reprogramming for 1978; but if this is your intent, it would be helpful to mention this to Flowers.)
5. You are, also, committed to sending legislation to the Congress within a few days to reform the nuclear siting and licensing process. This should relieve one of the major problems which has plagued the light water reactor market, namely, intolerably long lead times.



Department of Energy
Washington, D.C. 20585

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JIM SCHLESINGER

SUBJECT: LIQUID METAL BREEDER REACTOR TECHNOLOGY INTEGRATION STUDIES

The planning and implementation of major redirection of the U.S. breeder reactor program has been in progress since your April 7, 1977 policy statement on nonproliferation and the issuance of the National Energy Plan. This program is being restructured to emphasize research and development activities, which will build upon past U.S. contributions to breeder reactor technology and enable us to contribute to the U.S. foreign policy initiatives, while maintaining the breeder reactor option.

In the FY 1979 budget the Liquid Metal Breeder Reactor is funded at the level of \$367 million and includes research on nuclear fuels, materials, physics, chemistry, heat transfer, and non-nuclear components with particular emphasis on safety. A breeder program of this magnitude and diversity is consistent with the international leadership role we are assuming; however, to be conducted effectively, the program must have a clearly recognizable focal point for R&D efforts. With the deferral of the breeder commercialization and the cancellation of the CRBR, the needed focal point for the redirected program will be the Technology Integration Study, which will be conducted on a conceptualized reactor design of about 650 MWe in size.

This study is to be initiated in FY '78 and completed in FY '79 at a total cost of approximately \$27 million and will involve input from the breeder community (contractors and national laboratories) and will emphasize designs with alternative fuels, fuel cycles, and plant configurations consistent with the U.S. reactor safety and nonproliferation objectives. The plant design will be developed in sufficient detail to judge the safety, fuel cycle, nonproliferation, and economic characteristics, and to determine whether such a system is compatible with U.S. energy needs and foreign policy initiatives. The study will not designate a specific site or schedule for construction of such a 650 MWe plant but will serve to identify technology development problems to be addressed in the R&D program. Thus, the scope and timing of the study is such that in addition to focusing our R&D efforts, it will provide input to and receive benefit from the International Nuclear Fuel Cycle Evaluation. We expect that the study will also identify international institution arrangements for subsequent developmental efforts related to the resulting plant designs and fuel cycle configurations which evolve from the study. We believe this plan represents a positive initiative to implement the Administration's redirected LMFR program.

THE WHITE HOUSE
WASHINGTON

February 28, 1978

Steve Simmons

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

Rick Hutcheson

RE: FORBES ARTICLE ON CIVIL SERVICE
REFORM

THE WHITE HOUSE
WASHINGTON

Q
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MEMORANDUM FOR THE PRESIDENT

FROM: STU EIZENSTAT

Stu

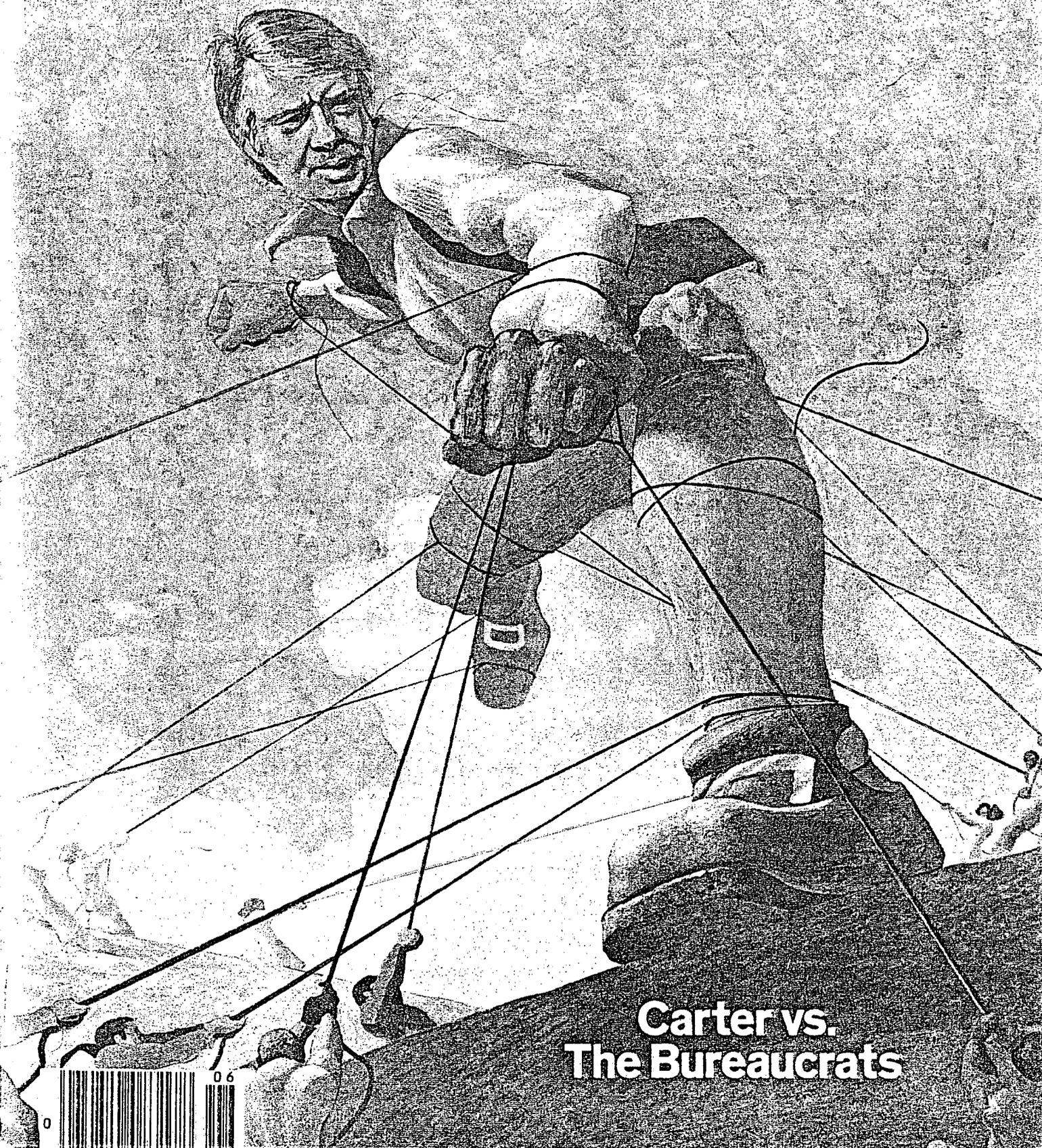
SUBJECT: Forbes Article on Civil Service Reform

Over the past few months there have been dozens of positive articles and editorials on our civil service reform effort. Publications such as The New York Times, The Washington Post, The Los Angeles Times, Readers Digest, and U.S. News and World Report have had major stories.

Attached please find a copy of last week's Forbes magazine. As you can see, there is a cover story on the civil service reform proposals. Although it contains some inaccuracies, it does provide a good review of the problems with the present system and a discussion of the reform effort, and I thought you might like to read it.

FEBRUARY 6, 1978 / ONE DOLLAR FIFTY CENTS

FORBES^F



**Carter vs.
The Bureaucrats**



Can Carter Get The Civil Service To Shape Up?

It can take years to fire a federal employee, and the goof-offs among them get the same annual "merit" raises as the hard workers. Like several recent Presidents, Jimmy Carter wants to change some of this. Surprisingly, he has a good chance of succeeding.

By PAUL STURM

REPRESENTATIVE Morris Udall (D—Ariz.) is one of Washington's best-known liberals. Back in 1962 he sponsored legislation that changed the way government employees get paid. It gives bureaucrats annual "comparability" raises that shield them from inflation. Last October, for example, the increase was 7%. Such automatic pay hikes have helped boost the average federal salary from \$6,000 to \$16,250 over the past 15 years—double the growth rate for wages in industry. To boot, federal retirement benefits are indexed to the cost of living—something that would bankrupt private pension plans.

Today, however, ask this particular Santa Claus about the civil service, and he rails like Scrooge. Says Udall: "Most of the public and a great chunk of Congress believe federal workers are inefficient, underworked and overpaid. We'd damn well better change the system or people will lose all confidence in government."

President Carter agrees wholeheartedly. In fact, he plans to make comprehensive civil service reform a major legislative initiative of 1978. His proposal, which will go to Congress soon, is perhaps the most important element in the President's government reorganization efforts. Over the past year, a 100-person task force has developed recommendations for Carter. As the details of the package quietly emerge, the outlook for real change is surprisingly good.

The Administration's point man is 54-year-old Alan Campbell, chairman of the three-man Civil Service Commission. A respected political scientist, he most recently headed Texas' Lyndon Johnson School of Public Affairs and has hundreds of former students in top federal posts. Campbell took over this backwater agency with definite ideas about reform.

Certain things, however, are still sacred—among them the comparability pay mechanism. It now excludes generous government retirement benefits from salary comparisons and uses a national wage scale that overpays bureaucrats in the hinterlands. Nor will Uncle Sam's work

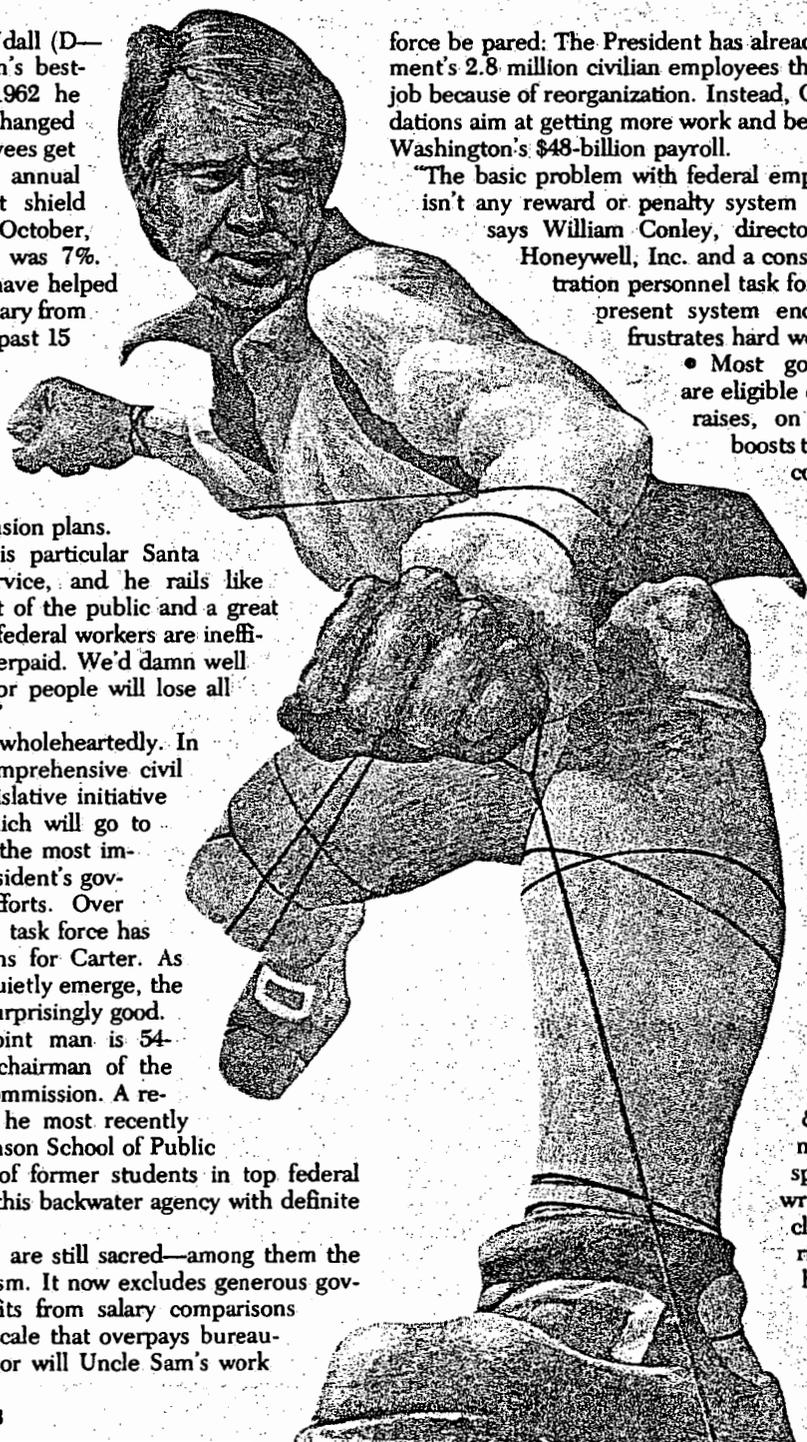
force be pared: The President has already assured the government's 2.8 million civilian employees that no one will lose his job because of reorganization. Instead, Campbell's recommendations aim at getting more work and better work in return for Washington's \$48-billion payroll.

"The basic problem with federal employment is that there isn't any reward or penalty system to motivate workers," says William Conley, director of compensation at Honeywell, Inc. and a consultant to the Administration personnel task force. Consider how the present system encourages laziness and frustrates hard work:

- Most government employees are eligible each year for 3% merit raises, on top of annual wage boosts that link their salaries to comparable jobs in private industry. But merit is only a fiction. Regularly, 99% of all federal workers get the satisfactory ratings from their supervisors that lead to these pay increases.

- Almost no one on the public payroll gets fired. In 1976, for example, just 226 bureaucrats lost their positions because of inefficiency. Some 2,925 more were booted out for various other reasons—about 0.1% of the federal labor force. One economist at the Department of Housing & Urban Development, for example, spends most of his time writing free-lance articles and dares his superiors to try removing him. So far, they haven't.

In the government, it is usually



easier for a boss to transfer or to put up with a poor performer than to fire him. That—and 22 other prerogatives—are “adverse actions.” They trigger a complaint process with nine appeals bodies and seven chances for hearings. “Everything has to be in writing, and the system takes so long that most managers just say ‘the hell with it,’” explains one agency personnel chief. Consider: Late in 1972 a Navy computer programmer didn’t get his promotion. He wrangled with his supervisors for ten months, then filed a formal complaint. He came to the office daily but refused to do any work. Last year—after litigation that probably cost the government \$100,000—he went off the payroll. But his case is still in court.

Campbell’s own Civil Service Commission—the government’s personnel department—causes much of this delay. An 8,600-person minibureaucracy, it administers a maze of statutes and 21 volumes of regulations. Since 1958, the CSC’s ranks have grown five times faster than total federal employment.

The President wants to abolish the commission. In its place, a streamlined appeals board would handle disputes, with initial action in 30 days. Personnel management tasks would shift to a new White House unit, a people-equivalent of the Office of Management & Budget.

A companion proposal creates an elite corps of federal executives—perhaps as many as 9,000—that could be trans-

ferred among departments by White House personnel men. Top bureaucrats who opt to join this Senior Career Service would lose some job protection, but there would be offsetting advantages: eligibility for the best assignments, mobility (95% of all federal executives now spend their entire careers in the same office) and annual performance bonuses that could raise base salaries by 20%. Maximum present pay is \$47,025.

Generally, good government employees like these changes, which substitute rank-in-man for rank-in-job. “I’m frustrated as hell where I am,” says a \$32,000-a-year financial analyst. “Outside the government, big organizations always move people around.” Echoes a young economist: “Now the really good jobs go to political appointees. With a corps of senior executives, that might change.”

Creating a high-level federal management cadre isn’t a new idea. In 1955 it was the major recommendation of the second Hoover commission. Richard Nixon proposed it again in the early Seventies. Both times, however, Democrats in Congress were skeptical of Republican presidents. Jimmy Carter doesn’t have that problem.

Better personnel policies, too, are something the government sorely needs. Instead of up-or-out, the bureaucratic pattern is more typically “up-and-out-of-the-way,” since advancement is the easiest technique to remove deadwood from an organization. When fledgling entities are staffed up, inept

Politics Or Practicality?

RICHARD NIXON became President after eight years of government growth and Democratic rule. His aides worried that the bureaucracy had been “packed” against them, and to help gain control over federal employees they wrote a frank personnel manual that they quietly circulated to key political appointees. A primer on how to get around civil service safeguards—legally and illegally—the 113-page document has an eerie tone. But it is a cogent explanation of how the government’s employment system really works. Carter staffers reportedly asked for copies during their transition planning. Below are excerpts from the section entitled “Techniques for Removal Through Organizational or Management Procedures.”

A. Individual Techniques

(a-1) Frontal Assault

You simply call an individual in and tell him he is no longer wanted. *Caution:* This technique should only be used on the timid at heart by those with a giant ego. It is extremely dangerous, and the very fact of your conversation can be used against the Department.

(a-2) Transfer

By carefully researching the background of the proposed employee-victim, one can always establish that geographical part of the country and/or organizational unit to which the employee would rather resign than obey and accept transfer orders. It is always suggested that the transfer be accompanied by a promotion.

(a-3) Special Assignment (The Traveling Salesman)

This is especially useful for the family man and those who do not enjoy traveling. Let us assume that our employ-



He Beat The System: To Nixon aides, civil service control was “the difference between ruling and reigning.”

ee is a program analyst with the Department of Transportation. You immediately discover high-level interest in creating a program to meet the transportation needs of all U.S. cities and towns with a population of 20,000 and under. You hand your chosen expert a promotion and his new assignment. [He] is given extensive travel orders crisscrossing him across the country. Until his wife threatens him with divorce unless he quits, you have him out of the way. When he finally asks for relief, you tearfully reiterate the importance of the project and [remind him that] failure to obey travel orders is grounds for immediate separation.

B. The Layering Technique

This technique requires at least the temporary need for additional slots. In all likelihood the [layered over employees] will probably end up resigning out of

disgust and boredom.

C. Shifting Responsibilities And Isolation

This is a classic organizational technique first introduced by President Franklin Roosevelt. Its purpose is to isolate and bypass an entire organization. [It] entails the setting up of a parallel organization to the one already in existence and giving that new organization most of the real authority that was previously vested in the old organization it parallels.

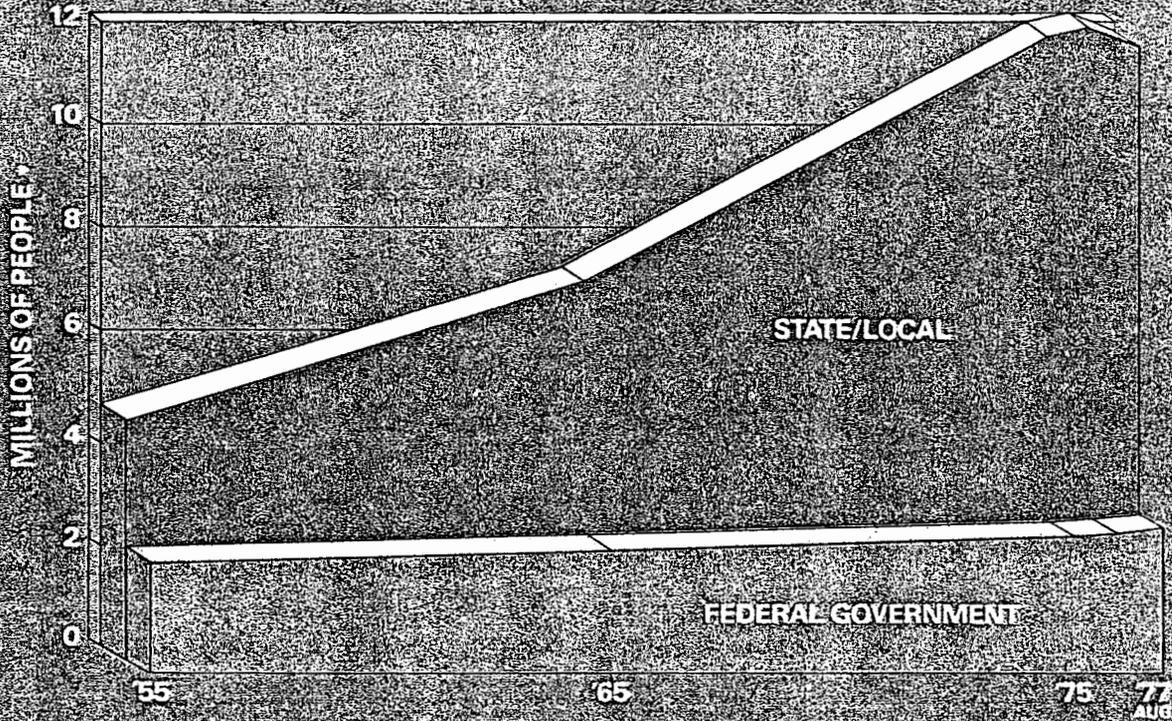
D. New Activity

[This involves] the creation of an apparently meaningful, but essentially meaningless, new activity to which employee-victims are transferred. This technique is designed to provide a single barrel into which you can dump a large number of widely located bad apples.

Where The Bureaucrats Are

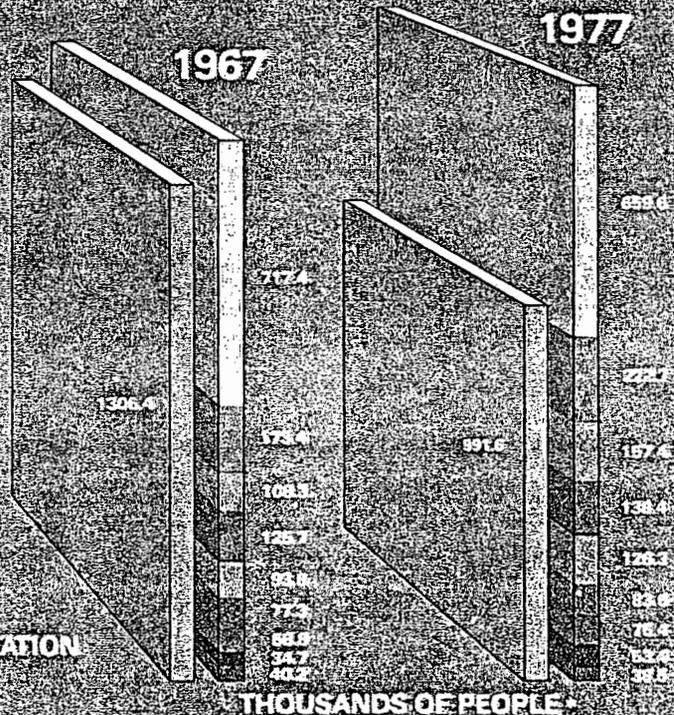
State and local government payrolls have grown faster than the federal government's in the past 20 years. One reason:

revenue-sharing and other money from Washington, which now amount to 20% of state and local revenues.



But with the important exception of the Defense Department, the federal bureaucracy continues to grow. Any shrinkage may, in a given case, be more apparent than real. The Commerce Department, for example, is down overall, but many of its functions have simply been transferred elsewhere. New entities, like the 12,400-person Environmental Protection Agency, have grown fast. At right, the ten largest.

- DEFENSE
- POSTAL SERVICE
- VETERANS ADMINISTRATION
- HEW
- AGRICULTURE
- TREASURY
- INTERIOR
- TRANSPORTATION
- JUSTICE
- COMMERCE



• CIVILIAN EMPLOYMENT ONLY



A Chinese Mandarin



Frederick the Great



President Andrew Jackson

THE QUESTION of government jobs—who gets them and what the salaries should be—has always been a sensitive political issue. Early U.S. presidents all had an aristocratic bent, and the small cadre of federal civil servants under them were upper-class gentlemen who kept their positions whoever was in power.

Commoner Andrew Jackson rocked the boat, replacing 919 bureaucrats—10% of the government—when he took office in 1829. That was just the begin-

ning. With easy railroad access, 40,000 job-seekers swarmed to the Capital after William Henry Harrison's election 12 years later. He couldn't take the pressure, and died three weeks after his inauguration.

Filling the federal payroll became a major presidential chore, and the resulting spoils system was justified under a crude "rotation theory." Government work was simple and not too demanding, the logic ran; so, better to spread the

gravy around rather than use it as a sinecure for respectable but unambitious gentlemen.

By 1881, however, a reform tide was swelling. Charles Guiteau, a supplicant who had been banished from the White House grounds, shot President James Garfield. Two years later, Congress passed a civil service law requiring examinations for appointment and taking control of the federal work force away from the politicians. Its historical ante-

The Spoils System:

workers are typically "promoted" into them. The 1,000-person Consumer Product Safety Commission, for example, is one of the Capital's newest and most criticized agencies—but it also has the highest average salary, almost \$20,000.

Giving the President more personnel authority, of course, conflicts with the goal of taking public service out of politics. But similar moves are being made elsewhere. Last fall Wisconsin, long a progressive state, abolished tenure for 39 high-level posts and gave line managers expanded discretion to hire and promote within its 50,000-person work force. "The civil service began as a negative system to end patronage," says Dennis Dresang, staff director of Wisconsin's employee relations study commission. "Back then, the idea of positive personnel management didn't exist."

The Administration also plans to seek two more controversial changes. By law, veterans today get a minimum five-point bonus on 100-point federal entrance examinations. Since there were 1.6 million applicants for 160,000 government jobs last year, this bonus helps considerably. So does another protection: Whenever a former military man is among the top three candidates for a federal post, hiring officials cannot reject him for a nonveteran. As a result, half of all federal workers are veterans, though they comprise just 22% of the labor force.

Military organizations obviously don't want these benefits curbed, but blacks and women's groups do. "This is not a matter of giving special preference to minorities," Campbell says. "Many of our registers are simply clogged with veterans that the agencies don't want to hire." Carter will probably push to limit the preference to a five-year period after a veteran leaves the military.

Another attempt to give government managers more flexibility is a scheme to extend the time between automatic "merit" pay raises—at least for 150,000 middle- and upper-level bureaucrats. This makes funds available for annual, nonautomatic bonuses. Similar to many corporate plans, supervisors would have a pool of money to divvy up among their underlings, with safeguards to insure that everyone doesn't get the same amount and that underperformers receive nothing. "The idea is to force our people to get in there and manage," explains one White House staffer.

Many federal workers favor such rewards, but public employee unions and veterans groups are a tough coalition against civil service reform. Now, however, Administration officials are courting labor leaders, who represent 60% of all federal employees. Government unions already favor splitting up the Civil Service Commission, whom they now see as both employer and judge. "It's a little like J. P. Stevens sending in their controller, the vice president of labor relations and some guy from the personnel office to handle a union complaint," says Kenneth Blaylock, president of the 285,000-member American Federation of Government Employees.

But in return for supporting the overall changes, the unions can be expected to demand concessions.

Today, they negotiate with Uncle Sam under the terms of an executive order issued in 1962 that could be repealed immediately by any President. Union leaders would dearly love to see their status protected by law, a concession that would hardly hurt the government. At the same time, labor wants expanded bargaining power. Aside from lobbying in Congress, union jurisdiction extends now only to working conditions. "Things



President William Henry Harrison



Guiteau Shooting President Garfield



Postmaster General James Farley

Was It Better?

cedents: Lawmakers studied China's competitively chosen Mandarins, standard-bearers of the Confucian culture, and Frederick the Great's Prussian administrators, loyal to the state rather than to a specific ruler.

At first the civil service system covered only 10% of all government workers. But this had risen to 80% by Franklin Roosevelt's election—largely because departing chief executives regularly extended tenure to their own appointees.

Then, however, the spoils system briefly reemerged under Postmaster General James Farley during the New Deal's vast expansion of the federal bureaucracy. Worried lest the noncivil service 40%, now so numerous, might be turned into a solid, pro-New Deal voting bloc, Congress passed the Hatch Act, which bans political activity by government employees and aims to shield them from coercion by their supervisors. The spoils system was thenceforth dead, but so was

effective control by elected officials over a fast-swelling bureaucracy. The pendulum had swung all the way in the other direction.

Now the pendulum is moving in the opposite direction. Reformers want to expand the president's power over the bureaucracy to make government more responsive. And federal workers—pushed by their unions—want the right to participate in politics, not protection from their bosses. —P.S.

like dress codes and shift schedules," grouses one official, "not real bucks like the steelworkers."

Though bargaining could be broadened to buy support for civil service reform, no one in the Administration—and few congressmen—favor giving government unions the right to negotiate over wages. Postal workers have had this authority since their 1970 strike, and now salaries for equivalent postal positions are 30% higher than those of other federal jobs. As a result, payroll costs have jumped from 80% to 85% of total Postal Service operating expenses.

Federal unions also prefer third-party grievance arbitration to the present appeals process. Such a system, like those in private industry, would be paid for equally by labor and management. This saves tax dollars, since just the initial appeals stage costs Uncle Sam \$600 per complaint. But to finance arbitration, federal unions want to compel payment of dues. Now only about 40% of federal employees belong to the unions that represent them.

Yielding little to labor, however, the Administration may still sell its civil service package. Like Mo Udall, few members of the House—where public employee lobbies are traditionally strongest—will defend the bureaucracy. "Everyone thinks I'm standing in the way, but I won't be a roadblock," says Representative Gladys Spellman (D—Md.), who chairs a key subcommittee and probably represents more federal workers than any other lawmaker. "The average government employee thinks he's fairly competent and won't be threatened by change," adds her colleague Representative Herbert Harris (D—Va.). Also, Congress can't ignore a pro-reform coalition ranging from Ralph Nader to the National Association of Manufacturers.

Even if the Carter legislation passes, will it make any difference? Most personnel experts contend that public employees are hard to motivate. Federal work resembles corporate staff positions. "Motivating these people is a battle for Exxon and IBM too," says psychologist Edward Lawler. "The government simply has lots of jobs where it's tough to measure performance."

In addition, bureaucracy, with its protean ways, usually manages to defeat all attempts at change. When the Department of Health, Education & Welfare last year discovered that 20% of its 157,000 positions were overgraded, did it demote the overpaid workers? Quite the contrary. It engineered instead a three-year freeze on downgrading. And despite publicity about a 25% cut in the Defense Secretary's 2,065-person staff, only about 65 employees will actually go off the government payroll.

Yet clamor remains. People who work hard for their money are tired of being taxed to support a system that rewards people who don't work very hard or very effectively and stifles those who do. Alan Campbell, the new Civil Service chairman, puts it well: "The public has always thought of government employees as committed individuals, but there used to be the attitude that even if they weren't particularly good we owed them something because they were underpaid. Suddenly, it's dawned on the country that—except at the very top—these jobs pay just as well as private industry. People will simply no longer tolerate the kind of performance and service they are used to receiving."

So, there will be reform. Whether it will change anything remains to be seen. ■

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 28, 1978

C
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MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M.*
BOB BECKEL
BOB THOMSON *Bb*

SUBJECT: Panama Treaties -- Status

1. Allen and Hatch Amendments

Senator Byrd successfully moved to table the Allen and Hatch Amendments. The Allen Amendment, giving the President an option to extend U.S. defense presence in Panama beyond the year 2000, was tabled 55-34. With absentees in, the vote probably would have been 63-37. Taking into account Brooke and Griffin who are automatically opposing tabling motions, the vote would have been 65-35.

The Hatch Amendment, requiring the Spanish as well as the English text of the Treaties to lay before the Senate, was tabled 58-26. With adjustments noted above, the vote would have been 72-28.

The votes reveal that we have a sufficient number of Senators to defeat virtually all amendments rather soundly. Therefore, our focus should shift somewhat to votes on final passage.

We must not be over confident! It is difficult to see where the last four votes are. Our remaining undecided Senators are likely to hold out until the bitter end before they declare one way or the other, unless we take decisive action.

THE PRESIDENT HAS SEEN

THE WHITE HOUSE

WASHINGTON

February 28, 1978

TO: THE PRESIDENT

FROM: FRANK MOORE *F.M./BR*
BOB BECKEL *RB*
BOB THOMSON *BT*

SUBJECT: Panama

Pro-Treaty forces defeated another obstructionist amendment by Senator Scott. The vote was 69 to 24. The amendment would have made the effectiveness of each treaty contingent upon the passage of both. During the course of the day, Senator Allen introduced ten new amendments to Article I of the Neutrality Treaty, bringing the total to 53 amendments formally submitted.

We met with Senator Byrd today at his request. He and Baker are sending a letter to all Senators indicating concern about the length of debate and about the apparent effort to filibuster the treaties by amendment. If the pace does not pick up, Byrd will warn the Senators that he intends to keep the Senate in 6 days a week, 12 hours a day. Senator Byrd raised the possibility of cloture, but is hesitant to act this early for fear of a backlash. Cloture would also preclude any other business and hence make debate on coal legislation, for example, impossible.

Senator Byrd is worried that we have lost momentum and feels we must wrap up 67 commitments very soon. He thinks that if we can show 67 votes, the opposition will cease obstructionist tactics. We do not think that 67 Senators will publicly endorse the treaties since a few of our potential 67 are Senators Long, Talmadge and Nunn. However, we need to get moving again by locking up some new endorsements. Senator McIntyre will announce for the treaties tomorrow. After that, prospects are slim. We might get Heinz and Bellmon soon, but they are by no means certain. On the Democratic side, Senator Ford is our only chance in the near term.

We will meet with Senator Baker tomorrow to get his assessment of the Republican situation. He has sent us strong signals of concern in recent days. Baker insists that unless we get the implementing legislation to the Senate soon we will lose votes.

We plan to send drafts of the legislation to the Hill after you have reviewed it. We are working on submitting it informally so that treaty opponents in the House cannot use the legislation as an excuse to hold embarrassing hearings.

In short, both Byrd and Baker believe we need a positive jolt. There are very few uncommitted Senators left, and it will require a good deal of work to get the majority of those. We can continue to defeat amendments, but for now we have run out of new votes.

7:30 PM

MEMORANDUM

THE PRESIDENT HAS SEEN.
THE WHITE HOUSE
WASHINGTON

FOR THE PRESIDENT AND MRS. CARTER

FROM GRETCHEN POSTON *GP*

DATE: 24 February 1978

SUBJECT: GOVERNORS' BALL
28 February 1978 7:30-11:00 P.M.
State Floor

Please find attached the scenario for the function indicated above.

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE PRESIDENT AND MRS. CARTER

FROM GRETCHEN POSTON *Ep*

DATE: 24 February 1978

SUBJECT: GOVERNORS' BALL
28 February 1978 7:30 - 11:00 P.M.
State Floor

DETAIL

7:30 P.M.

The PRESIDENT and MRS. CARTER arrive State floor, and take up positions for receiving line under Presidential seal.

Arriving guests are escorted upstairs, through receiving line, and into East Room.

Champagne and hors d'oeuvres being passed.
Small tables scattered around room.
U.S.M.C. Orchestra playing waltzes in East Room.

8:45 P.M.

The PRESIDENT goes to stand-up mike on platform for welcoming remarks. (Press coverage) Introduces Beverly Sills and Allan Titus.

20-minute program of selections from
"The Merry Widow". (Press coverage)

9:10 P.M.

At conclusion of program, dancing to resume in East Room.

Buffet service begins in Main Hall. Four buffet stations have been set up to eliminate service lines. (Press coverage)

With the exception of the PRESIDENT and MRS. CARTER, who will be seated together in the Blue Room, dinner seating will be by random selection, in the color rooms. A tea rose will be at each lady's place.

At conclusion of dinner, guests return to East Room for dancing and champagne.

Each lady will receive a booklet, which will include the program, the menu and an old-fashioned dance card with spaces for names of her dance partners.

11:00 P.M.

The PRESIDENT and MRS. CARTER depart State floor. All guests depart via Southwest gate.

THE WHITE HOUSE
WASHINGTON
February 27, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS, ^{JL}ACHSAH NESMITH
SUBJECT: Greeting to Governors Dinner

1. The Governors as a group have worked closely all year with HEW on welfare reform, and with the White House staff on energy and planning urban policy. They have been especially helpful in proposing reforms to reduce paperwork on Federal aid programs and in monitoring how Federal agencies are responding to the reforms that have been instituted. We need their guidance and evaluation of these efforts to make Federal programs which are carried out by the states more efficient and effective. We will continue to call on them for help in these areas.
2. To dwell too much on the energy conference or other serious business might spoil this social occasion, but you might want to comment on how very helpful all of the Governors were whom you called on for any kind of assistance during the coal strike. Any attempt to list names would probably leave out some, but Governor Julian Carroll (who is to be elected Chairman of the National Governors Association a few hours before this dinner) has been the Chairman of the Committee on Energy and the Environment which has been in charge of the Governors' part of the conference Sunday and Monday and could be singled out. Governor William Millican is outgoing Chairman of the

Association and has been very helpful this year.

3. How Governor Carroll deals with unanticipated problems will determine his success in his new post. He got a little preparation for that during the Presidential campaign. One evening in Atlanta, at Colony Square, Phil Wise told Jim Gammill that some very important people were coming in the next morning, and needed somewhere to work. Wise asked if they could borrow Gammill's office first thing in the morning. Gammill said sure, he wouldn't even go in there the next morning but would arrange to do his work elsewhere. Two campaign staffers, unaware of these arrangements, had decided to play a joke on Gammill. They coated the inside of Gammill's telephone earpiece with cake frosting. The very important person was Julian Carroll, who emerged from Gammill's office after the first telephone call came in with an ear full of cake frosting, while his two security guards stood by helplessly. You made sure that the phones Governor Carroll had to use while he was here at the White House this time were unfrosted, but he will have many occasions over the next year, no doubt, to use the sense of aplomb and humor he displayed that morning.

4. When you were a legislator you knew that if your area was in trouble you could always call on the Governor. When you were Governor you knew that if things ever got too bad you could always call on the President to help you out. Then when you became President you realized there was nobody up there to call on. But then you soon discovered that when you really needed help you had 50 Governors you could call on.

You have tried to keep in touch with them and work with them on a regular basis rather than waiting until either you or they were in trouble. You feel this has made government work better at both the State and Federal levels and you will continue to seek their advice and expect them to let you know how efforts to improve the State-Federal partnership are working.

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